



SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

# MINUTES

## Audit & Risk Committee Meeting

Held in Council Chambers  
13 Cottrell Street, Dowerin WA 6461  
Tuesday 19 January 2021

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Shire of Dowerin  
Audit & Risk Committee Meeting  
Tuesday 19 January 2021



**1. Official Opening**

The Chair welcomed those in attendance and declared the meeting open at 10.30am.

**2. Record of Attendance / Apologies / Leave of Absence**

**Committee Members:**

Cr DP Hudson	President & Chair
Cr BA Ward	Deputy President
Cr RI Trepp	

**Staff:**

Ms R McCall	Chief Executive Officer
Ms C Delmage	Manager Corporate & Community Services
Ms V Green	Executive & Governance Officer

**Apologies:** Nil

**Approved Leave of Absence:** Nil

**3. Public Question Time**

Nil

**4. Disclosure of Interest**

Nil

**5. Confirmation of Minutes of the Previous Meeting(s)**

5.1 Audit & Risk Committee Meeting held on 28 October 2020

**Attachment 5.1A**

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer's Recommendation/Resolution**

**Moved:** Cr Trepp **Seconded:** Cr Ward

**0340** That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 28 October 2020, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

**CARRIED 3/0**

**6. PRESENTATIONS**

Nil

## 7. OFFICER'S REPORTS

### 7.1 2019/20 Annual Report & Annual Electors Meeting

<h1>Corporate &amp; Community Services</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	6 January 2021	
<b>Location:</b>	Not Applicable	
<b>Responsible Officer:</b>	Cherie Delmage, Manager Corporate & Community Services	
<b>Author:</b>	Vanessa Green, Executive & Governance Officer	
<b>Legislation:</b>	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
<b>Sharepoint Reference:</b>	Organisation/Corporate Management/Reporting/2019-20 Annual Report	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<a href="#">Attachment 7.1A</a> – 2019/20 Annual Report	

#### Purpose of Report

Executive Decision

Legislative Requirement

#### Summary

This Item presents the 2019/20 Annual Report & Audited Financial Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

#### Background

The annual financial statements for the year ended 30 June 2020 have been audited by the Auditors under the Office of the Auditor General (OAG).

The 2019/20 Annual Report which includes the audited financial report and OAG's Opinion Letter is included as an Attachment.

#### Comment

Pursuant to its Terms of Reference, it is relevant that the Audit & Risk Committee considers the 2019/20 Annual Report and where appropriate, makes recommendation(s) in respect of the report.

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

1. the Mayor or President;
2. the Chief Executive Officer; and
3. the Minister for Local Government.

The Opinion Letter included with the 2019/20 Annual Report provides an overview of the audit process and outcomes, whilst also identifying any matters that, whilst generally not material in

relation to the overall audit of the financial report, are nonetheless considered relevant to the day to day operations of Council.

### **2019/20 Annual Report**

This year was the second year the Shire of Dowerin was audited by the OAG. The audit was conducted on-site from 27-29 October 2020. The process was rigorous and extensive.

This was compounded with the change in the *Local Government (Financial Management) Regulations 1996* proclaimed on 6 November 2020 and applied from 1 July 2019.

### **Annual Electors Meeting**

Local governments are required to conduct an Annual Electors Meeting (AEM) not more than 56 days after adopting the Annual Report. A requirement of setting the date is that 14 days Local Public Notice is required for advertising the meeting. Provided that the 2019/20 Annual Report is endorsed by Council at its 19 January 2020 meeting it is recommended that the AEM be held on Thursday 4 February 2021. The date is suggested as the Dowerin Community Club has confirmed availability of the venue and school holidays will be over meaning most people will be back in the district after harvest, the festive period and holidays. It also allows enough time for the minimum 14 day notification period.

### **Discussion with the OAG and Auditors**

Representatives from the OAG and AMD Chartered Accountants conducted the Exit Interview which discussed the Opinion Letter and other relevant matters with the President, CEO, MCCS and EGO via teleconference on Wednesday 16 December 2020.

It is pleasing to note that no matters/findings were made as a result of the audit.

### **Consultation**

OAG / Auditors

Rebecca McCall, Chief Executive Officer

Cherie Delmage, Manager Corporate & Community Services

Vanessa Green, Executive & Governance Officer

Local Public Notice is required to be provided on the availability of the Annual Report and the Annual Electors Meeting.

### **Policy Implications**

Nil

### **Strategic Implications**

#### **Strategic Community Plan**

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

#### **Asset Management Plan**

Nil

#### **Long Term Financial Plan**

Nil

### **Statutory Implications**

Sections 5.27, 5.29, 5.53 and 5.54 of the *Local Government Act 1995* are applicable and state:

**“5.27. Electors’ general meetings**

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors’ meetings are to be those prescribed.*

**5.29. Convening electors’ meetings**

- (1) *The CEO is to convene an electors’ meeting by giving –*
  - (a) *at least 14 days’ local public notice; and*
  - (b) *each council member at least 14 days’ notice,**of the date, time, place and purpose of the meeting.*
- (2) *The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time the notice is first given and is to continue in the prescribed way until the meeting has been held.*

**5.53. Annual reports**

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain –*
  - (a) *a report from the mayor or president; and*
  - (b) *a report from the CEO; and*
  - [(c), (d) *deleted*]
  - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
  - (f) *the financial report for the financial year; and*
  - (g) *such information as may be prescribed in relation to the payments made to employees; and*
  - (h) *the auditor’s report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
  - (ha) *a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and*
  - (hb) *details of entries made under section 5.121 during the financial year in the register of complaints, including –*
    - (i) *the number of complaints recorded in the register of complaints; and*
    - (ii) *how the recorded complaints were dealt with; and*
    - (iii) *any other details that the regulations may require;**and*
    - (i) *such other information as may be prescribed.*

**5.54. Acceptance of annual reports**

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.*

*\* Absolute majority required.*

- (2) *If the auditor’s report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor’s report becomes available.”*

Regulation 3A of the *Local Government (Administration) Regulations 1996* stipulates the requirements for providing Local Public Notice and states:

**“3A. Requirements for local public notice (Act s. 1.7)**

- (1) For the purposes of section 1.7(a), notice of a matter must be published on the local government’s official website for –
  - (a) the period specified in or under the Act in relation to the notice; or
  - (b) if no period is specified in relation to the notice – a period of not less than 7 days.
- (2) For the purposes of section 1.7(b), each of the following ways of giving notice of a matter is prescribed –
  - (a) publication in a newspaper circulating generally in the State;
  - (b) publication in a newspaper circulating generally in the district;
  - (c) publication in 1 or more newsletters circulating generally in the district;
  - (d) publication on the official website of the Department or another State agency, as appropriate having regard to the nature of the matter and the persons likely to be affected by it, for –
    - (i) the period specified in or under the Act in relation to the notice; or
    - (ii) if no period is specified in relation to the notice – a period of not less than 7 days;
  - (e) circulation by the local government by email, text message or similar electronic means, as appropriate having regard to the nature of the matter and the persons likely to be affected by it;
  - (f) exhibition on a notice board at the local government offices and each local government library in the district for –
    - (i) the period specified in or under the Act in relation to the notice; or
    - (ii) if no period is specified in relation to the notice – a period of not less than 7 days;
  - (g) posting on a social media account administered by the local government for –
    - (i) the period specified in or under the Act in relation to the notice; or
    - (ii) if no period is specified in relation to the notice – a period of not less than 7 days.”

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government, and the role of the Audit & Risk Committee in considering the results of those audits.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework
<b>Action (Treatment)</b>	Document Governance Management Framework
<b>Risk Rating (after treatment)</b>	Adequate

### Financial Implications

As the Dowerin Despatch and Avon Advocate are not currently in production, costs for advertising through those papers are not applicable. The costs for notification in accordance with Regulation 3A(2)(e), (f) and (g) will be negligible and can be accommodated within current budget allocations. Similarly, any costs associated with conducting the AEM will be negligible and can be accommodated within current budget allocations.

### Voting Requirements

Simple Majority

Absolute Majority

### Officer's Recommendation

That, in accordance with Sections 5.27, 5.29, 5.53 and 5.54 of the *Local Government Act 1995*, the Audit & Risk Committee:

1. Accepts the 2019/20 Annual Report, as presented in Attachment 7.1A, for the 2019/20 financial year;
2. Recommends to Council that it adopts the 2019/20 Annual Report, as presented in Attachment 7.1A, for the 2019/20 financial year; and
3. Recommends to Council that it conducts its Annual Electors Meeting on Thursday 4 February 2021 at the Dowerin Community Club commencing at 6.00pm.

### Resolution

**Moved:** Cr Ward

**Seconded:** Cr Trepp

**0341** That, in accordance with Sections 5.27, 5.29, 5.53 and 5.54 of the *Local Government Act 1995*, the Audit & Risk Committee:

1. **Accepts the 2019/20 Annual Report, as presented in Attachment 7.1A, for the 2019/20 financial year;**
2. **Recommends to Council that it adopts the 2019/20 Annual Report, as presented in Attachment 7.1A, for the 2019/20 financial year; and**
3. **Recommends to Council that it conducts its Annual Electors Meeting on Wednesday 3 February 2021 at the Dowerin Community Club commencing at 6.00pm.**

**CARRIED BY ABSOLUTE MAJORITY 3/0**

### Reason

The Committee believed that a change in date may be more suitable for some in the community.



**7.2 Risk Dashboard Quarterly Report - December 2020**

## Governance & Compliance



<b>Date:</b>	14 January 2021
<b>Location:</b>	Not Applicable
<b>Responsible Officer:</b>	Rebecca McCall, Chief Executive Officer
<b>Author:</b>	As above
<b>Legislation:</b>	<i>Local Government Act 1995</i>
<b>Sharepoint Reference:</b>	Compliance/Risk Management/Reporting
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	<b><u>Attachment 7.2A</u></b> - Risk Dashboard Quarterly Report - December 2020

### Purpose of Report

Executive Decision

Legislative Requirement

### Summary

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

### Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible. During the quarterly reporting process, Management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

**Comment**

The reviewed Risk Dashboard is included as an Attachment for the Audit & Risk Committee’s perusal and comment.

Management has implemented minor modifications to the risk profiling template. The risk profiles now include control assurances to improve the effectiveness of the Dashboard. Control Assurance is a critical component of a robust management framework, providing the organisation with objective evidence that controls are in place and operating adequately as a basis for signing off on the adequacy of controls over risks. The indicator metrics and terminology were difficult to effectively identify risk appetite, targets, trends and results. To address this the profiling template has been amended to easily recognise risk tolerance, latest result and trend. Template improvements include the due and extension dates for actions so the status can be easily tracked.

**Consultation**

Rebecca McCall, Chief Executive Officer  
 Cherie Delmage, Manager Corporate & Community Services  
 Les Vidovich, Manager Works & Assets

**Policy Implications**

Council Policy 2.2 – Risk Management Policy is applicable.

**Strategic Implications**

**Strategic Community Plan**

Community Priority: Our Leaders  
 Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs  
 Outcome: 3  
 Reference: L5

**Asset Management Plan**

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

**Long Term Financial Plan**

Identified key controls and actions associated with financial management are factored into the Long Term Financial Plan.

**Statutory Implications**

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)

<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

**Financial Implications**

Many of the actions required to manage the risks identified will require resourcing and are being progressed within current budget allocations.

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer's Recommendation/Resolution**

**Moved:** Cr Ward **Seconded:** Cr Trepp

**0342** That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. Receives the Risk Dashboard Quarterly Report - December 2020, as presented in Attachment 7.2A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin; and
2. Recommends to Council that it adopts the Risk Dashboard Quarterly Report - December 2020.

**CARRIED 3/0**

### 7.3 Resignation of External Member

## Governance & Compliance



<b>Date:</b>	7 January 2021
<b>Location:</b>	Not Applicable
<b>Responsible Officer:</b>	Rebecca McCall, Chief Executive Officer
<b>Author:</b>	Vanessa Green, Executive & Governance Officer
<b>Legislation:</b>	<i>Local Government Act 1995</i>
<b>Sharepoint Reference:</b>	Organisation/Governance/Committees
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	Nil

#### Purpose of Report

Executive Decision

Legislative Requirement

#### Summary

This Item presents a proposal to recruit an external member to the Shire of Dowerin Audit & Risk Committee following the resignation of the current external member to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

#### Background

The *Local Government Act 1995* requires that an audit committee is to consist of a minimum of 3 members and in that situation all must be council members. Where a committee consists of more than 3 members then a majority of those members must be council members. Local governments may decide to appoint a committee involving only elected members or they may appoint one or more persons who are external to Council. If Council considers it appropriate, the whole Council can be appointed to the audit committee.

If the local government wishes to appoint one or more persons other than elected members to the committee, which is something the Department of Local Government, Sport & Cultural Industries recommends, it should ensure that they have the requisite knowledge and skills to provide benefit to the committee.

On 17 May 2016, Ms Jenni Law, the (then) Director of Local Government Regulation and Support from the (also then) Department of Local Government and Communities presented to the Finance Committee Meeting. At this meeting Ms Law outlined and clarified the role of an audit committee. Based on Ms Law's recommendations and advice, the Terms of Reference (ToR) for the Shire's Audit Committee were reviewed and endorsed by the Committee at its July 2016 meeting.

The updated ToR recommended that Council co-opt a suitably qualified and skilled external representative to the Committee. The Committee suggested a few people it believed were suitable for the position and contact was made with those individuals. As a result, Mr Jason Whiteaker, CEO at the Shire of Northam, accepted the invitation as the Committee's external representative, with the appointment being endorsed by Council at its July 2016 meeting (Item 10.1.3).

On Wednesday 6 January 2020 Mr Whiteaker emailed the Shire President to advise that, with regret, he had decided to resign from the Shire of Dowerin Audit & Risk Committee. The reasons provided include Mr Whiteaker's current workloads and the resultant inability to attend some

meetings. Mr Whiteaker believed he was no longer able to contribute to the Committee at the level he would expect and therefore felt it was in both his and Council's best interests that he resign.

While the resignation is unfortunate, it is completely understandable as the time constraints and other obligations on the CEO of the Shire of Northam would be considerable, meaning finding the time to commit to an external committee would indeed be challenging.

In accordance with the Committee's ToR, a new external representative will need to be identified and appointed.

#### Comment

The Terms of Reference for the Shire's Audit & Risk Committee, in respect to membership, state:

*"The CEO is not to be a member of the Committee and may not nominate a person to be a member of the Committee, or have a person represent the CEO as a member of the Committee. Similarly, an employee is not to be a member of the Committee.*

*As a minimum, the Shire's Committee will consist of 4 members, being 3 Councillors and 1 external representative. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected members.*

*All members will have full voting rights. In the event of a tie the Chairperson will have the casting vote.*

*The appointment of external members shall be based on the following criteria:*

- 1. A suitably experienced professional who can demonstrate a high level of expertise and knowledge in financial management, risk management, governance and audit (internal and external);*
- 2. Have an understanding of the duties and responsibilities of the position, ideally with respect to local government financial reporting and auditing requirements;*
- 3. Have strong communication skills;*
- 4. Have relevant skills and experience in providing independent audit advice; and*
- 5. Be a person with no operating responsibilities with the Shire nor provide paid services to the Shire either directly or indirectly.*

*The appointment and re-appointment of external members shall be made by Council by way of invitation and be for a period of up to 4 years. External members will not be appointed for more than three consecutive terms.*

*External members will be required to confirm they will operate in accordance with the Shire's Code of Conduct and will be required to follow Council's policies pertaining to the Committee operations.*

*Council may, by resolution, terminate the appointment of any external member prior to the expiry of their term if:*

- 1. The Committee, by majority decision, determines the member is not making a positive contribution to the Committee; or*
- 2. The member is found to be in breach of the Shire's Code of Conduct or a serious contravention of the Local Government Act 1995; or*
- 3. A member's conduct, action or comments brings the Shire into disrepute.*

*The Chairperson of the Committee is to be appointed by majority vote of the Committee. The Chairperson can be a Councillor or an external member.*

*The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Shire. At least 1 member of the Committee will have accounting or related financial and/or risk management experience.*

*Reimbursement of approved expenses may be paid to an external member in accordance with Section 5.100 of the Local Government Act 1995.*

*The CEO, Manager Corporate & Community Services and/or their nominee is to attend meetings to provide advice and guidance to the Committee.*

*The Shire shall provide secretarial and administrative support to the Committee.*

*A quorum will be a majority of members.*

*New members will receive relevant information and briefings on their appointment to assist them meet their Committee responsibilities."*

It is suggested that expressions of interest via Local Public Notice be called to identify interested people who meet the above criteria for appointment as the Committee's external representative. The reason for this recommendation is one of impartiality, in that by seeking an external representative via a public expression of interest process, there can be limited claims of bias or preference and may generate interest from members of the public who may not otherwise be considered.

Alternatively, the Committee may wish to nominate specific individuals it believes would be suitably skilled and qualified to meet the above criteria, for contact to be made with those persons.

During his tenure as an external member of the Audit & Risk Committee, Mr Whiteaker's advice and support have been invaluable and greatly appreciated. Such advice has enabled and assisted in various improvements being implemented to the Shire's risk management and integrity systems and controls.

### Consultation

Cr Darrel Hudson, Shire President and Audit & Risk Committee Chair  
Rebecca McCall, Chief Executive Officer  
Cherie Delmage, Manager Corporate & Community Services  
Vanessa Green, Executive & Governance Officer

### Policy Implications

Nil

### Strategic Implications

#### Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 3

Reference: L5

#### Asset Management Plan

Nil

#### Long Term Financial Plan

Nil

### Statutory Implications

Section 5.10 of the *Local Government Act 1995* is applicable and states:

#### **"5.10. Committee members, appointment of**

- (1) *A committee is to have as its members –*
  - (a) *persons appointed\* by the local government to be members of the committee (other than those referred to in paragraph (b)); and*
  - (b) *persons who are appointed to be members of the committee under subsection (4) or (5).*

*\* Absolute majority required.*

- (2) *At any given time each council member is entitled to be a member of at least one committee referred to in section 5.9(2)(a) or (b) and if a council member nominates himself or herself to be a member of such a committee or committees, the local government is to include that council member in the persons appointed under subsection (1)(a) to at least one of those committees as the local government decides.*

- (3) *Section 52 of the Interpretation Act 1984 applies to appointments of committee members other than those appointed under subsection (4) or (5) but any power exercised under section 52(1) of that Act can only be exercised on the decision of an absolute majority of the council.*
- (4) *If at a meeting of the council a local government is to make an appointment to a committee that has or could have a council member as a member and the mayor or president informs the local government of his or her wish to be a member of the committee, the local government is to appoint the mayor or president to be a member of the committee.*
- (5) *If at a meeting of the council a local government is to make an appointment to a committee that has or will have an employee as a member and the CEO informs the local government of his or her wish –*
  - (a) *to be a member of the committee; or*
  - (b) *that a representative of the CEO be a member of the committee,**the local government is to appoint the CEO or the CEO's representative, as the case may be, to be a member of the committee."*

Regulation 4 of the *Local Government (Administration) Regulations 1996* is applicable and states:

**"4. Committee members, resignation of**

*A committee member may resign from membership of the committee by giving the CEO or the committee's presiding member written notice of the resignation."*

Regulation 16 of the *Local Government (Audit) Regulations 1996* is applicable to the functions of an audit committee and states:

**"16. Functions of audit committee**

*An audit committee has the following functions –*

- (a) *to guide and assist the local government in carrying out –*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to –*
  - (i) *report to the council the results of that review; and*
  - (ii) *give a copy of the CEO's report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –*
  - (i) *regulation 17(1); and*
  - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government –*
  - (i) *is required to take by section 7.12A(3); and*
  - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
  - (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
  - (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*

(g) to perform any other function conferred on the audit committee by these regulations or another written law.”

### Risk Implications

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework
<b>Action (Treatment)</b>	Document Governance Management Framework
<b>Risk Rating (after treatment)</b>	Adequate

### Financial Implications

Expense will be incurred for advertising the expression of interest, however these costs are expected to be minimal and can be accommodated within the current allocation for advertising at GL: 2040240 OTH GOV - Advertising & Promotion.

### Voting Requirements

Simple Majority  Absolute Majority

### Officer's Recommendation/Resolution

**Moved:** Cr Trepp **Seconded:** Cr Ward

**0343** That, in accordance with the Audit and Risk Committee Terms of Reference, the Audit and Risk Committee recommends to Council that it:

1. Notes the resignation of Mr Jason Whiteaker as the external member of the Shire of Dowerin Audit and Risk Committee;
2. Conducts an advertising process calling for expressions of interest from suitably qualified and skilled persons to be appointed as an external representative to the Shire of Dowerin Audit and Risk Committee; and
3. Provides formal acknowledgement in appreciation to Mr Jason Whiteaker for his advice and support provided during his tenure as the external member of the Shire of Dowerin Audit and Risk Committee.

**CARRIED 3/0**



<b>8.</b>	<b>Questions from Members</b>
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Nil

<b>9.</b>	<b>Urgent Business Approved by the Person Presiding or by Decision</b>
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Nil

<b>10.</b>	<b>Date of the Next Meeting</b>
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To be held on Monday 15 March 2021 commencing at 4.00pm.

<b>11.</b>	<b>Closure</b>
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There being no further business the Chair thanked those in attendance and declared the meeting closed at 11.06am.



SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

# MINUTES

## Audit & Risk Committee Meeting

Held in Council Chambers  
13 Cottrell Street, Dowerin WA 6461  
Wednesday 28 October 2020



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<b>11.</b>	<b>Closure</b>

Shire of Dowerin  
Audit & Risk Committee Meeting  
Wednesday 28 October 2020



**1. Official Opening**

The Chair welcomed those in attendance and declared the meeting open at 2.00pm.

**2. Record of Attendance / Apologies / Leave of Absence**

**Committee Members:**

Cr DP Hudson	President & Chair
Cr BA Ward	Deputy President
Cr RI Trepp	

**Staff:**

Ms R McCall	Chief Executive Officer
Ms C Delmage	Manager Corporate & Community Services
Ms V Green	Executive & Governance Officer

**Apologies:** Mr JB Whiteaker, CEO Shire of Northam (external member)

**Approved Leave of Absence:** Nil

**3. Public Question Time**

Nil

**4. Disclosure of Interest**

Nil

**5. Confirmation of Minutes of the Previous Meeting(s)**

5.1 Audit & Risk Committee Meeting held on 21 July 2020

**Attachment 5.1A**

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer's Recommendation/Resolution**

**Moved:** Cr Trepp **Seconded:** Cr Hudson

**0296** That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 21 July 2020, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

**CARRIED 3/0**

**6. PRESENTATIONS**

Nil

## 7. OFFICER'S REPORTS

### 7.1 Risk Dashboard Quarterly Report - September 2020

<h1>Governance &amp; Compliance</h1>		 SHIRE OF <b>DOWERIN</b> TIN DOG TERRITORY
<b>Date:</b>	19 October 2020	
<b>Location:</b>	Not Applicable	
<b>Responsible Officer:</b>	Rebecca McCall, Chief Executive Officer	
<b>Author:</b>	As above	
<b>Legislation:</b>	<i>Local Government Act 1995</i>	
<b>Sharepoint Reference:</b>	Compliance/Risk Management/Reporting	
<b>Disclosure of Interest:</b>	Nil	
<b>Attachments:</b>	<b>Attachment 7.1A</b> - Risk Dashboard Quarterly Report - September 2020	

#### Purpose of Report

Executive Decision

Legislative Requirement

#### Summary

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

#### Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

1. Transparency of decision making;
2. Clear identification of the roles and responsibilities of the risk management functions; and
3. An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play and its responsibilities include:

1. Regular review of the appropriate and effectiveness of the Risk Management Framework;
2. Support Council to provide effective corporate governance;
3. Oversight of all matters that relate to the conduct of external audits; and
4. Must be independent, objective and autonomous in deliberations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible. During the quarterly reporting process, Management are required to review any risks within their area and follow up controls and treatments/actions that are mitigating those risks.

**Comment**

The reviewed Risk Dashboard is included as an Attachment for the Audit & Risk Committee’s perusal and comment.

At its July 2020 meeting the Committee were advised that Management proposed to introduce a new Risk Theme covering Financial Management as with the introduction of the Risk Implications Table (which is directly linked to the Risk Management Framework and the Risk Dashboard) to the agenda templates, it was identified that some Items are not appropriately addressed in the existing Risk Themes. In discussing the proposal with Michael Spark from LGIS, he suggested not introducing Financial Management as a separate theme as aspects of financial controls are identified throughout the existing themes. Feedback from the Committee is sought on whether it wishes to proceed with developing a new theme specifically for financial management or leave the Risk Dashboard with its current themes.

In this latest review, Management has concentrated on refining measurable indicators that have a purpose. Further refinement and identification of suitable indicators continues. Over the next six months Management plans to include more detail to report on control assurance.

**Consultation**

Michael Sparks, Senior Risk Consultant - Risk and Governance Services, LGIS  
 Rebecca McCall, Chief Executive Officer  
 Cherie Delmage, Manager Corporate & Community Services  
 Vanessa Green, Executive & Governance Officer

**Policy Implications**

Policy 2.2 – Risk Management Policy is applicable.

**Strategic Implications**

**Strategic Community Plan**

Community Priority: Our Leaders  
 Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs  
 Outcome: 3  
 Reference: L5

**Asset Management Plan**

Identified key controls and actions associated with asset management are factored into the Asset Management Plan.

**Long Term Financial Plan**

Identified key controls and actions associated with financial management are factored into the Long Term Financial Plan.

**Statutory Implications**

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
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<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework; Governance Calendar
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

### Financial Implications

Many of the actions required to manage the risks identified will require resourcing and are being progressed within current budget allocations.

### Meeting Comment

Prior to the meeting Mr Whiteaker provided a written query noting there were quite a number of items due in 2020 which have not been completed. Staff acknowledge this is the case and have included new deadline dates for those items (refer to the Status of Actions and Comments fields in the Attachment). To further address this it is proposed that the current status of the deferred items is specifically reported on in the Comment section of future agenda items relating to the quarterly reviews of the Risk Dashboard.

Mr Whiteaker also raised a concern relating to the lack of controls around internal fraud. The CEO advised the Misconduct Theme would be reviewed and suggested a June 2021 deadline.

The CEO advised the committee it is anticipated to include a new format for Control Assurance. It is hoped this will be implemented for the December quarterly review but if not, it will be in place for the March quarterly report. Again, it is proposed that where a deadline has not been achieved this is specifically reported on in the Comment section of future agenda items.

The main focus for the September quarterly review has been on identifying appropriate indicators to ensure they are measurable and clearly outline what the target is. This will also assist in identifying trends.

The Committee proposed a new example of Types and Targets to be included in the next quarter's reports as it is felt the terminology does not accurately capture the intent behind the Indicators.

### Voting Requirements



Simple Majority



Absolute Majority

### Officer's Recommendation

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. Receives the Risk Dashboard Quarterly Report – September 2020, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin; and
2. Recommends to Council that it adopts the Risk Dashboard Quarterly Report – September 2020.

## Resolution

**Moved:** Cr Trepp

**Seconded:** Cr Ward

**0297** That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. Receives the Risk Dashboard Quarterly Report – September 2020, as presented in Attachment 7.1A, on the progress of actions to identify risks and track treatments to manage risks at the Shire of Dowerin, noting and endorsing the deferment due dates for various actions not able to be completed in 2020; and
2. Recommends to Council that it adopts the Risk Dashboard Quarterly Report – September 2020.

**CARRIED 3/0**

## Reason

The Committee recognised that some actions were unable to be completed due to COVID-19 and other operational issues and accepted the proposed new deadline dates for these items.



**7.2 2020 Compliance Audit Return – Consideration of External Consultants**

## Governance & Compliance



<b>Date:</b>	19 October 2020
<b>Location:</b>	Not applicable
<b>Responsible Officer:</b>	Rebecca McCall, Chief Executive Officer
<b>Author:</b>	Vanessa Green, Executive & Governance Officer
<b>Legislation:</b>	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
<b>Sharepoint Reference:</b>	Organisation/Corporate Management/Reporting/2020 Compliance Audit Return
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	<b>Confidential Attachment 7.2A</b> - Quotations

### Purpose of Report

Executive Decision

Legislative Requirement

### Summary

This Item presents a proposal to appoint an external consultant to complete the Shire’s 2020 Compliance Audit Return (CAR) to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for endorsement.

### Background

Each year every local government is required to carry out a compliance audit in relation to the period 1 January to 31 December against the requirements of the CAR. The CAR is one of the tools available to the Audit & Risk Committee and Council in its governance monitoring role. The CAR also forms part of the Department of Local Government, Sport & Cultural Industry’s (DLGSC) monitoring program.

The CAR covers a robust area of risk assessment and compliance with auditing in compliance with the *Local Government Act 1995* and associated Regulations. The objective of the CAR is to identify risks to the organisation where non-compliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

The below table details the Shire’s previous CAR results:

Year	No. Questions	% Result
2019	104	97%
2018	95	94.7%
2017	94	98.9%

The Shire’s 2018 and 2019 CAR were completed in-house, with Mr Gary Martin being appointed by the then CEO to complete the 2017 CAR. It is best practice for local governments to appoint external consultants to complete the CAR every three or so years as it can improve confidence and

rigour around the process. In addition, it can be used as a method for improving current practices with an outside perspective on operations and business practices.

To that end, staff sought quotes from suitably qualified consultants to complete the 2020 CAR.

**Comment**

Council Policy 4.11 – Purchasing Policy states that for purchases less than \$5,000, one oral or written quotation is to be obtained, however in order to appropriately test the market five quotes were requested.

The quotes received, in order of price, include:

Consultant	Quotation	Comment
Conway Highbury	\$2,500	Includes travel and accommodation
Gary Martin	\$3,000	Plus accommodation (2 nights @ \$110/night = \$3,200)
DL Consulting	\$3,255	Plus accommodation (1 night @ \$110/night = \$3,365)
BHW Consulting	\$4,700	Includes travel and accommodation
Quantam Assurance	\$5,450	Includes travel and accommodation

The prices above exclude GST. It should be noted that most of the above quotes allow for one (overnight) site visit to Dowerin. However, the quote from Mr Martin suggests a site visit for 3-4 days which will increase the cost of accommodation. Staff suggest a 2-night stay would be more than adequate and this has been detailed above.

Further information on the consultants and their methodology for conducting the CAR is included in the confidential Attachment.

Staff have made significant inroads into the matter of improving governance and compliance within the organisation, however for the benefit of a fresh perspective on compliance, it is recommended that an external consultant be appointed to conduct the Shire’s 2020 CAR.

**Consultation**

Senior Management Group

**Policy Implications**

Policy 2.2 – Risk Management Policy is applicable

**Strategic Implications**

**Strategic Community Plan**

- Community Priority: Our Leaders
- Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs
- Outcome: 2 & 3
- Reference: L3, L4 & L5

**Asset Management Plan**

Nil

**Long Term Financial Plan**

Nil

## Statutory Implications

Regulation 16 of the *Local Government (Audit) Regulations 1996* is applicable and states:

### **“16. Functions of audit committee**

*An audit committee has the following functions –*

- (a) *to guide and assist the local government in carrying out –*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to –*
  - (i) *report to the council the results of that review; and*
  - (ii) *give a copy of the CEO's report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –*
  - (i) *regulation 17(1); and*
  - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government –*
  - (i) *is required to take by section 7.12A(3); and*
  - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
  - (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
  - (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.”*

Section 7.13(1)(i) of the *Local Government Act 1995* requires local governments to carry out a compliance audit in a manner specified by Regulation.

Regulation 14 of the *Local Government (Audit) Regulations 1996* is applicable and states:

### **“14. Compliance audits by local governments**

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be –*
  - (a) *presented to the council at a meeting of the council; and*
  - (b) *adopted by the council; and*
  - (c) *recorded in the minutes of the meeting at which it is adopted.”*

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)
<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

**Financial Implications**

The 2020/21 Budget does not include a specific allocation to cover the costs of an external consultant to complete the 2020 CAR. However, there is a general consultant allocation at GL: 20554 GOV Other – Consultants which includes an amount of \$10,000.

Should the Audit & Risk Committee wish to conduct the 2020 CAR in-house, an alternative may be to include funds in the 2021/22 Budget, based on the quotes received, for an external consultant to complete the Shire’s 2021 CAR.

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer’s Recommendation/Resolution**

**Moved:** Cr Ward **Seconded:** Cr Trepp

**0298** That, in accordance with Regulation 16(b) of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee recommends to Council that Conway Highbury be appointed to complete the 2020 Compliance Audit Return for the quoted price of \$2,500 including travel and accommodation, with funds allocated from GL: 20554 GOV Other - Consultants.

**CARRIED 3/0**

**7.3 Considerations from the Inquiry into the City of Perth and the Inquiry into the Shire of Toodyay – Options for Internal Audit**

**Governance & Compliance**



<b>Date:</b>	22 October 2020
<b>Location:</b>	Not applicable
<b>Responsible Officer:</b>	Rebecca McCall, Chief Executive Officer
<b>Author:</b>	Vanessa Green, Executive & Governance Officer
<b>Legislation:</b>	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
<b>Sharepoint Reference:</b>	Organisation/Corporate Management/Reporting
<b>Disclosure of Interest:</b>	Nil
<b>Attachments:</b>	<p><b>Attachment 7.3A</b> – City of Perth Inquiry Report</p> <p><b>Attachment 7.3B</b> – Shire of Toodyay Inquiry Report</p> <p><b>Attachment 7.3C</b> – OAG Audit Committee Better Practice Guide</p>

**Purpose of Report**

Executive Decision

Legislative Requirement

**Summary**

This Item presents a proposal to conduct a desktop internal audit to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for endorsement.

**Background**

The Inquiry into the City of Perth was announced in April 2018 by the Minister for Local Government under Section 8.16 of the *Local Government Act 1995* with the final Report of Inquiry into the City of Perth being tabled in Parliament on 11 August 2020. The Report outlined a litany of dysfunction, poor governance, factionalism, and fertile ground for greed, incompetence and mismanagement.

The Report is massive at 2,000 pages containing 250 Findings and 350 Recommendations which have implications for both the City of Perth and the wider local government sector. The Report's Recommendations that apply to the local government sector are broadly supported by the State Government hence it is likely that these, together with the recommendations of the Local Government Act Review Report and the , will feed into the Local Government Act Review process.

The Report's Recommendations are significant and have the potential to greatly change the way in which local governments are expected to operate and behave into the future.

In addition to the City of Perth inquiry, the Report into the Inquiry into the Shire of Toodyay was tabled in Parliament on 13 October 2020. The report includes 25 Findings and 5 Recommendations. Through the investigation, poor financial and administration management practices were identified.

**Comment**

Council discussed the implications of the City of Perth Inquiry Report at its October 2020 Workshop, and also mentioned the findings from the Shire of Toodyay Report, with it being suggested that conducting an internal audit on some of the findings from those Reports may be

beneficial for the Shire of Dowerin. As a result of that discussion, this matter is presented to the Audit & Risk Committee for consideration.

In June 2020 the Office of the Auditor General (OAG) released its report on Western Australian Public Sector Audit Committees – Better Practice Guide. The Guide’s purpose and objectives are to provide better practice principles and guidance to enable audit committees to perform efficiently and effectively.

Tool 8 in the OAG Guide (page 50) includes a template which audit committees can use to self-assess an entity’s performance. It is proposed that this tool be used to conduct a desktop internal audit on select findings from the City of Perth and Shire of Toodyay Inquiry Reports for the purpose of identifying risks and improvement opportunities within the Shire of Dowerin as part of our work towards continuous improvement.

Copies of both Inquiry Reports are included as an Attachment. Staff have not made recommendations to the Audit & Risk Committee on which Findings should be included in the internal audit so as not to sway the Committee’s decision on the topics or areas it believes an audit could be beneficial.

Committee Members are requested to review both Inquiry Reports and provide direction to staff on which Findings to include in the internal audit. For the audit to be relevant, staff recommend that the Findings cover a broad area of business operations and suggest that at least 10 Findings be included, with the final number being the decision of the Committee. The Committee’s recommendation will be presented to Council who may wish to include additional Findings to the audit.

It is proposed that the results of the internal audit will be presented to the Committee in the early new year.

## Consultation

Council Workshop 20 October 2020

Senior Management Group

## Policy Implications

Policy 2.2 – Risk Management Policy is applicable.

Whilst not policy, the Audit & Risk Committee’s Terms of Reference include (but are not limited to) the following Functions:

1. *“Provide guidance and assistance to Council as to the carrying out of the functions of the local government in relation to internal audits;*
2. *Review all internal audit reports and provide advice to Council on significant issues (i.e. high and extreme) identified in audit reports and the action to be taken on issues raised, including identification and dissemination of good practice;*
3. *Monitor management’s implementation of internal audit recommendations;*
4. *Receive the findings of special internal audit assignments undertaken at the request of Council or the CEO;*
5. *Receive recommendations arising from reviews of local government systems and procedures; and*
6. *Oversee the effectiveness of the systems for monitoring compliance with relevant laws, regulations and associated government policies.”*

## Strategic Implications

### Strategic Community Plan

Community Priority: Our Leaders

Objective: A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs

Outcome: 2 & 3

Reference: L3, L4 & L5

**Asset Management Plan**

Nil

**Long Term Financial Plan**

Nil

**Statutory Implications**

Regulation 16 of the *Local Government (Audit) Regulations 1996* is applicable and states:

**“16. Functions of audit committee**

*An audit committee has the following functions –*

- (a) *to guide and assist the local government in carrying out –*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government’s functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the **CEO’s report**) and is to –*
  - (i) *report to the council the results of that review; and*
  - (ii) *give a copy of the CEO’s report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –*
  - (i) *regulation 17(1); and*
  - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor’s other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government –*
  - (i) *is required to take by section 7.12A(3); and*
  - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
  - (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
  - (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.”*

**Risk Implications**

<b>Risk Profiling Theme</b>	Failure to fulfil statutory regulations or compliance requirements
<b>Risk Category</b>	Compliance
<b>Risk Description</b>	No noticeable regulatory or statutory impact
<b>Consequence Rating</b>	Insignificant (1)

<b>Likelihood Rating</b>	Rare (1)
<b>Risk Matrix Rating</b>	Low (1)
<b>Key Controls (in place)</b>	Governance Management Framework
<b>Action (Treatment)</b>	Document Governance Framework
<b>Risk Rating (after treatment)</b>	Adequate

**Financial Implications**

Any costs associated with staff time in completing the internal audit can be accommodated within the 2020/21 Budget.

**Voting Requirements**

Simple Majority  Absolute Majority

**Officer's Recommendation**

That, in accordance with Regulation 16(g) of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee recommends to Council that staff undertake a desktop internal audit of the following selected Findings from the Report of Inquiry into the City of Perth and the Report of Inquiry into the Shire of Toodyay, with the results of the audit to be presented to the Audit and Risk Committee and Council for consideration:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Resolution**

**Moved:** Cr Ward **Seconded:** Cr Trepp

**0299** That, in accordance with Regulation 16(g) of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee recommends to Council that staff undertake a desktop internal audit of the following items, with the results of the audit to be presented to the Audit and Risk Committee and Council for consideration:

1. Previous audit findings to ensure they have been actioned and completed;
2. Disposal of the Anderson Street properties to ensure compliance;
3. Procurement processes and procedures to ensure compliance; and
4. Provide a status update on the Recommendations from the Financial Management Review Report conducted by Mr Ron Back in March 2016.

**CARRIED 3/0**

**Reason**

The Committee believed that auditing actions, processes and procedures considered more applicable to Dowerin was a higher priority and more relevant as a benefit to the organisation.



<b>8.</b>	<b>Questions from Members</b>
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Nil

<b>9.</b>	<b>Urgent Business Approved by the Person Presiding or by Decision</b>
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**9.1 2019 Regulation 17 Report – Report to Council**

This matter is being reported to the Audit & Risk Committee for the purposes of maintaining integrity and transparency.

In preparation for the 2020 Regulation 17 Report staff have identified an error in the process undertaken for 2019 Regulation 17 Report in that, while it was presented to the Audit & Risk Committee at its meeting of 19 December 2019 (CMRef 0122), it was not presented to Council as required by Regulation 16(c) of the *Local Government (Audit) Regulations 1996*, which states:

**“16. Functions of audit committee**

*An audit committee has the following functions –*

- (a) to guide and assist the local government in carrying out –
  - (i) its functions under Part 6 of the Act; and*
  - (ii) its functions relating to other audits and other matters related to financial management;**
- (b) to guide and assist the local government in carrying out the local government’s functions in relation to audits conducted under Part 7 of the Act;*
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO’s report**) and is to –
  - (i) report to the council the results of that review; and*
  - (ii) give a copy of the CEO’s report to the council;**
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –
  - (i) regulation 17(1); and*
  - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);**
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor’s other duties under the Act in respect of the local government;*
- (f) to oversee the implementation of any action that the local government –
  - (i) is required to take by section 7.12A(3); and*
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
  - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
  - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);**
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.”*

The mistake was not intentional and is due to human error. It does however identify a risk in the procedure for reporting Committee recommendations to Council.

Current practice is that any Committee recommendations are duplicated as an individual agenda item for presentation to Council. To reduce the risk of the mistake occurring in the future, it is proposed that the Council agenda be amended to include a ‘standing

item' to receive any recommendations from Committees immediately after Council has received the minutes of a Committee's meeting which contains said recommendation(s). It is believed this will act as a 'memory jog' to staff to review the Committee's minutes to identify any recommendations which need to be considered by Council.

A report on the 2019 Regulation 17 Report will be presented to Council's November 2020 meeting in order to comply with Regulation 16(c).

In addition to the above, staff have identified a follow-on error in the reporting on the 2019 Compliance Audit Return.

For question 2 of the Optional Questions relating to the Regulation 17 Report, staff answered the question as Yes, that the Report had been undertaken in the last 3 years using Council's November 2019 resolution as evidence (CMRef 0083). However, that resolution was for the receipt/adoption of the supplementary report undertaken by Mr Gary Martin, not the report required to be completed by the CEO as presented to the Audit & Risk Committee's December 2019 meeting. Hence, what was adopted by Council at its November 2019 meeting cannot be considered as the actual Regulation 17 Report as it requires a recommendation from the Committee to Council for it consider the review report and findings.

That aside, it should be noted that, in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance not less than once in every 3 financial years.

It is Management's preference that the Regulation 17 Report is presented to the Audit & Risk Committee and Council annually rather than the legislated timeframe of 3 years. The Shire of Dowerin's 2018 Regulation 17 Report was considered by the Audit & Risk Committee at its March 2019 meeting (Item 7.3) and was subsequently presented to Council at its March 2019 meeting (Item 10.2.6) therefore, despite the mistake with the 2019 Regulation 17 Report, the Shire can still be considered compliant with Regulation 17. It is the March 2019 meeting reference which should have been included in the Comment section of question 2 mentioned above.

While no resolution was made, the Committee noted the information.

<b>10.</b>	<b>Date of the Next Meeting</b>
------------	---------------------------------

As it is noted that the date of the next meeting will depend on when the audited financial statements are received from the Office of the Auditor General it was the Committee's preference to wait until the Management Letter is available prior to conducting the next meeting, as opposed to conducting a meeting in December 2020 for any other reason.

Therefore, the next meeting will be held on a date and at a time yet to be determined.

<b>11.</b>	<b>Closure</b>
------------	----------------

There being no further business the Chair thanked those in attendance and declared the meeting closed at 2.52pm.



# Annual Report 2019/2020





## Shire of Dowerin

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SHIRE OF  
**DOWERIN**  
TIN DOG TERRITORY

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# Vision Statement

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.





## OUR VISION, VALUES AND MISSION

Identified during the public engagement process for the development of the Strategic Community Plan, the Dowerin community adopted the following as its Vision Statement:

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.

In delivering this Vision for the community the Shire of Dowerin recognises the following Community Values:



### **Communication**

Regular communication ensures the whole community is informed and aware



### **Progress**

Driving change through innovative and strong leadership



### **Community Spirit and Participation**

Inclusive, caring and involved community



### **Transparency**

Open, honest and accountable



## SHIRE'S PRIORITIES

1

A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to evolving community needs.

2

A safe, friendly and engaged community with diverse education and employment opportunities, high quality facilities, and services that meet the needs of all generations.

3

Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management.

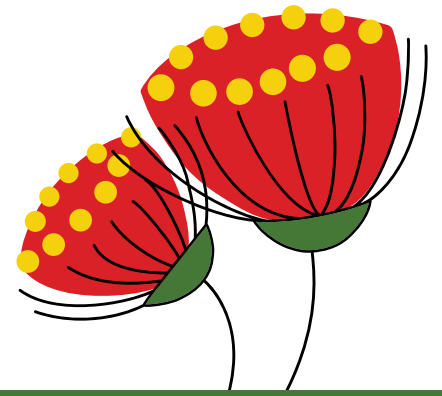
4

Our infrastructure will drive economic and population growth, be a key enabler of the digital economy and support reliable, efficient service delivery.

5

A strong and growing local economy supported by new industry development aligned to identified economic opportunity.





## PRESIDENT'S MESSAGE

This year has presented us all with unprecedented challenges, but despite this, the Shire and our community have worked together well.

### **2019 LOCAL GOVERNMENT ELECTIONS**

October 2019 saw the local government elections conducted across the state. Dowerin had four positions vacant and at the close of nominations, four nominations had been received.

Consequently Councillors Chatfield, Metcalf and Trepp were re-elected unopposed, with Jason Sewell being newly elected. In choosing not to re-nominate for Council, I would like to thank Brenton Walsh for his time and commitment to Council during his term and welcome Councillor Sewell as part of the team.

Additionally, I am proud to have been nominated and elected unopposed to the position of President and congratulate Councillor Metcalf as also being elected unopposed as Deputy President.

### **COVID-19 PANDEMIC**

I could not complete this report without mentioning the worldwide pandemic which has had an extraordinary effect on so many of us. The restrictions introduced by our Federal and State Governments

changed the way in which we lived our lives and made us focus on what is really important to us as individuals and communities.

I am pleased to say that through it all Dowerin has fared relatively well, certainly in comparison to other areas. While food supply shortages were a concern, the response of the COVID-19 Working Group ensured those most vulnerable within our community were quickly identified and had access to the necessary support and assistance they required.

The cancellation of the 2020 Dowerin Field Days was a major decision taken early on as the pandemic effects and restrictions hit home. While the loss of the event will have significant impacts to our community, particularly our local groups and clubs who benefit greatly from the fundraising activities the Field Days bring, Dowerin Events Management are to be commended for taking such decisive action to ensure the safety of our community and the event participants. We look forward to the Field Days returning in the future, even bigger and better than before.

## REVIEW OF REPRESENTATION

At its May 2020 meeting Council resolved to conduct a review of its representation (CMRef 0198) with a Discussion Paper released for public comment.

The Discussion Paper is designed to assist the community in considering options and ideas as well as clarifying factors that will form part of the review.

The purpose of the review is to assess whether eight councillors and a no wards structure is still an appropriate situation for the Shire.

The outcome of the review is expected to be determined by Council early in the new financial year. Should any changes be proposed, it is anticipated they would be in effect for the Ordinary Local Government Elections being held in October 2021.

## NEWROC MEMBERSHIP

Also at its May 2020 meeting Council resolved to become a member of the North Eastern Wheatbelt Regional Organisation of Councils (NEWROC), whilst exiting its membership from the Avon Regional Organisation of Councils (CMRef 0205).

Council believes there are natural synergies between the NEWROC Member Councils and the Shire of Dowerin in terms of similar sized communities and challenges, which

presents more opportunity for regional collaboration. In addition, the NEWROC Strategic Plan identifies focus areas which align with a number of objectives outlined in Dowerin's Strategic Community Plan.

NEWROC membership provides an exciting opportunity for Dowerin to be a part of a proactive group of councils and we look forward to working with the NEWROC Members to achieve some great benefits for our communities and the region.

## THANK YOU & ACKNOWLEDGEMENTS

As President of Council I take this opportunity to thank my fellow Councillors for their support and dedication to Council and our community. Some important decisions have been made over the last twelve months and it is pleasing to see a clear way forward.

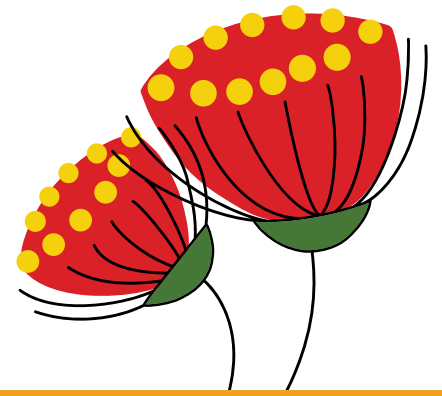
In addition, this year has again seen a number of changes in staff and I would like to welcome all the new employees to Dowerin.

Finally, I am proud of the way in which we have all worked cohesively together through these difficult times to hold Dowerin in good stead for the future.

**Cr Darrel Hudson**  
Shire President

*Darren Simmons (CEO NEWROC, CEO Shire of Koorda), Cr Jannah Stratford (Chair NEWROC, President Shire of Koorda), Cr Darrel Hudson (President Shire of Dowerin) and Rebecca McCall (CEO Shire of Dowerin)*





## CEO'S MESSAGE

Despite the COVID-19 pandemic, the Shire has achieved some solid results in what has been a difficult and challenging year.

### **FLOOD DAMAGE**

The storm event in February 2020 saw extensive damage caused to the Shire's road and infrastructure assets across the district. Subsequently a claim has been submitted to the Disaster Recovery Funding Arrangements Western Australia (DRFAWA). Immediately following the event, the initial priority was to make roads safe, open and trafficable.

Council conducted a tender process to appoint a project manager to oversee the works, with the contract being awarded to GHD Pty Ltd at Council's June 2020 meeting (CMRef 0221).

The announcement of what DRFAWA funding has been approved is expected late 2020 with works to commence in early 2021 for completion.

### **DISPOSAL OF PROPERTY**

Council sold two further properties from its portfolio during the financial year, being 16 Anderson Street and 18 Anderson Street, Dowerin.

The sales achieved a good price and a pleasing result both for Council and our two young, local purchasers.

### **COMMUNITY ENGAGEMENT**

2019/20 saw the introduction of the Council Connect and CEO Connect newsletters which are published regularly in the Dowerin Despatch.

The newsletters are designed to notify the community of Council-related past and future activities around the Shire, with updates on key events and projects. It is hoped the newsletters enhance engagement with the community and provide an opportunity for the community to be better informed.

### **GOVERNANCE AND COMPLIANCE**

Staff conducted a thorough and extensive review of the Delegations Register which was adopted by Council at its May 2020 meeting (CMRef 0194).

The application of delegated authority is intended to improve the efficiency, effectiveness and timeliness of decision-making and is consistent with the Shire's Strategic Community Plan and commitment to a strong customer service focus.



## **COVID-19 IMPLICATIONS**

The Shire activated its Business Continuity Plan on Friday 20 March 2020 as a result of the COVID-19 pandemic. The Dowerin COVID-19 Working Group, made up of representatives from the Shire, WA Police, Community Resource Centre and Dowerin District High School, was established shortly thereafter and met weekly throughout the critical period to identify the vulnerable within the community and to address any immediate local needs. While the need has lessened, the Group still meets regularly as it provides a good opportunity for interagency engagement and consultation.

During the initial stages of the pandemic, the release of information and regulations from both Federal and State Governments resulted in staff spending the majority of their time focusing solely on the Shire's response to the pandemic, with daily and weekly briefings with Ministers and Departmental staff.

The Ministerial Order gazetted on 8 May 2020 resulted in many local governments around the state, including Dowerin, resolving a 0% increase in the rate in the dollar and placed a limit on the amount of interest able to be charged on overdue rates and instalment charges.

## **CLOSING ACKNOWLEDGEMENTS**

In this challenging and demanding year Dowerin has not been immune, however with dedicated and conscientious staff the organisation has managed to continue critical operations and I thank all staff for their efforts.

Council too have played a critical role in supporting its community and we can be grateful for such a cohesive team.

**Rebecca McCall**  
Chief Executive Officer

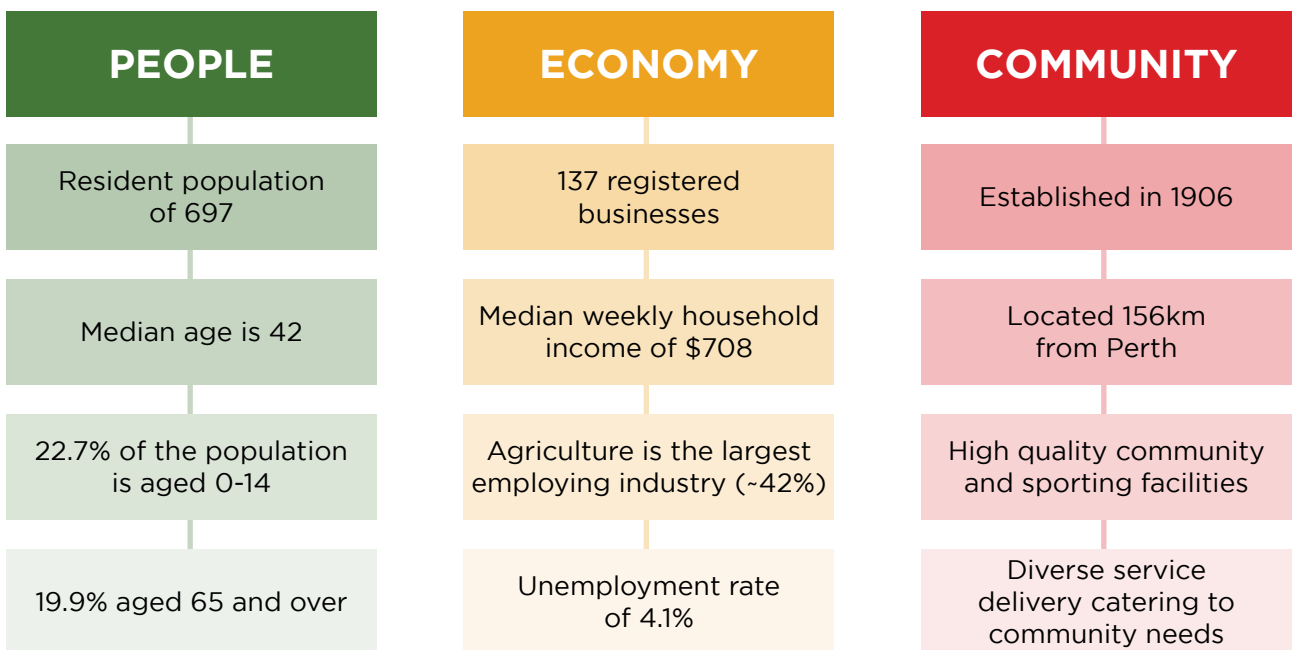
## ABOUT DOWERIN

Green in winter, golden in summer, Dowerin is a small Wheatbelt community boasting a vast array of high quality community services and facilities for a town its size. The annual GWN Machinery Field Days has cemented Dowerin on the map, attracting over 20,000 people to the town to enjoy one of the largest Machinery Field Days in the Southern Hemisphere over 2 days every August.

Dowerin caters for the needs of its varying demographics with a range of activities, facilities and services. For our seniors this includes Commonwealth Home Support Programme (CHSP), and a range of independent living units. For families and children, Dowerin is home to Lil' Tigers Early Learning Centre which has proven

to be a vital service to families and local businesses, as well as the highly successful District High School. With the inclusion of the 24/7 gym, Memorial Swimming Pool and Dowerin Community Club, these combine to ensure that Dowerin is a family friendly place to live and work.

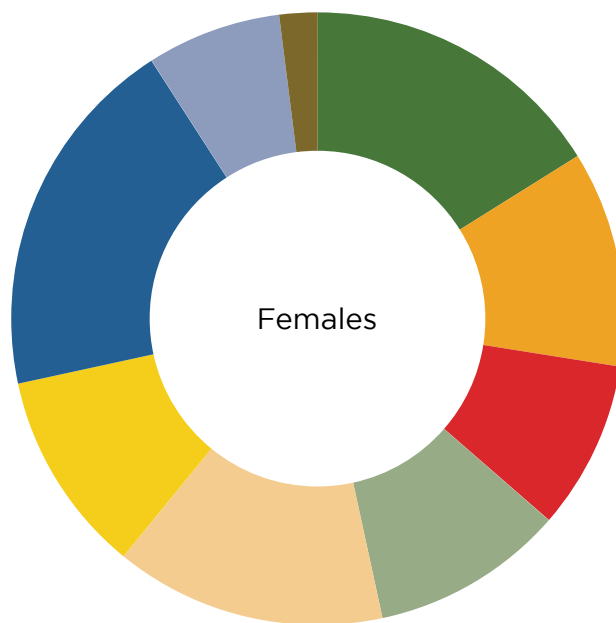
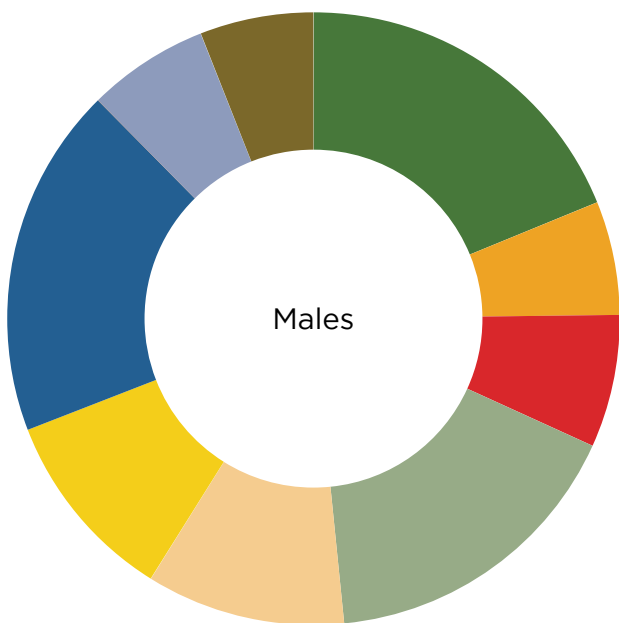
The district of Dowerin comprises of the town of Dowerin and a number of smaller localities covering a combined area of 1,867sq km. The district consists mostly of agricultural land used primarily for the production of sheep and grain. Other predominant industries in the region include cattle production, engineering, agricultural machinery & goods supply, heavy transport, CBH, retail, accounting and farm advisory services.





## Demographics

A significant proportion of the population of Dowerin is aged 0-14 years (158 persons). On the opposite end of the spectrum, Dowerin also has a significant portion of people aged 60 to 74 (152 persons). Young people are underrepresented in Dowerin with just 23 people aged 15-19 and 35 people aged 20-24.



■ 0-9 years  
 ■ 10-19 years  
 ■ 20-29 years  
 ■ 30-39 years  
 ■ 40-49 years  
 ■ 50-59 years  
 ■ 60-69 years  
 ■ 70-79 years  
 ■ 80+ years

## YOUR COUNCIL



**Cr Darrel Hudson**  
**SHIRE PRESIDENT**  
Term ends 2021



**Cr Adam Metcalf**  
**DEPUTY PRESIDENT**  
Term ends 2023



**Cr Julie Chatfield**  
**COUNCILLOR**  
Term ends 2023



**Cr Lindsay Hagboom**  
**COUNCILLOR**  
Term ends 2021



**Cr Len Holberton**  
**COUNCILLOR**  
Term ends 2021



**Cr Rob Trepp**  
**COUNCILLOR**  
Term ends 2023



**Cr Bev Ward**  
**COUNCILLOR**  
Term ends 2021



**Cr Jason Sewell**  
**COUNCILLOR**  
Term ends 2023

## COUNCILLOR TRAINING & CONTINUED PROFESSIONAL DEVELOPMENT

In accordance with Section 5.127 of the *Local Government Act 1995*, local governments are to report on the training undertaken by Councillors during the financial year. In addition to being provided on the Shire's website ([Via This Link](#)) the information is to be included in the Annual Report for that financial year.

Council Member Essentials	Cr Hudson	Cr Metcalf	Cr Chatfield	Cr Hagboom
<b>Elected to Council:</b>	<b>2017</b>	<b>2019</b>	<b>2019</b>	<b>2017</b>
<b>Cost:</b>	<b>Online Subscription \$4,000 per annum for unlimited users</b>			
Understanding Local Government Provider: WALGA via e-learning	✓	✓		N/A
Serving on Council Provider: WALGA via e-learning	N/A			N/A
Meeting Procedures Provider: WALGA via e-learning	N/A			N/A
Conflicts of Interest Provider: WALGA via e-learning	N/A			N/A
Understanding Financial Reports & Budgets Provider: WALGA via e-learning	N/A			N/A

Council Member Essentials	Cr Holberton	Cr Sewell	Cr Trepp	Cr Ward
<b>Elected to Council:</b>	<b>2017</b>	<b>2019</b>	<b>2019</b>	<b>2017</b>
<b>Cost:</b>	<b>Online Subscription \$4,000 per annum for unlimited users</b>			
Understanding Local Government Provider: WALGA via e-learning	✓	✓	✓	✓
Serving on Council Provider: WALGA via e-learning	N/A			N/A
Meeting Procedures Provider: WALGA via e-learning	N/A	✓		N/A
Conflicts of Interest Provider: WALGA via e-learning	N/A			N/A
Understanding Financial Reports & Budgets Provider: WALGA via e-learning	N/A			N/A

In accordance with Section 5.126(1) of the *Local Government Act 1995* and Regulation 10 of the *Local Government (Administration) Regulations 1996*, newly elected or re-elected Councillors must complete the above five courses within twelve months of their election. Councillors who have completed any of the above courses within the period of five years ending immediately before the day on which they were elected/re-elected are exempt from the training course and need only to complete the online assessment.



Other professional development undertaken by Councillors during the 2019/20 financial year is detailed below:

Other Professional Development	Cr Hudson	Cr Metcalf	Cr Chatfield	Cr Hagboom	Cr Holberton	Cr Sewell	Cr Trepp	Cr Ward
WALGA Annual Conference Cost: \$1475 each When: August 2019	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A
Councillor Induction (in-house)	N/A	N/A	N/A	N/A	N/A	✓	N/A	N/A

## ATTENDANCE AT COUNCIL MEETINGS

ATTENDANCE AT ORDINARY MEETINGS OF COUNCIL 2019/20												
COUNCILLOR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cr DP Hudson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr AJ Metcalf	✓	✓	✓	✓	LoA	✓	✓	✓	✓	A	✓	✓
Cr JC Chatfield	LoA	✓	✓	✓	✓	✓	✓	✓	✓	✓	LoA	LoA
Cr LG Hagboom	✓	✓	A	✓	A	✓	✓	A	✓	✓	✓	✓
Cr LH Holberton	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr JC Sewell	N/A	N/A	N/A	N/A	✓	A	✓	✓	✓	✓	✓	✓
Cr RI Trepp	✓	✓	✓	✓	A	LoA	✓	✓	✓	✓	A	✓
Cr BN Walsh	A	A	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr BA Ward	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Legend:**

A - Apology submitted

N/A - Not applicable, not a Councillor at that time or not a Committee Member

LoA - Leave of Absence granted by Council

## ATTENDANCE AT COMMITTEE MEETINGS

Councillor	Audit & Risk		Finance (disbanded Oct 2019)		Local Emergency Management		Australia Day Honours		Bush Fire Bridgades	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Cr DP Hudson	3	3	4	4	4	3	N/A	N/A	N/A	N/A
Cr AJ Metcalf	3	1	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Cr JC Chatfield	N/A	N/A	N/A	N/A	N/A	N/A	1	1	N/A	N/A
Cr LG Hagboom	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1
Cr LH Holberton	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr JC Sewell	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr RI Trepp	3	1	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Cr BN Walsh	N/A	N/A	4	1	N/A	N/A	N/A	N/A	N/A	N/A
Cr BA Ward	3	3	N/A	N/A	N/A	N/A	1	1	N/A	N/A

### Legend:

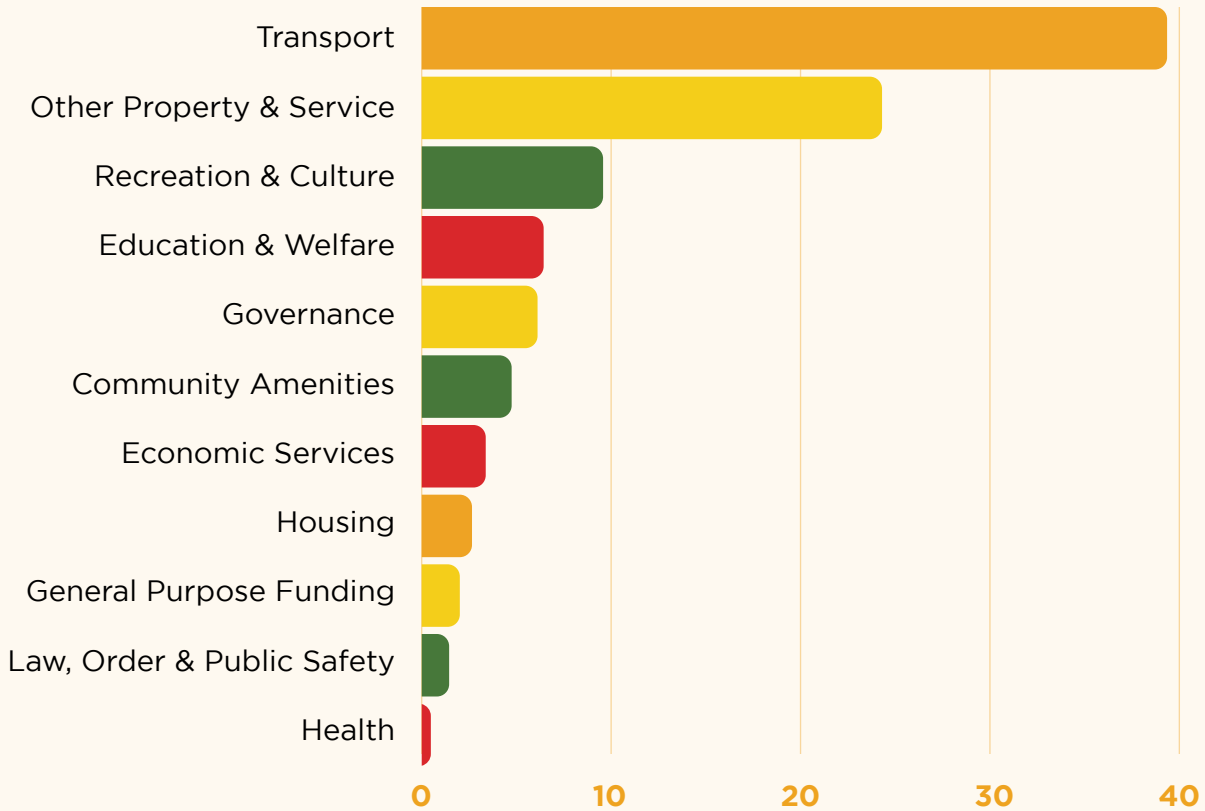
N/A - Not applicable, not a Councillor at that time or not a Committee Member



# YEAR IN REVIEW

## Corporate Services

In 2019/20, for every \$100 the Shire of Dowerin spent:



## Works & Services

During 2019/20 the Shire:



Replaced from the Plant Replacement Program  
**\$462,542**



Road maintenance/grading/minor improvements  
**\$790,454**



Completed **273m** footpath repairs/replacement  
**\$69,658**



Completed **7.69km** reseal of roads



Maintenance Buildings & Infrastructure  
**\$246,348**



Maintenance/minor improvements to Parks & Gardens  
**\$143,039**

## Development Services

During 2019/20 the Shire:



Issued **4 Building Approvals**



Completed **1 Subdivisions/ Amalgamations**



Completed **1 Demolition Permit**



Reached Registration of **179 Dogs**



Issued **4 Planning Approvals**



Reached Registration of **71 Cats**

## Media & Communication Services

During 2019/20 the Shire:



Published **343 posts** on the Shire's **Facebook** Page



Publication of **16 Council Connect / CEO Connect** Newsletter in the Despatch

## Community Services

During 2019/20 the Shire:



Received **1,626 Visitors** to the Short Stay



Reached **86 Gym Memberships**



Delivered **321 Meals on Wheels**



Submitted **6 Grant Applications**



Organised and held **9 Community Events**



Delivered **20 Home Care Packages**



# INTEGRATED PLANNING & REPORTING

## Strategic Community Plan

The Shire of Dowerin's Strategic Community Plan 2018-2028 is the overarching document developed to represent the aspirations and goals of the Dowerin community.

The themes and objectives identified underpin the strategies and outcomes that Council will be measured against to ensure the wishes of the community come to fruition.

### Our Lifestyle

**Objective:** A safe, friendly and engaged community with diverse education and employment opportunities and services that meet the needs of all generations.

### Our Infrastructure

**Objective:** Our Infrastructure will drive economic and population growth, be a key enabler to the digital economy and support reliable, efficient service delivery.

### Our Economy

**Objective:** A strong and growing local economy supported by new industry development aligned to identified economic opportunity.

### Our Natural Environment

**Objective:** Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management.

### Our Leaders

**Objective:** A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to involving community need.

Strategies are outlined in the Strategic Community Plan 2018-2028. Actions to achieve the outlined Strategies are identified within the Corporate Business Plan 2018-2022. These Plans are living documents reviewed every 2 years.

The following table reports on the key directions of the Strategic Community Plan 2018-2028.

## Our Lifestyle

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
----------------	--------------	------------------	--------------------	----------------	-------------	----------------------

<b>Theme</b>	Our Lifestyle
<b>Objective</b>	A safe, friendly and engaged community with diverse education and employment opportunities and services that meet the needs of all generations.

Outcome 1 More people, particularly young people and families, live and stay in Dowerin					
No	Strategy	Priority		Our Role	
C1	Actively promote Dowerin as a vibrant, family friendly community with quality and diverse amenities and services	1		Facilitate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C1.1	Continue to support the Dowerin Home Care Service	∞	∞	∞	
C1.2	Develop and implement an annual Community Development Plan	▶	▶	▶	
C1.3	Develop and implement a Dowerin Marketing Plan	▶	▶	▶	●
<b>Comment:</b> Development of a Dowerin Marketing Plan deferred due to COVID-19.					

Outcome 2 Sustainable management through greater collaboration and innovative governance models					
No	Strategy	Priority		Our Role	
C2	Establish a 'volunteer register' which documents volunteering capacity and provides a measurable value to volunteering in Dowerin	2		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C2.1	Continue to maintain the Dowerin Home Care Volunteer Register	∞	∞	∞	
C2.2	Develop and maintain a community volunteer register	▶	▶	▶	
<b>Comment:</b> Volunteer register requires reviewing to integrate the Dowerin Home Care Volunteer Register.					

No	Strategy	Priority		Our Role	
C3	Investigate best practice in shared governance arrangements for volunteer groups to support a more sustainable volunteer base	2		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C3.1	Facilitate best-practice governance training for community groups	▶	▶	∞	
<b>Comment:</b> Shire of Dowerin has provided financial support to Dowerin Community Club Incorporated to engage a consultant to assist with its governance framework.					

Outcome 3 A friendly and welcoming community that all residents and visitors participate and have pride in					
No	Strategy	Priority		Our Role	
C4	Targeted engagement of all sectors of the community, recognising cultural diversity	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C4.1	Develop, implement and monitor a Communication and Engagement Framework	×	×	×	●
<b>Comment:</b> The Communication and Engagement Framework will be finalised by August 2020.					

No	Strategy	Priority		Our Role	
C5	Provide an annual program of events that incorporates activities and opportunities	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C5.1	Develop and implement an annual Community Development Plan	▶	▶	▶	
<b>Comment:</b> Implementation of the 2019/20 Community Development Plan is in progress.					

Outcome 4 Better access to quality and diverse education and training opportunities					
No	Strategy	Priority		Our Role	
C6	Continued support of the educational institutions in Dowerin and, in partnership with the Dowerin Senior High School, identify and integrate senior high school options.	1		Advocate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C6.1	Continued provision of HR and payroll support for Lil' Tigers Early Years Centre	∞	∞	∞	
C6.2	Continued provision of a facility to support Lil' Tigers Early Years Centre	∞	∞	∞	
C6.3	Support agencies and community groups to implement youth initiatives	∞	∞		
C6.4	Support agencies, businesses and community organisations to advocate for increased educational services	■	■	■	
<b>Comment:</b> Youth Publication Project postponed due to COVID-19; C6.4 scheduled for 2020/21.					



No	Strategy	Priority		Our Role	
C7	Collaborate with the Community Resource Centre to deliver training and development opportunities aligned to community needs and advocate for local businesses to support apprenticeships and further educational opportunities	1 & 2		Partner	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C7.1	Investigate opportunities and partnership to develop a community traineeship program	X	∞	∞	●
<b>Comment:</b> Discussions with Directions regarding trainee programs are progressing.					

Outcome 5 Services provision meets the varying needs of different sectors of the Dowerin community					
No	Strategy	Priority		Our Role	
C8	Create an 'Aged Friendly Community Plan' identifying infrastructure and service delivery requirements and continue to support the Dowerin Home Care service as a priority	4		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C8.1	Develop and implement an 'Aged Friendly Community Plan'	■	■	■	
C8.2	Continue to support the Dowerin Home Care Service	∞	∞	∞	
<b>Comment:</b> Development and implementation of the Aged Friendly Community Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
C9	Support the Dowerin District High School Youth Leadership Group to provide youth led and informed social and development opportunities and experiences for young people	1 & 5		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
C9.1	Develop and implement a Strategic Youth Plan	X	X	X	●
<b>Comment:</b> Youth engagement timetable deferred due to COVID-19, now scheduled for June 2020; identified outcomes will be included in the Strategic Youth Plan.					

## Our Infrastructure

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
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<b>Theme</b>	Our Infrastructure
<b>Objective</b>	Our infrastructure will drive economic and population growth, be a key enabler to the digital economy and support reliable, efficient service delivery.

### Outcome 1 Infrastructure is fit for purpose, responsibly managed and maintained

No	Strategy	Priority		Our Role	
I1	Empty spaces/places review to determine and promote opportunities for the re-use and revitalisation of unused community assets	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I1.1	Facility and Spaces audit and review completed	X	X	X	●
I1.2	Develop a Facility and Spaces Plan and implement identified strategies	X	X	X	
I1.3	Develop and implement a Streetscaping Plan	▶	▶	▶	
<b>Comment:</b> The Facility and Spaces audit and review deferred due to COVID-19, this delay will impact on the completion date of the Facility and Spaces Plan; resource shortages have also hindered the completion of the Streetscaping Plan.					

No	Strategy	Priority		Our Role	
I2	Develop a comprehensive asset management plan that prioritises assets and details a replacement and management schedule, that aligns to community needs	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I2.1	Prepare a comprehensive Property Portfolio of Council's owned assets that includes 10-year replacement and management schedules	▶	▶	▶	
I2.2	Review the Asset Management Plan	▶	▶	▶	
<b>Comment:</b> It is aimed to complete the review of the Asset Management Plan in December 2020.					

### Outcome 2 Housing meets existing community need and facilities in-migration of families and workers

No	Strategy	Priority		Our Role	
I3	Undertake a housing needs analysis to identify specific housing requirements and opportunities to address gaps in the market	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I3.1	Complete a Housing Needs Analysis	■	■	■	
<b>Comment:</b> Housing Needs Analysis scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
I4	Investigate and implement appropriate housing investment models for Dowerin	4		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
I4.1	Implement the Avon Well Housing Project				
I4.2	Identify a sustainable housing model to improve the quality of housing in Dowerin	■	■	■	
<b>Comment:</b> Council made the decision to put the Avon Well Housing Project on hold during the 2019/20 Budget deliberations due to budget restraints and the current lack of demand for independent living units; Key Action I4.2 is scheduled for 2021/22.					

## Our Economy

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
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<b>Theme</b>	Our Economy
<b>Objective</b>	A strong and growing local economy supported by new industry development aligned to identified economic opportunity

Outcome 1 Available, well-marketed and appropriately provisioned commercial and industrial land entices new business establishment					
No	Strategy	Priority		Our Role	
E1	Develop a Sub-Regional Industrial Land Prospectus to attract new business	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E1.1	Develop a business and industry investment prospectus	X	X	X	
E1.2	Develop and implement a Dowerin Marketing Plan	X	▶	▶	
<b>Comment:</b> Industry audit has commenced; Development of a business and industry investment prospectus is scheduled for 2020/21; Development of a Dowerin Marketing Plan deferred due to COVID-19.					

Outcome 2 Tourism is a significant contributor to the local economy and is enhanced by investment in tourism initiatives that showcase Dowerin's natural and built attributes					
No	Strategy	Priority		Our Role	
E2	Undertake a tourism asset and opportunity review to clearly identify target markets, tourism trends and opportunities for Dowerin to better promote offerings; encourage and support local businesses to better cater for visitors and tourists	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E2.1	Undertake a tourism audit to include attractions, services and signage	▶	▶	▶	●
E2.2	Prepare and implement a Strategic Tourism Plan	■	■	■	
<b>Comment:</b> The development of the Strategic Tourism Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
E3	Continued involvement in regional tourism marketing campaigns and targeted marketing of the Dowerin Short Stay Accommodation precinct	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E3.1	Continue to be an active member of Pioneers Pathway and Wheatbelt Way and support the development of the products	∞	∞	∞	
E3.2	Review the Dowerin Short Stay Accommodation management model and implement identified initiatives and opportunities	X	▶	▶	●
E3.3	Develop and implement a Dowerin Short Stay Accommodation marketing plan	▶	▶	▶	
E3.4	Develop imagery inventory to enable marketing content	▶	▶	▶	
<b>Comment:</b> Review of the Dowerin Short Stay Accommodation management model is progressing.					

No	Strategy	Priority		Our Role	
E4	Maintain the Wheatbelt Rail Heritage precinct as a static display whilst exploring opportunities for the transfer of ownership to private enterprise or a community group	1		Facilitate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E4.1	Establish a Wheatbelt Rail Heritage working group and support identified initiatives to promote the precinct	▶	▶		●
E4.2	Facilitate the transfer of ownership of the locomotives and rolling stock	▶	●		
E4.3	Facilitate the transfer of management of the Wheatbelt Rail Heritage Museum to an appropriate entity	X	▶	▶	
<b>Comment:</b> The Shire of Dowerin supports two annual events held at the Minnivale Wheatbelt Heritage Rail Discovery Centre; Transfer of ownership of the locomotives and rolling stock is finalised.					

<b>Outcome 3</b> New industry and strengthened existing industry supports economic growth and local employment generation					
No	Strategy	Priority		Our Role	
E5	Complete a local economic development and incentivisation plan that focuses on business development and identifies industry opportunities and actions to capitalise on prospects	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E5.1	Develop and implement a Strategic Economic Plan	■	■	■	
<b>Comment:</b> Development of the Strategic Economic Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
E6	Local businesses are supported to thrive through continued membership and promotion of the Wheatbelt Business Network; and development of a local business development strategy	1		Advocacy	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
E6.1	Facilitate the re-activation of the Dowerin Business Association	▶	▶	▶	
E6.2	Advocate for increased local participation of the Wheatbelt Business Network	×	×		
E6.3	Facilitate the development of business development strategies and support local businesses with the implementation of identified initiatives	■	■	▶	
<p><b>Comment:</b>  The Shire of Dowerin has undertaken the secretarial role for the Dowerin Business Association to support the re-activation of the organisation; at present there is not an appetite for the Dowerin business community to engage with the Wheatbelt Business Network; it is envisaged that once the Dowerin Business Association is re-activated, the Shire can work with the members to identify strategies and support the implementation of identified initiatives; Shire supporting local business marketing initiatives.</p>					

## Our Natural Environment

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
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<b>Theme</b>	Our Natural Environment
<b>Objective</b>	Dowerin's unique natural environment is conserved and enhanced through sustainable practices and responsible environmental management

### Outcome 1 Increased community education and awareness supports the preservation of Dowerin's natural environment

No	Strategy	Priority		Our Role	
N1	Work with environmental advocacy groups to deliver targeted education programs that support existing sustainability initiatives and encourages community ownership of recycling program	1		Partner	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N1.1	Facilitate and support the transfer of recycling program management to a community group	▶	▶	▶	
N1.2	Support the rollout of the Container Deposit Scheme	▶	▶	▶	
N1.3	Support recycling awareness campaigns	X	X	X	

**Comment:**

Container Deposit Scheme commences 1 October 2020; the Dowerin CRC is involved in recycling.

No	Strategy	Priority		Our Role	
N2	Investigate opportunities for local level support from an environmental officer specifically exploring the reinstatement of a dedicated NRM Officer and formalise an arrangement with Wheatbelt Natural Resource Management	3		Partner	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N2.1	Explore opportunities to reinstate an NRM Officer in collaboration with neighbouring Shires	■	■	■	
N2.2	Investigate opportunities to formalise an agreement with Wheatbelt Natural Resource Management to advocate for a greater resource allocation for the Shire of Dowerin	■	■	■	

**Comment:**

The above Key Actions are scheduled for 2020/21.

**Outcome 2**  
**Sustainable practices are researched and entrenched in areas such as waste management, water management and renewable energy production**

No	Strategy	Priority		Our Role	
N3	Large scale renewable energy production investigated for development potential in collaboration with neighbouring Shires	1		Advocate	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N3.1	Investigate opportunities for renewable energy development	X	X	▶	
<b>Comment:</b> Opportunities currently investigated through NEWROC.					

No	Strategy	Priority		Our Role	
N4	Develop a long-term plan for waste management that considers infrastructure, site management and resourcing requirements to include the investigation of local processing of recycled materials	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N4.1	Develop and implement a Strategic Waste Management Plan	■	■	■	
<b>Comment:</b> Development of the Strategic Waste Management Plan is scheduled for 2020/21.					

No	Strategy	Priority		Our Role	
N5	Integrate water management planning with land use planning focusing on; improved water harvesting, storage and use; water quality and salinity management	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N5.1	Develop and implement a Water Management Plan	■	■	■	
<b>Comment:</b> Development of the Water Management Plan is scheduled for 2020/21.					

**Outcome 3**  
**Sustainable infrastructure design and maintenance minimises environmental impact**

No	Strategy	Priority		Our Role	
N6	Sustainable maintenance of parks, ovals, public spaces and infrastructure through planning for water harvesting, storage and use and renewable energy installations to reduce electricity consumption	1 & 2		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N6.1	Identify and action water use reduction, recovery and re-use initiatives	▶	▶	▶	
N6.2	Identify opportunities to initiate renewable energy installations	∞	∞	∞	
<b>Comment:</b> Oval Irrigation Project deferred, funding submission not successful, currently preparing an application through CSRFF; renewable energy opportunities are available, however require investment from Council; costings of options will be presented to Council during the 2020/21 Budget deliberations.					

No	Strategy	Priority		Our Role	
N7	Information packs and referrals to relevant associations for new infrastructure development include specifications for responsibly sourced and energy efficient materials and design features	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
N7.1	Provide appropriate environment friendly products and design information on the Shire of Dowerin's website	X	X	X	●
<b>Comment:</b> N7.1 not a priority during COVID-19.					



## Our Leaders

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced X	Scheduled ■	On Hold 	To be completed ●
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<b>Theme</b>	Our Leaders
<b>Objective</b>	A thriving and progressive rural community enabled by innovation in leadership, a focus on continuous improvement and adaptability to involving community needs

### Outcome 1 A community that is engaged and involved because of collaborative decision making and transparent communication

No	Strategy	Priority		Our Role	
L1	Specific volunteer groups and individuals are targeted for involvement in community projects that align to their areas of interest and expertise	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L1.1	Continue to facilitate and support identified project committees and working groups focusing on community priorities	∞	∞	∞	

**Comment:**  
In the last quarter the Shire of Dowerin has assisted identified community groups and organisations through COVID-19.

No	Strategy	Priority		Our Role	
L2	Communication between the Shire and community is multi-faceted and includes electronic and print media as well as in-person engagement	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L2.1	Develop, implement and monitor a Communication and Engagement Framework	X	X	X	●

**Comment:**  
Development of the Communication and Engagement Framework deferred due to COVID-19.

### Outcome 2 Through effective planning, service delivery meets community needs and assets are managed to optimise life cycle costs

No	Strategy	Priority		Our Role	
L3	Develop an asset management plan and long-term financial plan consistent with identified community priorities for asset renewal and service delivery	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L3.1	Conduct a comprehensive service delivery review	▶	▶	▶	
L3.2	Develop a suite of service delivery plans and strategies	X	X	X	
L3.3	Integrate service delivery strategies into the asset management plan and long-term financial plan	X	X	X	
L3.4	Conduct a facility audit and develop a master plan for future facility usage	X	X	X	

**Comment:**  
COVID-19 and changes within management has deferred the:

1. Advancement of the service delivery reviews;
2. Development of service delivery plans and strategies; and
3. Commencement of the Facility and Spaces audit and review.

No	Strategy	Priority		Our Role	
L4	Efficient and proactive service provision and planning that adapts to meet changing community needs as identified through regular community health checks	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L4.1	Monitor and review IPR Suite of Plans	▶	▶	▶	
L4.2	Conduct biennial Community Satisfaction Surveys	■	■	■	
<b>Comment:</b> IPR Framework & Plan adopted; planning for the Community Satisfaction Survey deferred due to COVID-19, remain on target for August implementation.					

Outcome 3 Commitment to continuous improvement in service delivery and good governance practices ensures the Shire is adaptive to evolving community needs					
No	Strategy	Priority		Our Role	
L5	Continual review and revision of Council policy, procedures and governance frameworks to ensure responsible, efficient and effective service delivery	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L5.1	Ensure policies, procedures and practice are effective, transparent and aligned with corporate functions and service delivery	∞	∞	∞	
L5.2	Monitor and review the Shire of Dowerin's Risk Management Framework and Profiling Tool	∞	∞	∞	
L5.3	Continue to provide prudent financial controls and compliance systems	∞	∞	∞	
<b>Comment:</b> Quarterly reviews of the Risk Profiling Tool now in place; Council agenda template 'Risk Implications' integrates with Risk Profiling Tool.					

No	Strategy	Priority		Our Role	
L6	Integrated planning evolves and adapts to meet the changing context for Dowerin	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L6.1	Review IPR Framework	■	×	■	●
L6.2	Monitor and review IPR Suite of Plans	▶	▶		
<b>Comment:</b> IPR Framework mini-review deferred due to COVID-19; quarterly monitoring of the Corporate Business Plan now in place.					

No	Strategy	Priority		Our Role	
L7	Continue to advocate for and create partnerships that will benefit the Dowerin community through ongoing collaboration with neighbouring Shires and active participation in regional, state and national alliances	1		Direct Delivery	
No	Key Actions	Nov 2019	Feb 2020	May 2020	Aug 2020
L7.1	Continue to progress regional collaboration by participating in Avon Regional Organisation of Councils strategies and similar regional partnerships	∞	∞	∞	
L7.2	Work collaboratively with relevant State agencies to plan for future service and infrastructure needs	∞	∞	∞	
<b>Comment:</b> AROC Regional Waste Tender evaluation process completed, contract yet to be signed; Dowerin exiting as an AROC Council Member effective 30 June 2020; Dowerin commencing as a Council Member of NEWROC effective 1 July 2020.					

## STATUTORY INFORMATION

### Access & Inclusion Plan

The Shire of Dowerin's Access and Inclusion Plan (AIP) 2018-2023 was formally endorsed by Council in July 2018. The AIP is a key strategic document which outlines the Shire's approach to working towards a more accessible and inclusive community.

The Shire is required by the *Disability Services Act 1993* to:

- Maintain an AIP; and
- Report on its AIP achievements within its Annual Report as well as to the Disability Services Commission.

Activities and actions undertaken during the 2019/20 year include:

- Bollard lighting was installed at the Dowerin Community Club leading from the carpark to main entrance. The lighting will assist with visibility reducing risk of potential injury.
- A footpath was also installed in the carpark enabling people with a disability safer access from the carpark to the main entrance of the Club.
- Additionally, a new pathway along Fraser Street provides connectivity from the main street to the recreation precinct. The pathway includes standard ramps and crossovers to ensure people with a disability can access the pathway.

The Club was identified as a potential site for self-opening doors however due to funding restrictions faced by both the Club and Council, particularly as a result of COVID-19, it is not likely that the project will be progressed unless another alternative source of funding can be identified.

### Record Keeping Statement

The Shire of Dowerin is committed to the reliable and systematic management of its records, in accordance with legislative requirements and best practice standards. This report has been published in accordance with the State Records Act 2000.

#### Recordkeeping Plan

The Shire undertook a Recordkeeping Plan Review in early 2019 with the Review Report submitted to the State Records Office on 22 March 2019. The Review Report identified quite substantial changes to the Shire's Recordkeeping Plan. The State Records Office of WA have granted a 2 year timeframe, commencing 1 June 2019, in which to complete the necessary changes to the Recordkeeping Plan and supporting documentation. The submission date for the reviewed Recordkeeping Plan is 1 June 2021.

With the turnover of staff, implementation of other priorities and the impacts of COVID-19, work on implementing the necessary changes to the Recordkeeping Plan and supporting documentation is yet to commence.

#### Information Management Systems

The Shire has implemented Sharepoint Online, along with other Microsoft Office 365 applications to improve business efficiencies. Developing and building the system to ensure it captures the Shire's records appropriately and aligns with business functions and operations is ongoing.

#### Training and Awareness

Recordkeeping inductions are held for all new employees upon commencement. This includes their responsibilities and desktop training using Sharepoint. Information sessions focusing on how to use SharePoint to manage the Shire's information have been held across the organisation.



## Official Conduct – Complaints Register

Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints that result in an action under Section 5.110(6) (b) or (c). In accordance with Sections 5.53(2) and 5.121 of the *Local Government Act 1995*, the Annual Report is required to disclose the number of complaints of minor breach received each year.

No complaints were received during 2019/20.

## Freedom of Information Statement

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the Shire of Dowerin. The Shire aims to make information available whenever possible, outside the freedom of information process.

The Shire received no valid freedom of information applications in 2019/20.

The Shire of Dowerin's Information Statement, adopted at Council's November 2019 meeting, is available on its website at [www.dowerin.wa.gov.au](http://www.dowerin.wa.gov.au).

## Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those

who are the subject of the disclosures. The Act also provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

At its February 2020 meeting Council reviewed and adopted its Public Interest Disclosure Policy and Public Interest Disclosure Guideline (CM Ref 0140). Both these documents are available on the Shire's website.

No disclosures were made during 2019/19 and the Shire declares that all obligations under the *Public Interest Disclosure Act 2003* have been complied with.

## Employees Remuneration

In accordance with Section 19(b) of the *Local Government (Administration) Regulations 1996*, the number of Shire employees entitled to an annual salary of \$100,000 or more are:

Salary range	Number of employees
\$100,000 to \$109,999	2
\$110,000 to \$119,999	0
\$120,000 to \$129,999	0
\$130,000 to \$139,999	0
\$140,000 to \$149,999	0
\$150,000 to \$159,999	1
\$160,000 to \$169,999	0
\$170,000 to \$179,999	0
\$180,000 plus	0



## COMMUNITY SERVICES & ECONOMIC DEVELOPMENT

### Support for Community Events and Organisations

The Shire provided financial support towards several community events and organisations including:

Community Group	Purpose	Value
Wheatbelt Agcare	Annual contribution	\$500
Dowerin District High School	Line marking & oval preparation for sports carnival	\$795
Mortlock Pony Club	Supply and deliver cracker dust for equestrian jumps	\$166
Dowerin District High School	Supply delivery of white sand (box trailer) for nature play activity	\$200
Dowerin Community Club	Engagement of WBN to facilitate policies and employee contracts - 50% contribution	\$605
Infant Swimming Lessons	To open the pool 1 hour earlier to enable exclusive use for infant swimming lessons as per Council resolution	\$505
Dowerin Companion Club	Waiver of Bus Hire for Senior Activities	\$436
VacSwim	Provision of additional hours for the purpose of swimming lessons provided through VacSwim	\$1,980
Dowerin District High School	Availability of pool outside of prescribed opening hours to accommodate in-term swimming lessons (12 hours)	\$660
Dowerin District High School	Availability of pool outside of prescribed opening hours to accommodate school swimming carnival (3.5 hours)	\$193
<b>TOTAL</b>		<b>\$6,040</b>

### Grants and Funding

The Shire was successful in obtaining a range of grant funds over 2019/20 including:

Funding Body	Project	Amount	Total Project Value
Department of Communities - Youth Engagement Grant	Dowerin Youth Newspaper Project	\$6,814	\$11,754
Department of Communities - Thank a Volunteer Day Celebration Grant	Outdoor Sunset Cinema	\$1,000	\$2,700
Lotterywest - Community Events Part 2	Community Development Events Plan 2019/20	\$11,300	\$27,350
COTA WA - WA Seniors Week 2019	Namaste Wednesday - Gentle Chair Yoga	\$1,000	\$500
Department of Transport - WA Bicycle Network Grants 2019/20	Linked bicycle network from Dowerin Short Stay Accommodation to the recreation grounds town centre	\$35,000	\$70,000

## Community Services

Community Services continues to work with residents, community-based organisations and service providers to co-ordinate several community events and activities that provide social opportunities, the sharing of skills and knowledge, and the opportunity to participate as families in community events

While the COVID-19 pandemic restrictions resulted in a number of events being cancelled or postponed, the following events were held prior to the pandemic:

Event	Date
National Tree Day	27 July 2019
Wheatbelt Heritage Rail Discovery Centre Open Day	29 September 2019
Step to it Dowerin (gym fundraiser)	29 September 2019
Sunset Cinema - Volunteer Event	21 February 2020
Oktoberfest - Cultural Awareness Event (with DCC)	4 October 2019
Youth Art Project (Swimming Pool Mural)	25-26 October 2019
Namaste Wednesday (Senior's Week Event)	13 November 2019
Christmas Festival	13 December 2019
Australia Day & Citizen(s) of the Year	26 January 2020



*Tree planting on National Tree Day*

In addition to the above events, the Shire President conducted two Citizenship Ceremonies throughout the year. The first one took place on National Citizenship day, presented to Trish Allsopp and the second took place at the Australia Day Celebrations, presented to Chrissy Gerrard.



*Chrissy Gerrard (left) and Trish Allsopp (right) with Shire President, Darrel Hudson, showing their Australian Citizenship certificates.*



## Citizen of the Year Award

Julie Bailey was awarded citizen of the year at the annual Australia Day celebrations, for her tireless and selfless contribution towards the Dowerin community.

## Economic Development

The Shire of Dowerin continues to be involved in regional tourism and participates in regional marketing campaigns. Council is an active member of Pioneers' Pathway and Wheatbelt Way. Examples of campaigns include:

- Australia's Golden Outback Holiday Planner
- Caravan & Camping Trade Show
- Eastern Wheatbelt Holiday Planner
- Pioneers' Pathway Trail
- Western Australia Weekend Features
- Wheatbelt Way App & Instagram
- Wheatbelt Way Trail



*Julie Bailey, Citizen of the Year*

## Dowerin Memorial Swimming Pool Upgrades – Refurbishment

The changerooms refurbishment was a massive improvement to the aesthetics and will provide pool users with a more appropriate and functional facility. The external and internal walls were fully rendered and painted. All the framework, flooring and seating was painted and new toilet cisterns installed. The male changerooms were fitted with two new cubicles to provide privacy and grouting of the tiles inside the pool was completed. New shower nozzles and tapware were also installed. These works were carried out by Shire staff engaged through the Dowerin Workcamp and the Workcamp Community Projects Team.

A void was detected under the dive bowl. This was also repaired and the majority of the water leaks in the pool shell resolved. The sand filter was fully inspected resulting in the replacement of the steel pipework and filter sand. The new leaf strainer was also fitted.

During the winter months the shade sails over the main pool were severely damaged. Insurance covered a portion of the cost to replace them with heavier duty sails with a higher wind rating.



## EXCITING COMMUNITY ACTIVITIES

### New Gym Equipment Fit Out

A total of 11 volunteers donated their Field Day hours valued at \$1,520 towards the gym. The 'Step it to Dowerin Walk' event held on 30 September 2019 raised \$2,275 attracting 40 walkers and helpers.

At the request of gym members, Council allocated \$12,000 in the 2019/20 Budget for the renewal of the rower and bike, plus the addition of a dual adjustable pulley. The allocation also accommodated the purchase of small items such as grip weight discs, kettle bells and the replacement of exercise mats. It was agreed that gym members would contribute \$2,500 towards the purchasing of equipment.

The gym now has two floor spaces to include the original area and the first squash court. Between the two rooms gym users have space to spread out to workout in comfort. The squash court now contains the battle rope, bosu ball, boxing bag and equipment, fitballs, leg press, rower and skipping ropes. A coat of paint also helps create a refreshing brightness to the main gym.

### Swimming Pool Youth Art Project

The Shire of Dowerin secured \$3,500 of funding through Lotterywest for a Youth Art Project. Artist, Georgina Paterson, was engaged to facilitate the art project to create a mural for the Dowerin Memorial Swimming Pool façade.

Students from Years 5 to 10 were invited to apply for a position to participate in the project. The Dowerin District High School enabled the application process resulting in 12 students nominating. The students worked with Georgina in the Art Room on Friday morning to develop the design concept. In the afternoon the workshop moved on-site to commence transferring the design onto the pool façade. With great anticipation and excitement, the beginnings of the mural took shape.

Day 2 saw the students return to work alongside Georgina to continue painting and paying attention to the finer details of the design. By the end of the day the mural was near completion and everyone went home with a real sense of achievement. Georgina placed the final touches on the art piece on the Sunday.

## COMMUNICATIONS & MEDIA

### Shire of Dowerin Facebook



Page likes have grown from **653 to 730** during FY 19/20



Ave post reach of **299 views** this is up 18.18% from last FY

### Dowerin Short Stay Accommodation



Page likes have grown from **256 to 374** during FY 19/20



Instagram profile has **215 followers**

## WORKS & ASSETS

<b>Road Construction &amp; Maintenance</b>	
Roads Maintenance	\$790,454
Roads to Recovery - Dowerin-Kalannie Road & Dowerin-Meckering Road	\$241,302
Regional Roads Group - Dowerin-Kalannie Road & Dowerin-Meckering Road	\$288,499
Commodity Route - Dowerin-Koorda Road	\$590,631
Flood Damage - Immediate Works	\$363,915
<b>Total Cost - Road Construction &amp; Maintenance</b>	<b>\$2,274,801</b>

<b>Plant Replacement</b>	
Jetpatcher	\$143,302
Stabiliser	\$50,926
Sewer Jetter	\$78,874
Tag Trailer	\$37,300
<b>Total Cost - Plant Replacement</b>	<b>\$310,402</b>

<b>Capital Projects</b>	
Dowerin Memorial Swimming Pool - Refurbishment of Kiosk & Change Rooms	\$87,938
Gymnasium Equipment & Refurbishment	\$11,049
Anderson Street Subdivision	\$12,866
<b>Total Cost - Capital Projects</b>	<b>\$111,853</b>

<b>Other Assets &amp; Infrastructure</b>	
Footpaths	\$69,658
Building Maintenance	\$246,348
Parks & Gardens	\$143,039
<b>Total Cost - Other Infrastructure</b>	<b>\$459,045</b>

## DOWERIN HOME CARE (DHC)

The Commonwealth Home Support Programme (CHSP) services are provided through Dowerin Home Care (DHC), jointly funded by the Australian Government's Department of Health and Shire of Dowerin.

Our Home Care Service provides an invaluable service that assists people to stay in their own homes. Throughout the course of the year, the dedicated staff and volunteers provided transport assistance locally and to the metro area. The services which can be provided, if assessed as required, include:

- personal care;
- domestic assistance;
- garden and home maintenance;
- medication support & administration;
- social support; and
- meal preparation for approximately 40 clients and carers.

COVID-19 had a huge impact on our service delivery from April/May onwards for the CHSP and Western Australia Home and Community Care clients. The majority of these cancelled their in-home assistance but were happy to continue with garden home maintenance. Transport assistance was also limited due to social distancing requirements.

DHC received several client referrals for CHSP services in this period, as these referrals and acceptances took the place of some clients who transitioned from CHSP services to Home Care Packages.

Since becoming an approved provider of Home Care Packages, DHC have gained several clients. Over the 12 months a number of these people were assigned a lower level of care before being assigned their designated level of care. A few of these clients only received services for a short time, prior to either moving away or transitioning into full time care.

Active seniors enjoy the Gentle Gym sessions offered on Mondays and Thursdays and the annual Seniors Games held in Northam. However, this year the Perpetual Trophy was won by another town.

The Christmas Party was again held at the Dowerin Hotel, with a fantastic 3 course meal which was enjoyed by all. A number of clients travelled from Koorda & Wyalkatchem to attend. It was a great afternoon and all went home with a full belly.



# Financial Reports

## 2019/2020

**SHIRE OF DOWERIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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**COMMUNITY VISION**

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.

Principal place of business:  
13 Cottrell Street  
DOWERIN WA 6461

**SHIRE OF DOWERIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Shire of Dowerin for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Dowerin at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 16 day of December 2020

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Chief Executive Officer



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Ms Rebecca McCall



SHIRE OF DOWERIN  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	24(a)	1,402,771	1,352,400	1,328,309
Sewerage Rates and Charges	24(c)	168,495	166,500	160,648
Operating grants, subsidies and contributions	2(a)	2,031,369	1,213,682	2,342,886
Fees and charges	2(a)	418,193	489,662	474,214
Interest earnings	2(a)	48,819	84,205	81,505
Other revenue	2(a)	358,866	228,092	240,134
		4,428,513	3,534,541	4,627,696
<b>Expenses</b>				
Employee costs		(1,991,182)	(1,825,508)	(1,836,650)
Materials and contracts		(1,460,564)	(1,219,490)	(1,914,469)
Utility charges		(189,395)	(140,700)	(161,697)
Depreciation on non-current assets	10(b)	(1,599,951)	(1,271,795)	(1,325,718)
Interest expenses	2(b)	(43,242)	(51,162)	(42,054)
Insurance expenses		(118,022)	(91,375)	(152,557)
Other expenditure		(188,469)	(82,770)	(95,754)
		(5,590,825)	(4,682,800)	(5,528,899)
		(1,162,312)	(1,148,259)	(901,203)
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106	716,810
Profit on asset disposals	10(c)	5,786	80,050	54,997
(Loss) on asset disposals	10(c)	(11,517)	(9,000)	(63,318)
		1,098,611	1,372,156	708,489
<b>Net result for the period</b>		<b>(63,701)</b>	<b>223,897</b>	<b>(192,714)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	32,004,728	-	105,092
<b>Total other comprehensive income for the period</b>		<b>32,004,728</b>	<b>-</b>	<b>105,092</b>
<b>Total comprehensive income for the period</b>		<b>31,941,027</b>	<b>223,897</b>	<b>(87,622)</b>

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





SHIRE OF DOWERIN  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Governance	2(a)	323	-	27,446
General purpose funding		2,987,834	2,242,460	2,901,909
Law, order, public safety		65,808	61,922	23,872
Health		(622)	2,600	248,080
Education and welfare		423,444	466,192	106,702
Housing		136,805	145,812	146,374
Community amenities		272,230	265,400	263,819
Recreation and culture		82,549	77,450	45,202
Transport		147,526	149,800	657,183
Economic services		152,562	76,905	143,681
Other property and services		160,054	46,000	63,428
		<b>4,428,513</b>	<b>3,534,541</b>	<b>4,627,696</b>
<b>Expenses</b>				
Governance	2(b)	(570,655)	(642,064)	(537,782)
General purpose funding		(211,142)	(172,297)	(217,693)
Law, order, public safety		(184,432)	(126,220)	(125,025)
Health		(39,877)	(54,836)	(397,555)
Education and welfare		(511,318)	(489,908)	(124,640)
Housing		(163,852)	(57,721)	(266,044)
Community amenities		(367,240)	(402,540)	(328,417)
Recreation and culture		(1,012,120)	(962,857)	(899,414)
Transport		(1,974,112)	(1,341,321)	(2,039,102)
Economic services		(391,748)	(374,241)	(270,376)
Other property and services		(121,087)	(7,633)	(280,797)
		<b>(5,547,583)</b>	<b>(4,631,638)</b>	<b>(5,486,845)</b>
<b>Finance Costs</b>				
General purpose funding	2(b)	-	(5,000)	-
Housing		(9,646)	(9,734)	(7,413)
Recreation and culture		(11,574)	(14,113)	(10,906)
Economic services		(22,022)	(22,315)	(23,735)
		<b>(43,242)</b>	<b>(51,162)</b>	<b>(42,054)</b>
		<b>(1,162,312)</b>	<b>(1,148,259)</b>	<b>(901,203)</b>
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106	716,810
Profit on disposal of assets	10(c)	5,786	80,050	54,997
(Loss) on disposal of assets	10(c)	(11,517)	(9,000)	(63,318)
		<b>1,098,611</b>	<b>1,372,156</b>	<b>708,489</b>
<b>Net result for the period</b>		<b>(63,701)</b>	<b>223,897</b>	<b>(192,714)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	32,004,728	-	105,092
<b>Total other comprehensive income for the period</b>		<b>32,004,728</b>	<b>-</b>	<b>105,092</b>
<b>Total comprehensive income for the period</b>		<b>31,941,027</b>	<b>223,897</b>	<b>(87,622)</b>

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



**SHIRE OF DOWERIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,212,407	856,021
Trade and other receivables	6	268,604	250,740
Other financial assets	5(a)	1,851,073	2,258,221
Inventories	7	3,051	11,163
<b>TOTAL CURRENT ASSETS</b>		<b>3,335,135</b>	<b>3,376,145</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	34,282	34,282
Other financial assets	5(b)	52,551	52,551
Property, plant and equipment	8	19,880,681	20,509,649
Infrastructure	9	58,602,967	26,220,101
<b>TOTAL NON-CURRENT ASSETS</b>		<b>78,570,481</b>	<b>46,816,583</b>
<b>TOTAL ASSETS</b>		<b>81,905,616</b>	<b>50,192,728</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	421,179	369,481
Contract liabilities	14	126,641	-
Borrowings	15(a)	144,043	145,042
Employee related provisions	16	192,102	217,391
<b>TOTAL CURRENT LIABILITIES</b>		<b>883,965</b>	<b>731,914</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15(a)	1,182,149	1,273,192
Employee related provisions	16	34,963	24,110
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,217,112</b>	<b>1,297,302</b>
<b>TOTAL LIABILITIES</b>		<b>2,101,077</b>	<b>2,029,216</b>
<b>NET ASSETS</b>		<b>79,804,539</b>	<b>48,163,512</b>
<b>EQUITY</b>			
Retained surplus		31,615,618	31,284,923
Reserves - cash/financial asset backed	4	1,851,073	2,245,469
Revaluation surplus	12	46,337,848	14,633,120
<b>TOTAL EQUITY</b>		<b>79,804,539</b>	<b>48,163,512</b>

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



SHIRE OF DOWERIN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
		\$	\$	\$	
<b>Balance as at 1 July 2018</b>		<b>31,565,743</b>	<b>2,157,363</b>	<b>14,528,028</b>	<b>48,251,134</b>
Comprehensive income					
Net result for the period		(192,714)	-	-	(192,714)
Other comprehensive income	12	-	-	105,092	105,092
Total comprehensive income		(192,714)	-	105,092	(87,622)
Transfers from reserves	4	382,583	(382,583)	-	-
Transfers to reserves	4	(470,689)	470,689	-	-
<b>Balance as at 30 June 2019</b>		<b>31,284,923</b>	<b>2,245,469</b>	<b>14,633,120</b>	<b>48,163,512</b>
Change in accounting policy	29(b)	-	-	(300,000)	(300,000)
<b>Restated total equity at 1 July 2019</b>		<b>31,284,923</b>	<b>2,245,469</b>	<b>14,333,120</b>	<b>47,863,512</b>
Comprehensive income					
Net result for the period		(63,701)	-	-	(63,701)
Other comprehensive income	12	-	-	32,004,728	32,004,728
Total comprehensive income		(63,701)	-	32,004,728	31,941,027
Transfers from reserves	4	1,116,153	(1,116,153)	-	-
Transfers to reserves	4	(721,757)	721,757	-	-
<b>Balance as at 30 June 2020</b>		<b>31,615,618</b>	<b>1,851,073</b>	<b>46,337,848</b>	<b>79,804,539</b>

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

**SHIRE OF DOWERIN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates	1,399,380	1,352,400	1,311,637
Sewerage Rates and Charges	168,495	166,500	160,648
Operating grants, subsidies and contributions	2,184,878	1,213,682	2,344,801
Fees and charges	418,193	489,662	474,214
Interest received	48,819	84,205	81,505
Goods and services tax received	294,266	-	383,871
Other revenue	358,866	228,092	240,135
	<b>4,872,897</b>	<b>3,534,541</b>	<b>4,996,811</b>
<b>Payments</b>			
Employee costs	(2,013,814)	(1,825,508)	(1,806,984)
Materials and contracts	(1,406,426)	(1,223,490)	(1,954,306)
Utility charges	(189,395)	(140,700)	(161,697)
Interest expenses	(43,803)	(51,162)	(40,084)
Insurance paid	(118,022)	(91,375)	(152,557)
Goods and services tax paid	(321,178)	-	(405,254)
Other expenditure	(188,469)	(78,770)	(95,754)
	<b>(4,281,107)</b>	<b>(3,411,005)</b>	<b>(4,616,636)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>17</b>	<b>591,790</b>	<b>380,175</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(509,597)	(908,000)
Payments for construction of infrastructure	9(a)	(1,244,478)	(1,735,480)
Non-operating grants, subsidies and contributions	2(a)	1,104,342	1,301,106
Proceeds from financial assets at amortised cost - term deposits		394,396	-
Proceeds from sale of property, plant & equipment	10(c)	99,223	576,000
<b>Net cash provided by (used in) investment activities</b>		<b>(156,114)</b>	<b>(766,374)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	15(b)	(142,042)	(141,045)
Proceeds from financial assets at amortised cost - self supporting loans		12,752	12,567
Proceeds from new borrowings	15(b)	50,000	87,500
<b>Net cash provided by (used in) financing activities</b>		<b>(79,290)</b>	<b>(40,978)</b>
<b>Net increase (decrease) in cash held</b>		<b>356,386</b>	<b>(683,816)</b>
Cash at beginning of year		856,021	3,089,427
Reclassification of trust funds to restricted cash		-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>17</b>	<b>1,212,407</b>	<b>2,405,611</b>

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

**SHIRE OF DOWERIN**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>			
<b>Net current assets at start of financial year - surplus/(deficit)</b>	25 (b) 587,683	716,124	1,529,026
	587,683	716,124	1,529,026
<b>Revenue from operating activities (excluding rates)</b>			
Governance	323	-	31,149
General purpose funding	1,631,664	890,060	1,606,547
Law, order, public safety	65,808	61,922	23,872
Health	(622)	2,600	248,080
Education and welfare	423,444	466,192	106,702
Housing	136,805	178,812	161,005
Community amenities	272,230	265,400	263,819
Recreation and culture	82,549	80,450	45,202
Transport	153,312	160,350	693,846
Economic services	152,562	76,905	143,681
Other property and services	160,054	79,500	63,428
	3,078,129	2,262,191	3,387,331
<b>Expenditure from operating activities</b>			
Governance	(570,655)	(642,064)	(545,285)
General purpose funding	(211,142)	(177,297)	(217,693)
Law, order, public safety	(184,432)	(126,220)	(125,025)
Health	(39,877)	(54,836)	(397,555)
Education and welfare	(511,318)	(489,908)	(124,640)
Housing	(173,498)	(75,455)	(319,875)
Community amenities	(367,240)	(402,540)	(328,417)
Recreation and culture	(1,023,694)	(977,970)	(910,319)
Transport	(1,975,355)	(1,341,321)	(2,048,500)
Economic services	(413,770)	(396,556)	(294,111)
Other property and services	(131,361)	(7,633)	(280,796)
	(5,602,342)	(4,691,800)	(5,592,216)
Non-cash amounts excluded from operating activities	25(a) 1,617,412	1,200,745	1,281,726
<b>Amount attributable to operating activities</b>	(319,118)	(512,740)	605,867
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	2(a) 1,104,342	1,301,106	716,810
Proceeds from disposal of assets	10(c) 99,223	576,000	587,077
Proceeds from financial assets at amortised cost - self supporting loans	12,752	12,567	24,534
Purchase of property, plant and equipment	8(a) (509,597)	(908,000)	(1,546,690)
Purchase and construction of infrastructure	9(a) (1,244,478)	(1,735,480)	(1,360,436)
<b>Amount attributable to investing activities</b>	(537,758)	(753,807)	(1,578,705)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	15(b) (142,042)	(141,045)	(126,735)
Proceeds from borrowings	15(c) 50,000	87,500	480,000
Transfers to reserves (restricted assets)	4 (721,757)	(327,900)	(470,689)
Transfers from reserves (restricted assets)	4 1,116,153	281,716	382,583
<b>Amount attributable to financing activities</b>	302,354	(99,729)	265,159
<b>Surplus/(deficit) before imposition of general rates</b>	(554,522)	(1,366,276)	(707,679)
<b>Total amount raised from general rates</b>	24(a) 1,356,170	1,352,400	1,295,362
<b>Surplus/(deficit) after imposition of general rates</b>	25(b) <b>801,648</b>	<b>(13,876)</b>	<b>587,683</b>

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

**SHIRE OF DOWERIN**  
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**FOR THE YEAR ENDED 30 JUNE 2020**

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## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Prior to 1 July 2019, Financial Management Regulation 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or *after 1 July 2008, were not recognised in previous financial reports of the Shire.* This was not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the Local Government (Financial Management) Regulations 1996 have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### **NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report.

Specific impacts of AASB 2018-7 Amendments to Australian Accounting Standards - Materiality, have not been identified.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Determination of transaction price</b>	<b>Allocating transaction price</b>	<b>Measuring obligations for returns</b>	<b>Timing of revenue recognition</b>
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Sewerage Rates & Charges	Charge for Town Sewerage service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Operating Grants with commitments	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Operating Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Non- Operating Grants	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Fees & Charges	Sale of general goods & services	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Other Revenue	Reimbursements, Donations, Insurance claims and Other revenue	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled



**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	1,528,148	760,860	1,458,660
Law, order, public safety	55,537	51,422	13,395
Health	-	-	232,201
Education and welfare	291,449	244,800	-
Recreation and culture	24,210	24,600	-
Transport	132,025	132,000	638,630
	2,031,369	1,213,682	2,342,886
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	-	2,500	-
Transport	1,104,342	1,261,106	716,810
Economic services	-	37,500	-
	1,104,342	1,301,106	716,810
	3,135,711	2,514,788	3,059,696
<b>Fees and charges</b>			
Governance	-	-	66
General purpose funding	1,803	6,000	6,438
Law, order, public safety	6,271	6,500	6,477
Health	-	1,600	14,826
Education and welfare	14,933	92,750	1,620
Housing	134,984	145,812	144,054
Community amenities	104,009	95,400	102,208
Recreation and culture	21,459	25,400	28,078
Transport	-	-	517
Economic services	136,015	110,200	132,111
Other property and services	(1,281)	6,000	37,819
	418,193	489,662	474,214

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Contracts with customers and contracts transfers for recognisable non-financial assets</b>			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	341,986	339,972	760,720
Fees and charges	311,306	283,212	346,864
Non-operating grants, subsidies and contributions	1,104,342	1,301,106	716,810
	1,757,634	1,924,290	1,824,394
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Other revenue from contracts with customers recognised during the year	653,292	623,184	1,107,584
Other revenue from performance obligations satisfied during the year	1,104,342	1,301,106	716,810
	1,757,634	1,924,290	1,824,394
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	145,443	-	73,088
Contract liabilities from contracts with customers	(126,641)	-	-

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	1,356,170	1,352,400	1,295,362
Sewerage Rates and Charges	168,495	166,500	160,648
	1,524,665	1,518,900	1,456,010

**Other revenue**

Reimbursements & Recoveries	188,835	238,592	195,395
Other Revenue	170,032	-	44,739
	358,866	238,592	240,134

**Interest earnings**

Financial assets at amortised cost - self supporting loans	204	205	1,008
Interest on reserve funds	34,377	60,000	51,184
Rates instalment and penalty interest (refer Note 24(e))	13,201	10,000	15,634
Other interest earnings	1,037	14,000	13,679
	48,819	84,205	81,505

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Interest earnings (continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

**(b) Expenses**

**Auditors remuneration**

	2020 Actual \$	2020 Budget \$	2019 Actual \$
- Audit of the Annual Financial Report	28,480	32,000	27,000
	28,480	32,000	27,000

**Interest expenses (finance costs)**

Borrowings	43,242	46,162	42,054
Other	-	5,000	-
	43,242	51,162	42,054

**Other expenditure**

Sundry expenses	188,469	82,770	95,754
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SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash and cash equivalents		1,212,407	856,021
Term deposits classified as Financial assets at amortised cost	5(a)	1,851,073	2,245,469
<b>Total</b>		<b>3,063,480</b>	<b>3,101,490</b>

**Comprises**

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Unrestricted Cash and cash equivalents and other financial assets at amortised cost		1,085,766	856,021
- Restricted cash and cash equivalents and other financial assets at amortised cost		1,977,714	2,245,469
		<b>3,063,480</b>	<b>3,101,490</b>

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash/financial asset backed	4	1,851,073	2,245,469
Contract liabilities from contracts with customers	14	126,641	-
<b>Total restricted assets</b>		<b>1,977,714</b>	<b>2,245,469</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. RESERVES - CASH/FINANCIAL ASSET**

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
(a) Leave Reserve	\$ 56,632	\$ 875	\$ -	\$ 57,507	\$ 56,632	\$ 1,513	\$ -	\$ 58,145	\$ 54,217	\$ 2,415	\$ -	\$ 56,632
(b) Plant Reserve	59,958	81,214	-	141,172	59,959	85,602	-	145,561	369,807	39,839	(349,688)	59,958
(c) Bowling Green	85,312	13,327	-	98,639	85,312	12,280	-	97,592	72,293	13,019	-	85,312
(d) CHP Units	48,934	757	-	49,691	48,933	1,308	-	50,241	46,847	2,087	-	48,934
(e) Economic Reserve	55,752	862	-	56,614	55,752	1,490	-	57,242	54,183	1,569	-	55,752
(f) Emergency Reserve	-	500,000	(500,000)	-	-	-	-	-	-	-	-	-
(g) Information Technology	-	64,175	(35,000)	29,175	-	-	-	-	-	-	-	-
(h) Land & Buildings	449,364	6,711	(310,000)	146,075	449,363	152,007	(124,716)	476,654	148,579	300,785	-	449,364
(i) Recreation Facilities	193,926	7,994	(7,000)	194,920	193,926	5,182	(7,000)	192,108	185,023	8,903	-	193,926
(j) Sewerage	1,256,174	19,214	(264,153)	1,011,235	1,256,174	61,466	(150,000)	1,167,640	1,161,589	94,585	-	1,256,174
(k) Swimming Pool	186	20,017	-	20,203	185	5	-	190	32,895	186	(32,895)	186
(l) Tennis Courts	39,231	6,612	-	45,843	39,231	7,048	-	46,279	31,930	7,301	-	39,231
	2,245,469	721,757	(1,116,153)	1,851,073	2,245,467	327,900	(281,716)	2,291,652	2,157,363	470,689	(382,583)	2,245,469

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	-To cash back the cost of Long Service, Annual and Sick Leave where the leave cannot be absorbed within the annual budget.
(b) Plant Reserve	Ongoing	-To ensure the cost of additional new plant and refurbishment or replacement can be met as per the Plant Replacement Program
(c) Bowling Green	Ongoing	-To be used for the replacement of the bowling greens.
(d) CHP Units	Ongoing	-To enable participation in community housing projects such as independent living units for seniors
(e) Economic Reserve	Ongoing	-To maintain a reserve to fund economic development initiatives
(f) Emergency Reserve	Ongoing	-To be used to reduce immediate cash flow pressure during a declared emergency
(g) Information Technology	Ongoing	-To be used for the renewal & upgrade of Shire of Dowerin Information Technology
(h) Land & Buildings	Ongoing	-To assist with funding the development and purchase of land and building assets.
(i) Recreation Facilities	Ongoing	-To fund future maintenance, upgrades and developments of recreation facilities, including the swimming pool.
(j) Sewerage	Ongoing	-To provide for the replacement and development of sewerage and stormwater infrastructure throughout the Shire.
(k) Swimming Pool	Ongoing	-To be used for the renewal and/or upgrade and development of the swimming pool.
(l) Tennis Courts	Ongoing	-To be used for the replacement of the Tennis Courts

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**5. OTHER FINANCIAL ASSETS**

	2020	2019
	\$	\$
<b>(a) Current assets</b>		
Financial assets at amortised cost	1,851,073	2,258,221
	1,851,073	2,258,221
<b>Other financial assets at amortised cost</b>		
Financial assets at amortised cost - term deposits	1,851,073	2,245,469
Financial assets at amortised cost - self-supporting loans	-	12,752
	1,851,073	2,258,221
<b>(b) Non-current assets</b>		
Financial assets at fair value through profit and loss	52,551	52,551
	52,551	52,551
<b>Financial assets at fair value through profit and loss</b>		
Units in Local Government House Trust	52,551	52,551
	52,551	52,551

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 15(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 26.

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

6. TRADE AND OTHER RECEIVABLES

**Current**

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	
Rubbish Charges receivable	
Emergency Services Levy	
Other Current receivables	
Sewerage Rates Outstanding	

**Non-current**

Pensioner's rates and ESL deferred	
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	2020	2019
	\$	\$
	93,176	75,356
	154,066	115,839
	57,155	30,243
	(66,996)	(2,915)
	8,422	7,076
	5,454	11,914
	5,166	2,054
	12,161	11,173
	268,604	250,740
	34,282	34,282
	34,282	34,282

**Allowance for impairment of receivables**

**Carrying amount at beginning of period**

Additions

Write off

**Carrying amount at end of period**

	2,915	-
	64,422	2,915
	(341)	-
	66,996	2,915

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

Current

Stock on hand

	2020	2019
	\$	\$
	3,051	11,163
	3,051	11,163
	11,163	16,603
	(105,870)	(122,145)
	97,758	116,705
	3,051	11,163

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

**SIGNIFICANT ACCOUNTING POLICIES**

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Tools and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	1,295,000	300,000	1,595,000	16,736,769	16,736,769	18,331,769	126,504	1,632,193	18,107	20,108,573
Additions			-	654,866	654,866	654,866	-	891,824	-	1,546,690
(Disposals)	(170,000)	-	(170,000)	(210,988)	(210,988)	(380,988)	(7,502)	(206,908)	-	(595,398)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	105,092	-	105,092
Depreciation (expense)	-	-	-	(468,322)	(468,322)	(468,322)	(16,333)	(169,167)	(1,486)	(655,308)
<b>Carrying amount at 30 June 2019</b>	1,125,000	300,000	1,425,000	16,712,325	16,712,325	18,137,325	102,669	2,253,034	16,621	20,509,649
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	1,125,000	300,000	1,425,000	17,184,893	17,184,893	18,609,893	140,082	2,729,127	28,292	21,507,394
Accumulated depreciation at 30 June 2019	-	-	-	(472,568)	(472,568)	(472,568)	(37,413)	(476,093)	(11,671)	(997,745)
<b>Carrying amount at 30 June 2019</b>	1,125,000	300,000	1,425,000	16,712,325	16,712,325	18,137,325	102,669	2,253,034	16,621	20,509,649
Change in Accounting Policy (Note 29)	-	(300,000)	(300,000)	-	-	(300,000)	-	-	-	(300,000)
<b>Adjusted carrying amount as at 1 July 2019</b>	1,125,000	-	1,125,000	16,712,325	16,712,325	17,837,325	102,669	2,253,034	16,621	20,209,649
Additions	-	-	-	36,009	36,009	36,009	11,049	462,539	-	509,597
(Disposals)	-	-	-	-	-	-	-	(104,954)	-	(104,954)
Depreciation (expense)	-	-	-	(495,366)	(495,366)	(495,366)	(16,816)	(219,849)	(1,580)	(733,612)
<b>Carrying amount at 30 June 2020</b>	1,125,000	-	1,125,000	16,252,968	16,252,968	17,377,968	96,902	2,390,770	15,041	19,880,680
<b>Comprises:</b>										
Gross carrying amount at 30 June 2020	1,125,000	-	1,125,000	17,220,902	17,220,902	18,345,902	151,132	2,627,590	28,292	21,152,916
Accumulated depreciation at 30 June 2020	-	-	-	(967,934)	(967,934)	(967,934)	(54,230)	(236,820)	(13,251)	(1,272,235)
<b>Carrying amount at 30 June 2020</b>	1,125,000	-	1,125,000	16,252,968	16,252,968	17,377,968	96,902	2,390,770	15,041	19,880,680

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Valuation	2018	Price per hectare/market borrowing rate
	3	Market approach using recent observable market data for similar properties with adjustments to reflect the existing use or zoning of the land	Independent Valuation	2018	Price per hectare/market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar items (Net revaluation method)	Independent Valuation	2018	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	3	Improvements to land valued using cost approach using depreciated replacement cost (Gross Valuation Method)	Independent Valuation	2018	Improvements to buildings using construction costs and current condition, residual values and remaining useful life assessments inputs.
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost (Net revaluation method)	Management Valuation	2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Plant and equipment</b>	2	Market approach using recent observable market data for similar items	Independent Valuation	2019	Fair Values that are based on inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset.
	3	Cost approach using depreciated replacement cost (Net revaluation method)	Independent Valuation	2019	Fair Values that are derived from data unobservable in the market
<b>Tools and equipment</b>	3	Cost approach using depreciated replacement cost (Net revaluation method)	Independent and Management Valuation	2016	Construction/Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. INFRASTRUCTURE**

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Other	Infrastructure - Sewerage	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	20,916,532	502,955	1,083,670	1,273,247	695,785	1,057,706	25,529,895
Additions	1,357,408	3,208	-	-	-	-	1,360,616
Depreciation (expense)	(426,950)	(20,964)	(22,116)	(78,395)	(66,316)	(55,669)	(670,410)
<b>Carrying amount at 30 June 2019</b>	21,846,990	485,199	1,061,554	1,194,852	629,469	1,002,037	26,220,101
<b>Comprises:</b>							
Gross carrying amount at 30 June 2019	22,700,799	527,127	1,105,786	1,351,642	762,101	1,113,375	27,560,830
Accumulated depreciation at 30 June 2019	(853,809)	(41,928)	(44,232)	(156,790)	(132,632)	(111,338)	(1,340,729)
<b>Carrying amount at 30 June 2019</b>	21,846,990	485,199	1,061,554	1,194,852	629,469	1,002,037	26,220,101
Additions	1,120,432	69,658	-	-	54,387	-	1,244,478
Revaluation increments / (decrements) transferred to revaluation surplus	28,785,192	194,698	3,024,838	-	-	-	32,004,728
Depreciation (expense)	(595,570)	(23,143)	(41,547)	(78,396)	(72,015)	(55,668)	(866,339)
<b>Carrying amount at 30 June 2020</b>	51,157,044	726,412	4,044,845	1,116,456	611,841	946,369	58,602,967
<b>Comprises:</b>							
Gross carrying amount at 30 June 2020	77,151,208	1,373,891	7,933,610	1,351,642	816,488	1,113,375	89,740,214
Accumulated depreciation at 30 June 2020	(25,994,164)	(647,479)	(3,888,765)	(235,186)	(204,647)	(167,006)	(31,137,247)
<b>Carrying amount at 30 June 2020</b>	51,157,044	726,412	4,044,845	1,116,456	611,841	946,369	58,602,967

SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Other	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Infrastructure - Sewerage	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	2017	Construction costs and current condition, residual values and remaining useful life assessments inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. FIXED ASSETS**

**(a) SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial recognition and measurement between mandatory revaluation dates**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under control prior to 1 July 2019**

In accordance with the then Local Government (Financial Management) *Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land.

**Land under roads prior to 1 July 2019**

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the then Local Government (Financial Management) Regulation 16(a)(i) which arbitrarily *prohibited local governments from recognising such land as an asset*. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then Local Government (Financial Management) Regulation 16(a)(i) prohibited local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

**Land under roads from 1 July 2019**

As a result of amendments to the Local Government (Financial Management) Regulations 1996, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

**Vested improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulation 17A(2)(iv) is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including right of use assets).

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**10. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	495,366	468,400	468,322
Furniture and equipment	16,816	16,400	16,333
Plant and equipment	219,849	114,450	169,167
Tools and equipment	1,580	1,500	1,486
Infrastructure - Roads	595,570	428,345	426,950
Infrastructure - Footpaths	23,143	20,100	20,964
Infrastructure - Drainage	41,547	22,150	22,116
Infrastructure - Parks & Ovals	78,396	78,400	78,395
Infrastructure - Other	72,015	66,350	66,316
Infrastructure - Sewerage	55,668	55,700	55,669
	1,599,951	1,271,795	1,325,718

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	15 to 61 years
Furniture and equipment	4 to 10 years
Tools	10 to 20 years
Plant and equipment	10 to 27 years
Roads and streets	
- Formation	not depreciated
- Pavement	17 years
- Bridges	50 years
- Kerbing	25 years
Footpaths	25 years
Other Infrastructure	8 - 40 years
Parks & Ovals Infrastructure	17 years
Drainage Infrastructure	50 years
Wastewater infrastructure	20 years

**Depreciation on revaluation**

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. FIXED ASSETS**

(c) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	-	-	-	-	115,000	140,000	33,000	(8,000)	170,000	170,000	-	-
Buildings - non-specialised	-	-	-	-	-	-	-	-	210,988	179,200	14,631	(46,419)
Furniture and equipment	-	-	-	-	-	-	-	-	7,502	-	-	(7,502)
Plant and equipment	104,954	99,223	5,786	(11,517)	389,950	436,000	47,050	(1,000)	206,908	237,877	40,366	(9,398)
	104,954	99,223	5,786	(11,517)	504,950	576,000	80,050	(9,000)	595,398	587,077	54,997	(63,319)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
#2010-001 Ford Ranger	3,970	2,727	-	(1,243)
<b>Transport</b>				
#426 Low Loader	4,894	9,091	4,197	-
#Dolly	684	2,273	1,589	-
<b>Other property and services</b>				
Ford Everest CEO	49,099	42,727	-	(6,372)
Ford Everest M CCS	46,307	42,405	-	(3,902)
	104,954	99,223	5,786	(11,517)
	104,954	99,223	5,786	(11,517)

## 11. LEASES AND RIGHT OF USE ASSETS

### (a) Leases and Right of Use Assets

The Shire has no reportable leases or right of use assets.

#### SIGNIFICANT ACCOUNTING POLICIES

##### Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

##### Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

##### Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.



**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. REVALUATION SURPLUS**

	2020	2020	2020	2020	Total	2020	2019	2019	Total	2019
	Opening	Change in	Restated	Revaluation	Movement on	Closing	Opening	Revaluation	Movement on	Closing
	Balance	Accounting	Opening	Increment	Revaluation	Balance	Balance	Increment	Revaluation	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	871,768	-	871,768	-	-	871,768	871,768	-	-	871,768
Revaluation surplus - Land - vested in and under the control of Council	300,000	(300,000)	-	-	-	-	300,000	-	-	300,000
Revaluation surplus - Buildings - non-specialised	9,061,374	-	9,061,374	-	-	9,061,374	9,061,374	-	-	9,061,374
Revaluation surplus - Plant and equipment	181,702	-	181,702	-	-	181,702	76,610	105,092	105,092	181,702
Revaluation surplus - Tools and equipment	16,271	-	16,271	-	-	16,271	16,271	-	-	16,271
Revaluation surplus - Infrastructure - Roads	1,394,293	-	1,394,293	28,785,192	28,785,192	30,179,485	1,394,293	-	-	1,394,293
Revaluation surplus - Infrastructure - Footpaths	302,397	-	302,397	194,698	194,698	497,095	302,397	-	-	302,397
Revaluation surplus - Infrastructure - Drainage	1,078,803	-	1,078,803	3,024,838	3,024,838	4,103,641	1,078,803	-	-	1,078,803
Revaluation surplus - Infrastructure - Parks & Ovals	539,161	-	539,161	-	-	539,161	539,162	-	-	539,162
Revaluation surplus - Infrastructure - Other	33,549	-	33,549	-	-	33,549	33,549	-	-	33,549
Revaluation surplus - Infrastructure - Sewerage	853,802	-	853,802	-	-	853,802	853,801	-	-	853,801
	14,633,120	(300,000)	14,333,120	32,004,728	32,004,728	46,337,848	14,528,028	105,092	105,092	14,633,120

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
Other Creditors	
Bonds and deposits held	
Creditors Licensing	
Payroll Creditors	
Accrued Loan Interest	
Grants paid in advance	

	2020	2019
	\$	\$
	250,099	182,965
	86,093	71,664
	13,551	13,993
	6,865	14,619
	11,661	12,061
	8,765	1,602
	36,243	40,939
	7,902	8,463
	-	23,175
	<b>421,179</b>	<b>369,481</b>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

**14. CONTRACT LIABILITIES**

**Current**

Contract liabilities from contracts with customers

	2020	2019
	\$	\$
	126,641	-
	126,641	-

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract Liabilities**

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. INFORMATION ON BORROWINGS**

	2020	2019
	\$	\$
Current	144,043	145,042
Non-current	1,182,149	1,273,192
	1,326,192	1,418,234

**(b) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019	30 June 2019
				Actual Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Principal	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments
				1 July 2019				1 July 2019					1 July 2018				
<b>Housing</b>				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Loan 100 - GROH	100	WATC*	3.57%	275,144	-	9,973	9,647	275,144	-	9,973	9,734	265,171	-	280,000	4,856	7,413	275,144
<b>Recreation and culture</b>																	
Loan 97 - Community Club	97	WATC*	4.09%	218,830	-	70,011	8,062	218,830	-	70,011	8,243	148,819	286,063	-	67,233	10,847	218,830
Loan 101 - Swimming Pool	101	WATC*	1.80%	200,000	-	18,426	3,512	200,000	-	17,428	5,870	182,572	-	200,000	-	59	200,000
DEM Loan - Swimming Pool		DEM**	0.00%	-	50,000	-	-	-	50,000	-	-	50,000	-	-	-	-	-
<b>Economic services</b>																	
DEM Loan - Tourism Entry Statements		DEM**	0.00%	-	-	-	-	-	37,500	-	-	37,500	-	-	-	-	-
Loan 99 - Accommodation	99	WATC*	3.14%	711,692	-	31,064	21,870	711,693	-	31,066	22,110	680,627	741,804	-	30,112	22,831	711,692
				1,405,666	50,000	129,474	43,091	1,405,667	87,500	128,478	45,957	1,364,689	1,027,867	480,000	102,201	41,150	1,405,666
<b>Self Supporting Loans</b>																	
<b>Economic services</b>																	
Loan 98 - Dowerin Events	98	WATC*	3.25%	12,568	-	12,568	151	12,567	-	12,567	205	-	37,102	-	24,534	904	12,568
				12,568	-	12,568	151	12,567	-	12,567	205	-	37,102	-	24,534	904	12,568
				1,418,234	50,000	142,042	43,242	1,418,234	87,500	141,045	46,162	1,364,689	1,064,969	480,000	126,735	42,054	1,418,234

\* WA Treasury Corporation

\*\*Dowerin Events Management

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**15. INFORMATION ON BORROWINGS (Continued)**

**(c) New Borrowings - 2019/20**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
					\$	\$	\$	\$		
Swimming Pool	*DEM	Interest Free	5	0.00%	50,000	50,000	50,000	50,000	-	-
Tourism Entry Statements	*DEM	Interest Free	5	0.00%	-	37,500	-	37,500	-	-
* Dowerin Events Management					50,000	87,500	50,000	87,500	-	-

**(d) Undrawn Borrowing Facilities**

	2020	2019
	\$	\$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	60,000	60,000
Bank overdraft at balance date	-	-
Credit card limit	18,000	16,000
Credit card balance at balance date	(1,910)	(6,191)
<b>Total amount of credit unused</b>	<b>76,090</b>	<b>69,809</b>

**Loan facilities**

Loan facilities - current	144,043	145,042
Loan facilities - non-current	1,182,149	1,273,192
<b>Total facilities in use at balance date</b>	<b>1,326,192</b>	<b>1,418,234</b>

**Unused loan facilities at balance date**

	-	-
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**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**Risk**

Information regarding exposure to risk can be found at Note 26.

SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2019</b>			
Current provisions	134,587	82,804	217,391
Non-current provisions	-	24,110	24,110
	134,587	106,914	241,501
Additional provision	109,002	35,820	144,822
Amounts used	(125,668)	(33,590)	(159,258)
<b>Balance at 30 June 2020</b>	117,921	109,144	227,065
<b>Comprises</b>			
Current	117,921	74,181	192,102
Non-current	-	34,963	34,963
	117,921	109,144	227,065
<b>Amounts are expected to be settled on the following basis:</b>	<b>2020</b>	<b>2019</b>	
Less than 12 months after the reporting date	\$ 117,921	\$ 217,391	
More than 12 months from reporting date	92,750	13,787	
Expected reimbursements from other WA local governments	16,394	10,323	
	227,065	241,501	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

**Other long-term employee benefits (Continued)**

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	1,212,407	2,405,611	856,021
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(63,701)	223,897	(192,714)
Non-cash flows in Net result:			
Depreciation on non-current assets	1,599,951	1,271,795	1,325,718
(Profit)/loss on sale of asset	5,731	(71,050)	8,321
Movement in Equity in Local Government House	-	-	(6,151)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(17,864)	-	(36,139)
(Increase)/decrease in inventories	8,112	-	5,440
Increase/(decrease) in payables	51,698	-	(27,792)
Increase/(decrease) in provisions	(14,436)	-	20,302
Non-operating grants, subsidies and contributions	(1,104,342)	(1,301,106)	(716,810)
Net cash from operating activities	591,790	123,536	380,175

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18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
General purpose funding	1,423,619	285,022
Law, order, public safety	693,182	744,191
Education and welfare	177,823	153,059
Housing	3,933,932	4,333,406
Community amenities	1,384,048	2,663,285
Recreation and culture	10,916,836	12,078,925
Transport	56,535,528	25,436,974
Economic services	2,701,076	2,721,951
Other property and services	3,582,295	863,255
Unallocated	557,277	912,660
	81,905,616	50,192,728



## 19. CONTINGENT LIABILITIES

The Shire of Dowerin has identified the following sites, in relation to land owned, vested or leased that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

Lot 98 Cottrell Street, Dowerin - Shire Depot - hydrocarbon.

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**20. CAPITAL COMMITMENTS**

**(a) Capital Expenditure Commitments**

Contracted for:

- plant & equipment repairs

	2020	2019
	\$	\$
	55,000	-
	<u>55,000</u>	<u>-</u>
	55,000	-

Payable:

- not later than one year

The amount of capital commitments at 30 June 2020 relates to repairs to the Shire's loader.

## 21. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

The following fees, expenses and allowances were paid/payable to council members and/or the President.

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	20,035	25,000	22,265
President's allowance	3,200	3,200	3,180
Deputy President's allowance	800	800	800
Members Communications	-	1,000	900
	<u>24,035</u>	<u>30,000</u>	<u>27,145</u>

### Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid/payable to KMP of the Shire during the year are as follows:

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	384,458	442,703
Post-employment benefits	35,279	43,546
Other long-term benefits	43,560	5,939
Termination benefits	17,709	22,902
	<u>481,006</u>	<u>515,090</u>

#### *Short-term employee benefits*

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

#### *Post-employment benefits*

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

#### *Other long-term benefits*

These amounts represent annual leave and long service benefits accruing during the year.

#### *Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

## 21. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	-	(85,000)
Purchase of goods and services	402,423	249,478
Short term employee benefits -other related parties	51,505	40,666
Post employment benefits - other related parties	4,799	3,462
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	-	24,684

### Related Parties

#### The Shire's main related parties are as follows:

##### *i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

##### *ii. Other Related Parties*

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which, KMP, or close family members of KMP have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly are considered related parties in relation to the Shire.

##### *iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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**22. JOINT ARRANGEMENTS**

**Share of Joint operation**

The Shire of Dowerin entered into joint arrangements with the State Housing Commission - Homeswest for construction of:  
 4 x 2 Bedroom Units for small families (Memorial Street Units) in 1996

4 x Independent Living Units for Seniors (Lot 27 Goldfields Road - Hilda Street Units) in 2006

The Shire has 19% interest in the joint arrangement.

Assets associated with the joint venture agreements are included in Council's Property, Plant & Equipment Register.

	2020	2019
	\$	\$
<b>Non current assets</b>		
Land and Buildings	1,115,947	1,115,947
Less: accumulated depreciation	(55,797)	(27,899)
Total assets	1,060,150	1,088,048
Statement of Comprehensive income		
Other revenue	6,281	27,418
Other expenditure	(3,611)	(39,753)
Net result for the period	2,670	(12,335)
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in asset revaluation surplus	-	-
<b>Total other comprehensive income for the period</b>	-	-
<b>Total comprehensive income for the period</b>	2,670	(12,335)

**SIGNIFICANT ACCOUNTING POLICIES**

**Interests in joint arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

**Interests in joint arrangements (Continued)**

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

### 23. MAJOR LAND TRANSACTIONS

The Shire had no major land transactions during the financial year 2019/2020.

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24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
<b>Differential general rate / general rate</b>										
<b>Gross rental valuations</b>										
Residential	0.10079	136	1,352,119	136,280	3,088	861	140,229	136,282	136,282	129,677
Commercial	0.10079	12	256,474	25,850	-	-	25,850	25,851	25,851	24,856
Town Rural	0.10079	27	138,892	13,999	-	-	13,999	13,999	13,999	12,367
Other Towns	0.10079	8	33,384	3,365	-	-	3,365	3,365	3,365	-
<b>Unimproved valuations</b>										
Rural Farmland	0.0084	229	126,018,500	1,058,555	519	65	1,059,139	1,058,933	1,058,933	1,013,162
<b>Sub-Total</b>		422	127,799,369	1,238,049	3,607	926	1,242,582	1,238,430	1,238,430	1,180,062
<b>Minimum payment</b>										
Minimum \$										
<b>Gross rental valuations</b>										
Residential	770	39	230,415	30,030	-	-	30,030	30,030	30,030	35,568
Commercial	770	18	70,095	13,860	-	-	13,860	13,860	13,860	13,338
Town Rural	770	15	36,975	11,550	-	-	11,550	11,550	11,550	11,856
Other Towns	225	20	7,974	4,500	-	-	4,500	4,500	4,500	4,104
<b>Unimproved valuations</b>										
Rural Farmland	770	61	3,345,400	46,970	-	-	46,970	46,970	46,970	48,165
Commercial/Industrial	770	4	400	3,080	-	-	3,080	3,080	3,080	2,964
Town rural	770	4	92,500	3,080	-	-	3,080	3,080	3,080	2,223
Mining	225	4	9,529	900	(382)	-	518	900	900	(2,918)
<b>Sub-Total</b>		165	3,793,288	113,970	(382)	-	113,588	113,970	113,970	115,300
<b>Total amount raised from general rate</b>		587	131,592,657	1,352,019	3,225	926	1,356,170	1,352,400	1,352,400	1,295,362
Ex-gratia rates							46,601	-	-	32,947
<b>Totals</b>							1,402,771	1,352,400	1,352,400	1,328,309

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

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**24. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

The Shire did not levy a specified area rate during the current reporting period.

**(c) Service Charges**

<b>Service Charges</b>	<b>Amount of Charge</b>	<b>2019/20 Actual Revenue Raised</b>	<b>2019/20 Actual Charges Applied to Costs</b>	<b>2019/20 Actual Charges Set Aside to Reserve</b>	<b>2019/20 Actual Reserve Applied to Costs</b>	<b>2019/20 Budget Revenue</b>	<b>2019/20 Budget Charges Applied to Costs</b>	<b>2019/20 Budget Charges Set Aside to Reserve</b>	<b>2019/20 Budget Reserve Applied to Costs</b>	<b>2018/19 Total Actual Revenue</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sewerage Rates	7.5841	157,585	149,282	19,214	-	156,000	156,000	61,466	(150,000)	150,198
Sewerage Fixtures	250/114	10,910	-	-	-	10,500	10,500	-	-	10,450
		<b>168,495</b>	<b>149,282</b>	<b>19,214</b>	<b>-</b>	<b>166,500</b>	<b>166,500</b>	<b>61,466</b>	<b>(150,000)</b>	<b>160,648</b>

<b>Nature of the Service Charge</b>	<b>Objects of the Charge</b>	<b>Reasons for the Charge</b>	<b>Area/Properties Charge Imposed</b>
Sewerage Rates	To reimburse the running costs of the sewerage scheme	Health and sanitisation service for council for the benefit of rate payers	Properties with access to the Sewerage scheme
Sewerage Fixtures	Installation and maintenance costs	Health and sanitisation service for council for the b	Properties with access to the Sewerage scheme

**(d) Discounts, Incentives, Concessions, & Write-offs**

No discounts, incentives, concessions or write-offs were offered by the Shire during the current reporting period.



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24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	9/09/2019	-	0.00%	11.00%
<b>Option Two</b>				
First instalment	9/09/2019	0.00	5.50%	11.00%
Second instalment	13/01/2020	5.00	5.50%	11.00%
<b>Option Three</b>				
First instalment	9/09/2019	0.00	5.50%	11.00%
Second instalment	11/11/2019	5.00	5.50%	11.00%
Third instalment	13/01/2020	5.00	5.50%	11.00%
Fourth instalment	13/03/2020	5.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	9,308	9,000	10796
Interest on instalment plan	3,893	1,000	4,838
Charges on instalment plan	1,120	5,000	-
	14,321	15,000	15,634

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**25. RATE SETTING STATEMENT INFORMATION**

Note	2019/20	2019/20	2019/20	2018/19
	(30 June 2020 Carried Forward)	Budget (30 June 2020 Carried Forward)	(1 July 2019 Brought Forward)	(30 June 2019 Carried Forward)
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(c)	(5,786)	(80,050)	(54,997)
Movement in employee leave reserve		875		2,415
Movement in Equity in Local Government House		-	-	(6,151)
Movement in pensioner deferred rates (non-current)		-	-	(3,122)
Movement in employee benefit provisions (non-current)		10,855	-	(45,455)
Add: Loss on disposal of assets	10(c)	11,517	9,000	63,318
Add: Depreciation on non-current assets	10(b)	1,599,951	1,271,795	1,325,718
<b>Non cash amounts excluded from operating activities</b>		<b>1,617,412</b>	<b>1,200,745</b>	<b>1,281,726</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash/financial asset backed	4	(1,851,072)	(2,291,652)	(2,245,469)
Less: Financial assets at amortised cost - self supporting loans	5(a)	-	-	(12,752)
Less: Current assets not expected to be received at end of year				
- Liabilities supported by a reserve		57,507	-	56,631
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15(a)	144,043	144,589	145,042
- Employee benefit provisions		-	151,636	-
<b>Total adjustments to net current assets</b>		<b>(1,649,522)</b>	<b>(1,995,426)</b>	<b>(2,056,548)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		3,335,135	2,667,518	3,376,145
Less: Total current liabilities		(883,965)	(685,968)	(731,914)
Less: Total adjustments to net current assets		(1,649,522)	(1,995,426)	(2,056,548)
<b>Net current assets used in the Rate Setting Statement</b>		<b>801,648</b>	<b>(13,876)</b>	<b>587,683</b>
<b>Total current assets at 30 June 2019</b>				<b>3,376,145</b>
<b>Total current assets at 1 July 2019</b>				<b>3,376,145</b>
<b>Total current liabilities at 30 June 2019</b>				<b>(731,914)</b>
<b>Total current liabilities at 1 July 2019</b>				<b>(731,914)</b>

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## 26. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest rate risk

#### Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2020</b>					
Cash and cash equivalents	0.10%	1,212,407	-	1,212,407	-
Financial assets at amortised cost - term deposits	0.90%	1,851,073	1,851,073	-	-
<b>2019</b>					
Cash and cash equivalents	0.75%	856,021	-	856,021	-
Financial assets at amortised cost	2.09%	2,245,469	2,245,469	-	-

#### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

Impact of a 1% movement in interest rates on profit and loss and equity\*

	2020	2019
	\$	\$
	12,124	8,560

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 15(b).

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26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2020 was determined as follows for rates receivable and related charges.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.89%	
Gross carrying amount	1,199	45,254	34,752	72,290	153,495
Loss allowance	-	-	-	64,422	64,422
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	970	62,123	21,294	55,414	139,801
Loss allowance	-	-	-	-	-

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.02%	0.00%	0.00%	0.00%	
Gross carrying amount	149,153	4,291	262	360	154,066
Loss allowance	2,574	-	-	-	2,574
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	-	-	-	39.78%	2.52%
Gross carrying amount	85,682	22,723	106	7,329	115,839
Loss allowance	-	-	-	2,915	2,915

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2020</u></b>					
Payables	421,179	-	-	421,179	421,179
Borrowings	183,073	592,358	870,460	1,645,891	1,326,192
Contract liabilities	126,641	-	-	126,641	126,641
	<u>730,893</u>	<u>592,358</u>	<u>870,460</u>	<u>2,193,711</u>	<u>1,874,012</u>
<b><u>2019</u></b>					
Payables	369,481	-	-	369,481	369,481
Borrowings	185,967	631,223	965,772	1,782,961	1,418,234
	<u>555,448</u>	<u>631,223</u>	<u>965,772</u>	<u>2,152,442</u>	<u>1,787,715</u>

## 27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

**(a) AASB 15: Revenue from Contracts with Customers**

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. There were no adjustments required.

**(b) AASB 1058: Income For Not-For-Profit Entities**

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements. There were no adjustment required.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 there were no changes to the financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	24(a)	1,402,771	0	1,402,771
Operating grants, subsidies and contributions	2(a)	2,031,369	126,641	2,158,010
Fees and charges	2(a)	418,193	0	418,193
Non-operating grants, subsidies and contributions	2(a)	1,104,342	0	1,104,342
Net result		(63,701)	126,641	62,940
<b>Statement of Financial Position</b>				
Trade and other payables	13	421,179	0	421,179
Contract liabilities	14	126,641	(126,641)	0
Net assets		79,804,539	126,641	79,931,180
<b>Statement of Changes in Equity</b>				
Net result		(63,701)	126,641	62,940
Retained surplus		31,615,618	126,641	31,742,259

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(c) AASB 16: Leases**

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

The Shire had no reportable leases under this standard.

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

**(d) Impact of New Accounting Standards on Retained Surplus**

The impact on the Shire's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			31,284,923
Adjustment to retained surplus from adoption of AASB 15	28(a)	-	
Adjustment to retained surplus from adoption of AASB 16	28(c)	-	
Adjustment to retained surplus from adoption of AASB 1058	28(b)	-	-
Retained surplus - 1 July 2019			31,284,923



**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**29. CHANGE IN ACCOUNTING POLICIES**

**(a) Change in Accounting Policies due to regulation changes**

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Adjustment \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	8	20,509,649	(300,000)	20,209,649
Revaluation surplus	12	14,633,120	(300,000)	14,333,120

**(b) Changes in equity due to change in accounting policies**

The impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			14,633,120
Adjustment to revaluation surplus from deletion of FM Reg 16	29(a)	(300,000)	
Adjustment to revaluation surplus from deletion of FM Reg 17	29(a)	-	(300,000)
Revaluation surplus - 1 July 2019			14,333,120

**SHIRE OF DOWERIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**30. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**b) Current and non-current classification**

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

**c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**d) Comparative figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**e) Budget comparative figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

**f) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

**g) Fair value of assets and liabilities**

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**h) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**i) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**SHIRE OF DOWERIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**31. ACTIVITIES/PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<p><b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>HEALTH</b> To provide an operational framework for environmental and community health.</p>	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<p><b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.
<p><b>HOUSING</b> To provide housing to staff.</p>	Staff housing, provision of general rental accomodation when buildings not required by staff.
<p><b>COMMUNITY AMENITIES</b> To provide services required by the community.</p>	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
<p><b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which help the social well being of the community.</p>	Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<p><b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.
<p><b>ECONOMIC SERVICES</b> To help promote the Shire and its economic wellbeing.</p>	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.
<p><b>OTHER PROPERTY AND SERVICES</b> To monitor and control Council's overhead operating accounts.</p>	Private works operation, plant repair and operation costs, housing and engineering operation costs.

SHIRE OF DOWERIN  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

32. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.94	2.16	2.85
Asset consumption ratio	0.60	0.95	0.98
Asset renewal funding ratio	1.40	1.35	0.94
Asset sustainability ratio	0.83	1.43	0.51
Debt service cover ratio	2.56	2.72	(2.91)
Operating surplus ratio	(0.52)	(0.40)	(0.87)
Own source revenue coverage ratio	0.40	0.41	0.35

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Dowerin

Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the Shire of Dowerin which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Dowerin:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Emphasis of Matter – Basis of Accounting**

I draw attention to Notes 1 and 10 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

### ***Responsibilities of the Chief Executive Officer and Council for the Financial Report***

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of the annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

### ***Auditor's Responsibility for the Audit of the Financial Report***

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates significant adverse trend in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past three years. The financial ratios are reported in Note 32 of the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The financial ratios for 2018 in Note 32 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Dowerin for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



ALOHA MORRISSEY  
ASSISTANT AUDITOR GENERAL  
FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
17 December 2020

## Shire of Dowerin Risk Dashboard Report - December 2020

<b>Asset Management Practices</b>			Risk	Control
			Moderate	Adequate
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.				
Actions	Due Date	Responsibility		
Revaluation of Road Assets	Dec-19	MWA		
Update RAMM Annually	Jun-21	MWA		
Link Building Maintenance Schedule to AMP	Apr-21	MWA; MCCS		
Review Asset Management Plan	Apr-21	SMT		
Develop Revaluation Schedule for Asset Classes	Jun-21	MWA; MCCS		
Review LTFP and Link to AMP	Feb-21	MCCS / MWA / CEO		
Review Fuel Stock Control System	Apr-21	MCCS; MWA; CEO		
Implement New Fuel Stock Control System	Feb-21	MWA / MCCS		

<b>Business Disruption</b>			Risk	Control
			Moderate	Adequate
Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).				
Actions	Due Date	Responsibility		
Annual LEM Exercise Undertaken	TBD	CEO		
Review Business Continuity Plan	Mar 21	CEO		
Business Continuity Plan Drill to be Undertaken Annually	Dec 22	CEO; MCCS		
Develop IT Disaster Recovery Plan	Jun 21	MCCS		
Fire Breaks Inspected and Enforced Annually	Nov 21	MCCS		
Fire Fighting Equipment Maintained and Serviced Annually	Mar-Apr 21	MWA		
Wardens (Internal) - Training of New Wardens	Jun 21	SMT		
Admin Generator Maintained and Serviced	Monthly	MWA		
Develop Facility Risk Management Plan	Dec 21	CEO; MCCS		

<b>Failure to fulfil Compliance Requirements - (Statutory)</b>			Risk	Control
			Moderate	Adequate
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.				
Actions	Due Date	Responsibility		
Document Governance Framework	Dec-21	CEO; EGO		
Continue Implementation of Training Program for Councillors and Staff	Ongoing	SMT; EGO		
Review Councillor Induction Manual - Every 2 Years	Aug-21	EGO		
Review Human Resource Management Framework	Feb-21	CEO; MCCS		
Review Information Management System	Feb-21	MCCS		
Interim Audit Finding 30 June 2020 - Code of Conduct - Review	TBC	EGO		
Interim Audit Finding 30 June 2020 - Purchasing & Payment Procedures	Sep-20	CEO; MCCS		
Interim Audit Finding 30 June 2020; Debtor & Credit Request Forms	Sep-20	MCCS		
Interim Audit Finding 30 June 2020 - Review of LTFP & AMP	Dec-20	MCCS; MWA		

<b>Document Management Processes</b>			Risk	Control
			Moderate	Adequate
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.				
Actions	Due Date	Responsibility		
Investigate Upgrades Required to Archive Room to Improve Compliance With SRO	Jun-20	MCCS		
Refurbishment of Archive Room to Improve Compliance	Jun-21	MWA		
Review Sharepoint System	Jun-21	CEO		
Review Information Management Framework	Dec-21	CDO		
Information Management Staff Training	Ongoing	MCCS		
Review Record Keeping Plan	Jun-21	MCCS		

<b>Employment Practices</b>			Risk	Control
			Moderate	Adequate
Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).				
Actions	Due Date	Responsibility		
Develop a Health and Wellbeing Program	Jun-21	SMT		
Review Workforce Plan	Apr-21	SMT		
Create Checklist for Human Resource Management Framework	Jun-21	SMT		
Update Training Register & Develop 2021/2022 Training Program	Mar-21	CEO; MCCS		
Review Staff Induction Process	Feb-21	MCCS		
Conduct Annual Drivers License Checks	Annually in Feb	MCCS		
Conduct Annual Performance Reviews	Annually in Feb	SMT		

<b>Engagement Practices</b>			Risk	Control
			Moderate	Adequate
Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.				
Actions	Due Date	Responsibility		
Review Community Complaints, Feedback & Request Handling Process	Jun-21	CEO / MCCS		
Develop a Community Engagement Policy & Framework	Mar-21	SMT / CDO		
Conduct Community Satisfaction Survey	Jun-20	CEO / CDO		
Develop Process For Customer Response Requests (Snap, Send, Solve)	Mar-20	MCCS		
Review Customer Service Charter (every two years)	Jun-20	MCCS		
Review Customer Service Charter (every two years)	Sep-22	EGO		
Develop Complaint Register (in accordance to Act)	Jun-20	MCCS		

<b>Environment Management</b>			Risk	Control
			Moderate	Adequate
Inadequate prevention, identification, enforcement and management of environmental issues.				
Actions	Due Date	Responsibility		
Develop Waste Water Management Plan & Program	Dec-20	MWA		
Develop Waste Management Plan & Program	Dec-21	MWA		
Complete Audit of Sewage System	Completed	MWA		
Address Compliance of Waste Management	Ongoing	MWA		
Address Compliance of Waste Water Re-Use	Jun-21	MWA		

<b>Errors, Omissions &amp; Delays</b>			Risk	Control
			Moderate	Adequate
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.				
Actions	Due Date	Responsibility		
Review Code of Conduct	Jul-21	CEO / EGO		
Review and Document Organisations Controls and Systems	Ongoing	CEO / MCCS		
Centralise Checklists, Controls and Procedures	Jun-21	CEO / MCCS		
Review Customer Service Complaints & Request Process to include Snap Send Solve	Jun-21	MCCS		

<b>External Theft &amp; Fraud (Including Cyber)</b>			Risk	Control
			Moderate	Adequate
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).				
Actions	Due Date	Responsibility		
Review Access Controls to Include Key Register	Dec-21	CEO; MCCS		
Photographic Record of Minor Assets & Align With Minor Assets Register	Jun-21	MCCS		
Implement Quarterly Schedule For Changing Passwords	Ongoing	MCCS		
Review Security and Storage of Records	Aug-21	MCCS		
Document Financial Management System	Oct-21	MCCS		

<b>Management of Facilities / Venues / Events</b>			Risk	Control
			Low	Adequate
Failure to effectively manage the day to day operations of facilities, venues and / or events.				

<b>IT or Communication Systems and Infrastructure</b>			Risk	Control
			Moderate	Adequate
Disruption, financial loss or damage to reputation from a failure of information technology systems. Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.				

<b>Misconduct</b>			Risk	Control
			Moderate	Adequate
Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.				



## Shire of Dowerin Risk Dashboard Report - December 2020

Actions	Due Date	Responsibility
Develop Event Mangement Framework	Dec-21	CDO
Develop Reserves Management Register	Dec-21	MCCS / MWA
Create Inspection and Maintenance Schedules for Event Equipment	Jun-21	CDO
Undertake Community Facilities Review	Apr-21	CEO / CDO
Public Buildings Inspected Annually for Compliance	Nov-21	MWA

Actions	Due Date	Responsibility
Develop IT Disaster Recovery Plan	Jun-21	MCCS
Review IT Management Service Level Agreement	Jun-21	MCCS
Document IT Infrastructure Replacement Program	Jun-21	MCCS
Install Advanced Email Protection	Jul-20	MCCS
Develop Secure Password Procedure	Jun-20	MCCS
Replacement of Phone System	Sep-21	MCCS

Actions	Due Date	Responsibility
Review and Document Organisations Controls and Systems	Ongoing	CEO / MCCS
Centralise Checklists, Controls and Procedures	Jun-21	CEO / MCCS
Review Fuel Stock Control and Process	Apr-21	MCCS / MWA
Present Regulation 17 Review to Audit & Risk Committee - Annually	December pa	CEO
Review Purchasing Policy & Procurement Process	Jul-22	MCCS
Review Social Media Policy 3.11	Apr-22	EGO
Review Code of Conduct	Jul-21	CEO / EGO
Conduct Drivers Licence Check Annually	February pa	MCCS/MWA

Project / Change Management	Risk	Control
	Moderate	Adequate
Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.		
Actions	Due Date	Responsibility
Develop Project Management Methodology and Framework	Dec-21	MCCS
Develop Communication and Engagement Framework	Mar-21	CEO / CDO

Safety and Security Practices	Risk	Control
	Moderate	Adequate
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.		
Actions	Due Date	Responsibility
Review Hazard Register	Dec-21	MWA / TWC
Complete Staff Training Register	Jun-20	SMT
Conduct Quarterly Workplace Inspections	Quarterly	MWA / TWC
Safe Work Method Statements (SWMS) Library	Ongoing	MWA / TWC
Assess Shire Building and Facility Safety and Security	Dec-21	MWA / TWC
Develop Isolated Worker Management Protocol	Jun-21	MWA / TWC
Re-Establish OSH Committee & Conduct Monthly Meetings	Monthly	MWA / TWC
Develop Facility Risk Management Plan	Dec-21	CEO
Conduct Annual BCP and LEMC Drills	Dec-21	CEO
Review Contractor Inductions and Register	Dec-21	MWA / TWC

Supplier / Contract Management	Risk	Control
	Moderate	Adequate
Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.		
Actions	Due Date	Responsibility
Review Purchasing Policy	Completed	CEO; MCCS
Develop Standardised Contracts	Ongoing	CEO; MCCS
Document Financial Controls	Ongoing	MCCS
Develop Appropriate Financial Reporting Tools	Ongoing	MCCS
Develop Centralised Contract Management System	Ongoing	CEO; MCCS

# Asset Management Practices

Dec-20

## Risk Context

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.

Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning (capital renewal plan).

*It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.*

## Potential causes include;

Skill level & behaviour of operators	Unavailability of parts
Lack of trained staff	Lack of timely & appropriate maintenance / inspections
Outdated equipment	Unexpected breakdowns
Insufficient budget to maintain or replace assets	

Key Controls	Type	Last Reviewed	Rating
Roads Maintenance Program	Preventative	Jun-20	<b>Adequate</b>
Road Asset Management Program (RAMM)	Preventative	Apr-20	<b>Adequate</b>
Fleet and Plant Maintenance Program	Preventative	Jun-20	<b>Adequate</b>
Building Maintenance Program	Preventative	Jun-20	<b>Adequate</b>
Asset Management Plan	Preventative	Jun-18	<b>Inadequate</b>
Plant Replacement Program	Preventative	Jun-20	<b>Adequate</b>
Sewerage Maintenance Plan & Program	Preventative	Oct-19	<b>Inadequate</b>
Stock Control Systems (Fuel)	Preventative	May-20	<b>Inadequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Revaluation of Road Assets	Dec-19	MWA
Revaluation of Sewerage System	Dec-22	MWA
Update RAMM Annually	Jun-21	MWA
Link Building Maintenance Schedule to AMP	Apr-21	MWA; MCCA
Review Asset Management Plan	Apr-21	SMT
Develop Revaluation Schedule for Asset Classes	Jun-21	MWA; MCCA
Review LTFP and Link to AMP	Apr-21	MCCA; MWA; CEO
Review Fuel Stock Control System	May-20	MWA; MCCA
Implement New Fuel Stock Control System	Feb-21	MWA

Key Performance Indicators	Tolerance	Latest Result	Trend
Asset Renewal Funding Ratio	95%-105%	135%	<b>Worsening</b>
Asset Consumption Ratio	60%-75%	95%	<b>Improving</b>
Asset Sustainability Ratio	90%-110%	143%	<b>Improving</b>
AMP & LTFP	Reviewed Annually	Not Completed	<b>Constant</b>
Accidents and / or Damage to Property	<2 Per Quarter	8	<b>Worsening</b>

## Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

## Objective:

Maintain assets at a suitable level from procurement to disposal.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
MWA	Yes	Yes	Yes	Yes	No	
MWA	Yes	Yes	Yes	Yes	No	
MWA	Yes	Partial	Partial	No	No	
MWA	Yes	Yes	Partial	Yes	No	
MWA; MCCA	Yes	Yes	No	No	No	
MWA	Yes	Yes	Yes	Yes	No	
MWA	No	No	No	No	No	
MWA; MCCA	Partial	Partial	No	No	Partial	Current system subject to fraud

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Completed			Completed 2020; next due within 5 years
			New Action: To be costed & included in 21/22 budget deliberations
			New Action: Condition data & 21/22 works program to be entered June 2021
Dec-20	Apr-21		IPR NEWROC Masterclass; deferred due date April 2021
Mar-20	Dec-20	Apr-21	IPR NEWROC Masterclass; deferred due date April 2021
			New Action
Jun-20	Feb-21	Apr-21	IPR NEWROC Masterclass; deferred due date April 2021
Completed			Review identified control deficiencies
Nov-20	Feb-21		Allocation in 2020/201 annual budget to install new electronic system

KPI / Action Data			
2020	2021	2022	Comments
135%			30 June 2019 Actuals
95%			30 June 2019 Actuals
143%			30 June 2019 Actuals
Not Completed			IPR NEWROC Masterclass; deferred due date April 2021
8			Management to review OHS procedures

## Additional / Final Comments

Reviewed by Management Team - December 2020  
 Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

**Business & Community Disruption** **Dec 20**

**Risk Context**

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).

This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training for specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

*This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".*

**Objective: To continue delivery of critical services at acceptable levels following a disruption**

**Potential causes include;**

Cyclone, storm, fire, earthquake	Extended utility outage
Terrorism / sabotage / criminal behaviour	Economic factors
Epidemic / pandemic	Loss of key staff
Loss of suppliers	Loss of key infrastructure

Key Controls	Type	Last Reviewed	Rating
Local Emergency Management Arrangements (LEMA)	Preventative	Oct 19	<b>Adequate</b>
Business Continuity Plan	Preventative	Mar 20	<b>Adequate</b>
Facility Risk Management Plan	Preventative		<b>Not Rated</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	No	No	No	No		Fraud not relevant

Actions (Treatments)	Due Date	Responsibility
Annual LEM Exercise Undertaken	TBD	CEO
Review Business Continuity Plan	Mar 21	CEO
Business Continuity Plan Drill to be Undertaken Annually	Dec 22	CEO; MCCS
Develop IT Disaster Recovery Plan	Jun 21	MCCS
Fire Breaks Inspected and Enforced Annually	Nov 21	MCCS
Fire Fighting Equipment Maintained and Serviced Annually	Mar-Apr 21	MWA
Wardens (Internal) - Training of New Wardens	Jun 21	SMT
Admin Generator Maintained and Serviced	Monthly	MWA
Develop Facility Risk Management Plan	Dec 21	CEO; MCCS

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Apr-20	TBD		Deferred due to COVID19; waiting for DFES availability
Feb-21	Mar-21		Adopted March 2020; BCP activated March 2020 in response to COVID19
Oct-19	Completed		COVID-19 response treated as BCP exercise; Next due April 2022
Dec-20	Jun-21		To be actioned within scope of new IT Management Contract
N/A			Last inspected November 2020
N/A			Inspections completed
Oct-19	Jun-20	Dec-20	Admin wardens nominated; First Aid Training completed
Monthly	NA	NA	Inspection completed; need to implement monthly monitoring system
Jun-20	Dec-21		Allocation in 2021/22 budget deliberations

Key Performance Indicators	Tolerance	Latest Result	Trend
Missed LEMC Committee Meetings - Ness	1 per annum	1	Constant
Number of Firebreak Infringements Issued	5 per annum	2	Improving
LEM Annual Exercise Undertaken	1 per annum	Nil	<b>Worsening</b>
BCP Annual Exercise Undertaken	1 per annum	1	Constant

KPI / Action Data			
2020	2021	2022	Comments
1			November 2020 meeting no held due to no matters to discuss
2			5 Infringements issued in 2019; 2 Infringements in 2020
Nil			Scheduled for October 2020, DFES unable to conduct due to COVID-19
1			COVID-19 response treated as BCP exercise

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Interruption; Reputation; Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)

**Additional / Final Comments**

Reviewed by Management Team - December 2020

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

<b>Overall Risk Ratings: <span style="background-color: yellow;">Moderate</span></b>

# Failure to fulfil Compliance Requirements - (Statutory and Regulatory)

Dec 20

**Risk Context**

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.

It includes (amongst others) the Local Government Act, Planning & Development Act, Health Act, Building Act, Dog Act, Cat Act, Freedom of Information Act and all other legislative based obligations for Local Government.

It does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices").

**Objective:**  
**Compliance with Statutory and Regulatory Local Government obligations, including the Local Government Act, Planning & Development Act, Health Act, Building Act and Freedom of Information Act**

Potential causes include;	
Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff / Councillor Turnover	No Compliance Officer or person responsible for Compliance oversight and enforcement
Inadequate record keeping / failure of corporate electronic systems	Breakdowns in the tender or procurement process
Ineffective policies & processes	Ineffective monitoring of changes to legislation

Key Controls	Type	Last Reviewed	Rating
Governance Management Framework	Preventative	Ongoing	<b>Adequate</b>
Information Management System	Preventative	Unknown	<b>Adequate</b>
Human Resource Management Framework	Preventative	Ongoing	<b>Adequate</b>
Access to Accurate & Current Legislation & Regulations	Preventative	Jun-20	<b>Adequate</b>
Governance Calendar	Preventative	Ongoing	<b>Adequate</b>
Council & Staff Inductions	Preventative	Feb-20	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Partial	Partial	Partial	Partial	No	
CEO; MCCS	Partial	Partial	Partial	Partial	No	
EGO	No	No	Yes	Yes	No	Documentation not required
EGO	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	

Actions (Treatments)	Due Date	Responsibility
Document Governance Framework	Dec-21	CEO; EGO
Continue Implementation of Training Program for Councillors and Staff	Ongoing	SMT; EGO
Review Councillor Induction Manual - Every 2 Years	Aug-21	EGO
Review Human Resource Management Framework	Feb-21	CEO; MCCS
Review Information Management System	Feb-21	MCCS
Interim Audit Finding 30 June 2020 - Code of Conduct - Review	TBC	EGO
Interim Audit Finding 30 June 2020 - Purchasing & Payment Procedures	Sep-20	CEO; MCCS
Interim Audit Finding 30 June 2020; Debtor & Credit Request Forms	Sep-20	MCCS
Interim Audit Finding 30 June 2020 - Review of LTFP & AMP	Dec-20	MCCS; MWA

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Dec-21	Progressing; completion in Decemebr 2021
Ongoing			Progressing
Completed			Completed August 2019; Next review due August 2021
Ongoing	Feb-21	Dec-21	Progressing
Dec-20	Feb-21	Dec-21	Preogressing
Completed			Next review required when model standards are released
Completed			Implementation of Altus Procurement Module; 3 September 2020; reviewed & processes & procedures updated
Completed			Templates & procedures modified & actioned
Dec-20	Apr-21		IPR NEWROC Project; defer due date to April 2021

Key Performance Indicators	Tolerance	Latest Result	Trend
Financial and Performance Audit Qualifications	Unqualified Audit	Unqualified Audit	Improving
Compliance Audit Return	As per legislated	Compliant	Improving
Financial Management System Review (Every 3 Years)	As per legislated	Compliant	Improving
CEO Regulation 17 Review - (Every 3 Years)	As per legislated	Compliant	Improving
Freedom of Information Statistical Return	As per legislated	Compliant	Improving
Annual Waste & Recycling Data Reporting	As per legislated	Compliant	Improving
Regulation 53 of Building Regulations 2021 (Pool Inspections)	As per legislated	Compliant	Improving
Food Act 2008 & Public Health Act 2016 Reporting	As per legislated	Compliant	Improving

KPI / Action Data			
2020	2021	2022	Comments
<i>Unqualified Audit</i>			EoY Audit due October 2021; audit signed & finalised 16 December 2020
<i>Compliant</i>			Due March 2021
<i>Not Rated</i>			Last reviewed September 2019; Due September 2022
<i>Compliant</i>			Last reviewed September 2019; Due September 2022
<i>Compliant</i>			Due July 21
<i>Compliant</i>			Due October 21
<i>Not Rated</i>			Due December 2021; every 3 years
<i>Compliant</i>			Next due August 2021

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

# Document Management Processes

Dec 20

## Risk Context

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.

This includes:

- Contact lists
- Procedural documents, personnel files, complaints
- Applications, proposals or documents
- Contracts
- Forms or requests

## Potential causes include;

Incompatible systems	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed

Key Controls	Type	Last Reviewed	Rating
Information Management Framework	Preventative	Dec-20	<b>Adequate</b>
Governance Management Framework	Preventative	Ongoing	<b>Adequate</b>
Recordkeeping Plan	Preventative	Mar-19	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Investigate Upgrades Required to Archive Room to Improve Compliance With SRO	Jun-20	MCCS
Refurbishment of Archive Room to Improve Compliance	Jun-21	MWA
Review Sharepoint System	Jun-21	CEO
Review Information Management Framework	Dec-21	CDO
Information Management Staff Training	Ongoing	MCCS
Review Record Keeping Plan	Jun-21	MCCS

Key Performance Indicators	Tolerance	Latest Result	Trend
Information Management Framework	Reviewed Annually	Not Rated	Constant
Archives	As legislated	Compliant	Constant
Record Keeping Plan Completed	As legislated	Not Rated	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

## Objective:

Adequately capture, store, archive, retrieve, provide and ultimately dispose of Shire documentation

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Partial	Partial	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Partial	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Completed			Allocation in 2020/21 Budget
Completed			Completed August 2020
Jun-21			Identified potential providers; commence review January 2021
Jun-20	Jun-21	Dec-21	Progressing
Ongoing			Form part of Induction Process
Jun-21			Due to commence in March 2021

KPI / Action Data			
2020	2021	2022	Comments
<i>Not Rated</i>			Rating to commence July 2021
<i>Compliant</i>			Recorded & destroyed as per R&D Schedule; Record Keeping Plan
<i>Not Rated</i>			Compliant & Current RKP by due date

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Employment Practices Dec 20

**Risk Context**

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).  
 This includes:  
 -Not having appropriately qualified or experienced people in the right roles  
 -Insufficient staff numbers to achieve objectives  
 -Breaching employee regulations  
 -Discrimination, harassment & bullying in the workplace  
 -Poor employee wellbeing (causing stress)  
 -Key person dependencies without effective succession planning in place  
 -Industrial activity

**Objective:**  
 Effective management and leadership of human resources (full-time, part-time, casual, temporary and volunteer).

**Potential causes include;**

Leadership failures	Ineffective performance management programs or procedures
Key / single-person dependencies	Limited staff availability - labour market conditions
Poor internal communications / relationships	Inadequate induction practices
Ineffective Human Resources policies, procedures and practices	Inconsistent application of policies

Key Controls	Type	Last Reviewed	Rating
Workforce Plan	Preventative	May-19	<b>Effective</b>
Human Resource Management Framework	Preventative	May-19	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Partial	Partial	Partial	Partial	No	

Actions (Treatments)	Due Date	Responsibility
Develop a Health and Wellbeing Program	Jun-21	SMT
Review Workforce Plan	Apr-21	SMT
Create Checklist for Human Resource Management Framework	Jun-21	SMT
Update Training Register & Develop 2021/2022 Training Program	Mar-21	CEO; MCCS
Review Staff Induction Process	Feb-21	MCCS
Conduct Annual Drivers License Checks	Annually in Feb	MCCS
Conduct Annual Performance Reviews	Annually in Feb	SMT

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Jun-21	Program not in place, no budget allocation; CEO to follow up with LGIS
Apr-20	Mar-21	Apr-21	IPR Masterclass scheduled to complete March 21; IPR Newroc Project
Jun-20	Jun-21		Amended action to develop checklist as framework is documented
Apr-21	Sep-20	Apr-21	Commenced
Mar-20	Sep-20		Finalise February 2021
Yearly in Feb			Conducted February 2020
Apr-20			Reviews to occur in February annually to inform budget deliberations

Key Performance Indicators	Tolerance	Latest Result	Trend
Training Program (% Completed)	90% per annum	Not rated	
Absenteeism (% of Personal and Unpaid Leave)	<Industry Standard	Not rated	
Employee Turnover (% Turnover Rate)	<Industry Standard	Not rated	
Performance Reviews (% Completed)	100% per annum	100%	Improving
Annual Drivers Licenses (% Completed Checks)	100% per annum	100%	Improving
Workers Compensation Claims	< 1 per annum	2	<b>Worsening</b>

KPI / Action Data			
2020	2021	2022	Comments
			Not rated this review; introduce result June 2021
			Not rated this review; introduce result June 2021
			Not rated this review; introduce result June 2021
100%			
100%			2021 to occur with February Development Reviews
2			

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Health / Reputational / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Additional / Final Comments**

Reviewed by Management Team - December 2020

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

**Risk Context**

Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so.

For example;

- Following up on any access & inclusion issues
- Infrastructure Projects
- Local planning initiatives
- Strategic planning initiatives

*This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.*

**Objective:**  
 Effective working relationships (communication, feedback & consultation) with the Community, local Media, Stakeholders, key Private Sector Companies, Government Agencies and Elected Members.

Potential causes include;	
Relationship breakdowns with community groups	Short lead times
Leadership inattention to current issues	Miscommunication / poor communication
Inadequate documentation or procedures	Inadequate Regional or District Committee attendance.
Budget / funding issues	Inadequate involvement with, or support of community groups

Key Controls	Type	Last Reviewed	Rating
Community & Engagement Framework	Preventative		Not Rated
Communication & Engagement Policy	Preventative		Adequate
Complaint Handling Process	Preventative	Jun-20	Adequate
Community Satisfaction Survey	Detective	Jul-05	Adequate
Customer Service Charter	Preventative	Oct-19	Adequate
<b>Overall Control Ratings:</b>			Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; CDO	Partial	Partial	Yes	No		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; CDO	Yes	Yes	Yes	Yes		Fraud not relevant

Actions (Treatments)	Due Date	Responsibility
Review Community Complaints, Feedback & Request Handling Process	Jun-21	CEO / MCCS
Develop a Community Engagement Policy & Framework	Mar-21	SMT / CDO
Conduct Community Satisfaction Survey	Jun-20	CEO / CDO
Develop Process For Customer Response Requests (Snap, Send, Solve)	Mar-20	MCCS
Review Customer Service Charter (every two years)	Sep-22	EGO
Develop Complaint Register (in accordance to Act)	Jun-20	MCCS

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Sep-19	Jun-20	Jun-21	Second review required to streamline processes
Oct-19	Jun-20	Oct-20	Progress stalled
Completed			Completed in October 2020; next due September 2022
Completed			Conduct second review and align with complaints handling process
Completed			Completed September 2020
Completed			Register developed & on Shrie website

Key Performance Indicators	Tolerance	Latest Result	Trend
Number Complaints from the Community Not Responded To	>3 per quarter	Not Rated	
Community Satisfaction Survey - Council Leadership within the Community	80% Satisfaction	75%	
Community Satisfaction Survey - How the community is consulted & informed about local issues	80% Satisfaction	75%	
Community Engagement Framework	Completed	Completed	Constant

KPI / Action Data			
2020	2021	2022	Comments
Not Rated			Not rated this review; introduce result in June 2021
75%			
75%			
Not Rated			Not rated this review; due March 2021

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation	<b>Consequence:</b>	Minor (2)
	<b>Likelihood:</b>	Likely (4)
	<b>Overall Risk Ratings:</b>	Moderate

**Additional / Final Comments**

Reviewed by Management Team - December 2020

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.



# Environment Management

Dec 20

## Risk Context

Inadequate prevention, identification, enforcement and management of environmental issues.

The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed & mosquito / Vector control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

## Objective:

Effective management and protection of our environment

## Potential causes include;

Inadequate management of landfill sites	Inadequate reporting / oversight frameworks
Lack of understanding / knowledge	Community apathy
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)
Prolific extractive industry (sand, limestone, etc.)	Competing land use (growing population vs conservation)

Key Controls	Type	Last Reviewed	Rating
Road Engineering & Subdivision Policy (4.4)	Preventative	May-19	<b>Adequate</b>
Waste Water Management Plan & Program	Preventative		<b>Not Rated</b>
Contaminated Sites Register	Preventative	Nov-19	<b>Adequate</b>
Waste Management Plan & Program	Preventative		<b>Not Rated</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
MWA	Yes	Yes	Yes	Yes	No	
MWA	No	No	No	No	No	
MWA	Yes	Yes	Yes	Yes	No	
MWA	No	No	No	No	No	

Actions (Treatments)	Due Date	Responsibility
Develop Waste Water Management Plan & Program	Dec-20	MWA
Develop Waste Management Plan & Program	Dec-21	MWA
Complete Audit of Sewage System	Completed	MWA
Address Compliance of Waste Management	Ongoing	MWA
Address Compliance of Waste Water Re-Use	Jun-21	MWA

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Jun-22		Not yet commenced
Dec-20	Jun-21	Dec-21	Not yet commenced; defer due date to December 2021
Completed			
Ongoing			MWA to determine & identify any gaps
Jun-21			Upgrade system subject to external funding; 2020/2021 budget allocation

Key Performance Indicators	Tolerance	Latest Result	Trend
Annual Waste & Recycling Data Reporting	As per legislated	Completed	Constant
Satisfactory Water Sampling For Water Re-Use	100%	Completed	Constant
Asbestos Register	As per legislated	Maintained	Constant
Contaminated Site Register	As per legislated	Maintained	Constant

KPI / Action Data			
2020	2021	2022	Comments
<i>Submitted</i>			Completed as per statutory requirements; due October 2020
<i>100%</i>			Water sampling conducted monthly
<i>Maintained</i>			Maintained; last reviewed December 2020
<i>Maintained</i>			

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Environment / Reputation / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Additional / Final Comments
Reviewed by Management Team - December 2020

# Errors, Omissions & Delays

Dec 20

## Risk Context

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff.

Examples include;

- Incorrect planning, development, building, community safety and Emergency Management advice
- Incorrect health or environmental advice
- Inconsistent messages or responses from Customer Service Staff
- Any advice that is not consistent with legislative requirements or local laws.
- Human error
- Inaccurate recording, maintenance, testing or reconciliation of data.
- Inaccurate data being used for management decision-making and reporting.
- Delays in service to customers

*This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes"*

## Objective:

Minimal errors, omissions or delays in service delivery and advisory activities

## Potential causes include;

Human error	Incorrect information
Inadequate formal procedures or training	Miscommunication
Lack of trained staff	Work pressure / stress
Unrealistic expectations from community, council or management	Health issues
Poor use of check sheets / FAQ's	Lack of understanding

Key Controls	Type	Date	Rating
Checklists and Documented Procedures	Preventative	Nov-19	Inadequate
Complaints Register	Preventative	Nov-19	Adequate
Complaints Process	Recovery	Nov-19	Adequate
Councillor Information Bulletin	Preventative	Nov-19	Adequate
Customer Service Charter	Preventative	Nov-19	Adequate
Delegations & Register	Preventative	Nov-19	Adequate
Electronic Records - Sharepoint	Recovery	Nov-19	Adequate
External Communications (website, news articles)	Preventative	Nov-19	Adequate
External Consultants (ie. legal)	Preventative	Nov-19	Adequate
Customer Service Request Procedure	Preventative	Nov-19	Adequate
File Note/Documentation	Preventative	Nov-19	Adequate
Internal Communications (staff newsletter, regular meetings)	Preventative	Nov-19	Adequate
Performance Reviews	Preventative	Nov-19	Adequate
Qualified Building, Health & Planning Officers	Preventative	Nov-19	Adequate
Segregation of Duties (financial control)	Preventative	Nov-19	Adequate
Staff Inductions	Preventative	Nov-19	Adequate
Staff Training (formal & on-the-job)	Preventative	Nov-19	Effective
Council Motions Register	Preventative	Nov-19	Adequate

## Control Assurance

Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; MCCS	Partial	Partial	Partial	Partial	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	Partial	
All Staff	Yes	Yes	Yes	Yes	No	
CEO; CDO	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
SMT	Yes	Yes	Yes	Yes	No	
CEO; CDO	Yes	Yes	Yes	Yes	No	
SMT	Yes	Yes	Yes	Yes	No	
CEO	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
SMT	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
EGO	Yes	Yes	Yes	Yes	No	

Workforce Plan	Preventative	Nov-19	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>
<b>Actions (Treatments)</b>			
		<b>Due Date</b>	<b>Responsibility</b>
Review Code of Conduct		Jul-21	CEO / EGO
Review and Document Organisations Controls and Systems		Ongoing	CEO / MCCS
Centralise Checklists, Controls and Procedures		Jun-21	CEO / MCCS
Review Customer Service Complaints & Request Process to include Snap Send Solve		Jun-21	MCCS

Key Performance Indicators	Tolerance	Latest Result	Trend
Legal Claims	0	0	Constant
Number of Complaints Regarding Errors, Omissions or Delays (minor)	0	0	Constant
Number of Complaints Regarding Errors, Omissions or Delays (major)	0	0	Constant
Referral to SAT/Ombudsman/Public Sector Commission	0	0	Constant
Number of Complaints to Local Government Standards Panel	0	0	Constant
External Audit Qualification	Unqualified Audits	Unqualified Audit	Constant
Staff Training Target Met	90%	Not Rated	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation / Compliance	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

CEO; MCCS	Yes	Yes	Yes	Yes	No	
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Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Completed			Presented to Council July 2020; next review due July 2021
Ongoing			Progressing; Altus Procurement Module implemented
Dec-20	Jun-21		Progressing; complete by June 2021
Completed			Second review required to streamline processes

KPI / Action Data			
2020	2021	2022	Comments
0			
0			
0			
0			
0			
Unqualified Audit			Unqualified audits received; target identified
Not Rated			Introduce rating July 2021

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# External Theft & Fraud (Including Cyber)

Dec 20

## Risk Context

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).

For the purposes of;

-Fraud: benefit or gain by deceit

-Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems

-Theft: stealing of data, assets or information

## Potential causes include;

Inadequate security of equipment / supplies / cash	Inadequate provision for patrons belongings
Robbery	Lack of Supervision
Scam Invoices	Collusion with internal staff
Cyber crime	

Key Controls	Type	Last Reviewed	Rating
Building Security Access Controls (Keys and Keypad Access)	Preventative	Unknown	<b>Adequate</b>
Equipment Storage and Access Controls	Preventative	Unknown	<b>Adequate</b>
IT Security Framework (Passwords and Security Protocols)	Preventative	Sep-19	<b>Adequate</b>
Financial Management System	Preventative	Sep-19	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Access Controls to Include Key Register	Dec-21	CEO; MCCS
Photographic Record of Minor Assets & Align With Minor Assets Register	Jun-21	MCCS
Implement Quarterly Schedule For Changing Passwords	Ongoing	MCCS
Review Security and Storage of Records	Aug-21	MCCS
Document Financial Management System	Oct-21	MCCS

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Cyber Breaches	0	0	Constant
Number of Incidents of Theft or Fraud	0	0	Constant
Passwords Changed Quarterly	100%	100%	Constant

## Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial / Property	<b>Consequence:</b>	Minor (2)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

## Objective:

To prevent a loss of funds, assets, data or unauthorised access by external parties

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Partial	Partial	Partial	No	Partial	
CEO	Partial	Partial	Partial	No	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Dec-21	Progress stalled
Jun-20			Commenced
Ongoing			Secure password policy in place; reset passwords every 90 days
Completed			Next review Augsut 2021
Ongoing			Progressing; anticipate completion October 2021

KPI / Action Data			
2020	2021	2022	Comments
0			
0			
100%			

## Additional / Final Comments

Reviewed by Management Team - December 2020

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Management of Facilities / Venues / Events

Dec 20

## Risk Context

Failure to effectively manage the day to day operations of facilities, venues and / or events.

This includes;

- Inadequate procedures in place to manage quality or availability.
- Poor crowd control
- Ineffective signage
- Booking issues
- Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility)
- Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

## Objective:

Effective management of the day to day operations of facilities, venues and events.

## Potential causes include;

Double bookings	Traffic congestion or vehicles blocking entry or exit
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance
Bond payments poorly managed	Difficulty accessing facilities / venues.
Falsifying hiring agreements (alcohol on site / lower deposit)	Failed safety / chemical / health requirements
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)

Key Controls	Type	Last Reviewed	Rating
Event Management Framework	Preventative	May-19	Not Rated
Building Maintenance Program	Preventative	May-19	Adequate
Facility / Venue Booking System	Preventative	May-19	Adequate
Reserves Management System	Preventative	May-19	Not Rated
Asset Management Plan	Preventative	May-19	Adequate
Statutory Public Building Compliance Program	Preventative	Jun-20	Adequate
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Partial	Yes	No	No	
CEO	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	No	No	No	
CEO; MCCS	Partial	Partial	Partial	No	No	

Actions (Treatments)	Due Date	Responsibility
Develop Event Management Framework	Dec-21	CDO
Develop Reserves Management Register	Dec-21	MCCS / MWA
Create Inspection and Maintenance Schedules for Event Equipment	Jun-21	CDO
Undertake Community Facilities Review	Apr-21	CEO / CDO
Public Buildings Inspected Annually for Compliance	Nov-21	MWA

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Mar-20	Jun-20	Dec-21	Yet to commence
Dec-20	Dec-21		Commenced
Dec-19	Mar-20	Jun-21	Yet to commence
Jun-20	Feb-21	Apr-21	Progress stalled due to COVID19; due date April 2021
Dec-20	Nov-21		Inspections commenced; Develop inspection schedule by November 2021

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Injuries / Incidents at Events	0	0	Constant
Number of Injuries / Incidents at Facilities	0	0	Constant
Customer Satisfaction Survey - Facilities	<65%	81%	
Compliance of Events and Facilities	<90%	90%	Constant
Reserves Management Register	Maintained	Not Rated	

KPI / Action Data			
2020	2021	2022	Comments
0			
0			
81%			
90%			
Not Rated			New indicator; introduce rating Decemembr 2021

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation	<b>Consequence:</b>	Minor (2)
	<b>Likelihood:</b>	Unlikely (2)
	<b>Overall Risk Ratings:</b>	<b>Low</b>

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# IT or Communication Systems and Infrastructure

Dec 20

## Risk Context

Disruption, financial loss or damage to reputation from a failure of information technology systems. Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.

Examples include failures or disruptions caused by:

- Hardware or software
- Networks
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance monitoring

This does not include new system implementations - refer "Inadequate Project / Change Management".

## Potential causes include;

Weather impacts	Non-renewal of licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery Processes
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Software vulnerability	Equipment purchases without input from IT department
Incompatibility between operating systems	Vulnerability to user error

Key Controls	Type	Last Reviewed	Rating
IT Infrastructure Replacement Program	Preventative	Jul-20	<b>Adequate</b>
IT Management Service Level Agreement	Detective	Early 2018	<b>Adequate</b>
IT Managed Service Agreement Monthly Report	Detective	Monthly	<b>Adequate</b>
IT Disaster Recovery Plan	Recovery		<b>Not Rated</b>
IT System Access Framework	Preventative		<b>Adequate</b>
Secure Password Procedure	Preventative		<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions	Due Date	Responsibility
Develop IT Disaster Recovery Plan	Jun-21	MCCS
Review IT Management Service Level Agreement	Jun-21	MCCS
Document IT Infrastructure Replacement Program	Jun-21	MCCS
Install Advanced Email Protection	Jul-20	MCCS
Develop Secure Password Procedure	Jun-20	MCCS
Replacement of Phone System	Sep-21	MCCS
Document IT System Access Framework	Jun-21	MCCS

Key Performance Indicators	Tolerance	Latest Result	Trend
Number of Cyber Breaches	0	0	Constant
IT Replacement Program	Developed	Not rated	Constant
IT Disaster Recovery Plan	Developed	Not rated	Constant
Advanced Email Protection	Installed	Installed	Constant
IT System Access Framework	Developed	Not rated	Constant
Document Secure Password Procedure	Developed	Not rated	Constant
Replacement of Phone System	Installed	Not rated	Constant

## Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Service Disruption / Financial	<b>Consequence:</b>	Major (4)
	<b>Likelihood:</b>	Likely (4)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

## Objective:

Stability and performance of information technology and communication systems

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; MCCS	Yes	Yes	Yes	Yes		Fraud not relevant
CEO; MCCS	Yes	Yes	Yes	Yes		Due June 2021
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Jun-21		Action included in IT Management tender scope
Oct-19	Mar-20	Nov-20	IT Management tender process commenced; completion by Jun 2021
Mar-20	Dec-20	Jun-21	Action included in IT Management tender scope
Jul-20	Completed		Action becomes a key control once achieved
Completed			Procedure implemented
Sep-21			Investigations commenced; quotations sourced
Mar-21	Jun-21		Action included in IT Management tender scope

KPI / Action Data			
2020	2021	2022	Comments
0			
Not rated			Not rated this review; introduce rating June 2021
Not rated			Not rated this review; introduce rating June 2021
Installed			
Not rated			Not rated this review; introduce rating June 2021
Not rated			Not rated this review; introduce rating March 2021
Not rated			Not rated this review; introduce rating June 2021

## Additional / Final Comments

Reviewed by Management Team - December 2020  
 Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Misconduct

Dec 20

## Risk Context

Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.

This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Inappropriate use of plant, equipment or machinery
- Inappropriate use of social media.
- Inappropriate behaviour at work.
- Purposeful sabotage

*This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays.*

## Objective:

Compliance with our Code of Conduct

## Potential causes include;

Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement
Changing of job roles and functions/authorities	Collusion between internal & external parties
Delegated authority process inadequately implemented	Password sharing
Lack of internal checks	Low level of Supervisor or Management oversight
Covering up poor work performance	Believe they'll get away with it
Poor enforcement of policies and procedures	Undue influence from Manager / Councillor
Information leaked to Tenderers during the Tender process	Poor work culture
Insubordination	By-passing established administrative procedures
Disgruntled employees	Sharing of confidential information

Key Controls	Type	Last Reviewed	Rating
Delegations Register	Preventative	May-20	<b>Adequate</b>
Staff Recruitment Process (includes Police Clearance)	Preventative	Feb-19	<b>Adequate</b>
Staff Inductions	Preventative	Aug-20	<b>Adequate</b>
External Audits	Preventative	May-20	<b>Adequate</b>
Annual Drivers Licence Checks	Preventative	Feb-20	<b>Adequate</b>
Social Media Policy	Preventative	Apr-20	<b>Adequate</b>
Segregation of Duties (Financial)	Preventative	Jul-20	<b>Adequate</b>
Financial Management Policy	Preventative	May-20	<b>Adequate</b>
Financial Authorisation Policy	Preventative	May-20	<b>Adequate</b>
Delegation Control - Synergy	Preventative	Jul-20	<b>Adequate</b>
Financial Interests Returns Declarations	Preventative	Ongoing	<b>Adequate</b>
Primary and Annual Returns Process	Preventative	Aug-20	<b>Adequate</b>
Procurement Delegation Control - Synergy	Preventative	Ongoing	<b>Adequate</b>
Petty Cash Policy	Preventative	May-20	<b>Adequate</b>
Corporate Credit Card Policy	Preventative	May-19	<b>Adequate</b>
Delegated Authority for Procurement	Preventative	May-20	<b>Adequate</b>
Elected Member Training Plan	Preventative	Ongoing	<b>Adequate</b>
Audit & Risk Committee Terms of Reference	Preventative	Nov-19	<b>Adequate</b>
IT Security Access Register (Profiles & Passwords)	Preventative	90 Days	<b>Adequate</b>
Purchasing Policy & Procurement Process	Preventative	Jul-20	<b>Adequate</b>

## Control Assurance

Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	Partial	
CEO	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	

Tender Procurement Process	Preventative	Unknown	<b>Adequate</b>
Financial Management Systems Review	Preventative	Sep-19	<b>Adequate</b>
Regulation 17 Review	Preventative	Dec-19	<b>Adequate</b>
Related Parties Disclosures Policy	Preventative	Jan-19	<b>Adequate</b>
Council Member Communication & Use of Social Media Policy	Preventative	Introduced	<b>Adequate</b>
Code of Conduct	Preventative	Jul-20	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	

Actions (Treatments)	Due Date	Responsibility
Review and Document Organisations Controls and Systems	Ongoing	CEO / MCCS
Centralise Checklists, Controls and Procedures	Jun-21	CEO / MCCS
Review Fuel Stock Control and Process	Apr-21	MCCS / MWA
Present Regulation 17 Review to Audit & Risk Committee - Annually	December pa	CEO
Review Purchasing Policy & Procurement Process	Jul-22	MCCS
Review Social Media Policy 3.11	Apr-22	EGO
Review Code of Conduct	Jul-21	CEO / EGO
Conduct Drivers Licence Check Annually	February pa	MCCS/MWA

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Ongoing		Progressing; Altus Procurement system implemented & utilised
Dec-20	Jun-21		Progressing
May-20	Apr-21		Progressing
December pa			Deferred due to other priorities; will be presented in December 2021
Mar-20	Completed		Review completed, presented to A & R Committee July 2020
Oct-19	Completed		Social Media Policy 3.11; reviewed April 2020; introduced Council Member Communication & Use of Social Media Poicy December 2019
Completed			Presented to A & R Committee July 2020
Completed			Next due February 2021

Key Performance Indicators	Tolerance	Latest Result	Trend
Unqualified External Audits	< 3 items	Unqualified	Constant
Disregarding or Manipulating Procurement Process	Nil	Not rated	Constant
Breaches of Code of Conduct	Nil	0	Constant
Internal & External Complaints	< 3	0	Constant
Adherence to Internal Controls	Nil	Not rated	Constant

KPI / Action Data			
2020	2021	2022	Comments
<i>Unqualified</i>			Target identified
<i>Not rated</i>			Indicator & target to be reviewd
<i>0</i>			
<i>0</i>			
<i>Not rated</i>			Indicator & target to be reviewd

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation / Finance	<b>Consequence:</b>	<i>Moderate (3)</i>
	<b>Likelihood:</b>	<i>Possible (3)</i>
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.



# Project / Change Management

Dec 20

## Risk Context

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.

This includes:

- Inadequate change management framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Inadequate handover process

*This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"*

## Potential causes include;

Lack of communication and consultation	Excessive growth (too many projects)
Lack of investment	Inadequate monitoring and review
Failures of project Vendors/Contractors	Geographic or transport difficulties sourcing equipment / materials
External consultants underquoting on costs	Lack of project methodology knowledge and reporting requirements
Ineffective management of expectations (scope creep)	Project risks not managed effectively
Inadequate project planning (resources/budget)	

Key Controls	Type	Last Reviewed	Rating
Project Management Methodology and Framework	Preventative		<b>Not Rated</b>
Communication and Engagement Framework	Preventative		<b>Not Rated</b>
Risk Management Framework	Detective	Oct-19	<b>Adequate</b>
Financial Management Framework	Preventative	Mar-17	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Develop Project Management Methodology and Framework	Dec-21	MCCS
Develop Communication and Engagement Framework	Mar-21	CEO / CDO

Key Performance Indicators	Tolerance	Latest Result	Trend
Minimisation of Project Variations	90%	Not rated	
Achievement of Project Deadlines / Milestones	90%	Not rated	
Community Engagement Framework	Completed	Not rated	

## Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial / Reputational / Health	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

## Objective:

Adequate analysis, design, delivery and reporting of projects

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	No	No	No	No	Partial	
CEO	Partial	Partial	Partial	No	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Oct-19	Dec-20	Dec-21	Not yet commenced
Oct-19	Jun-20	Oct-20	Progressing

KPI / Action Data			
2020	2021	2022	Comments
<i>Not rated</i>			Not rated this review; introduce rating June 2020
<i>Not rated</i>			Not rated this review; introduce rating June 2020
<i>Not rated</i>			Not rated this review

## Additional / Final Comments

Reviewed by Management Team - December 2020

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Safety and Security Practices

Dec 20

## Risk Context

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are negligence or carelessness.

## Potential causes include;

Lack of appropriate PPE / equipment	Inadequate signage, barriers or other exclusion techniques
Inadequate first aid supplies or trained first aiders	Poor storage and use of dangerous goods
Inadequate security protection measures in place for buildings, depots and other places of work	Ineffective / inadequate testing, sampling or other health-related requirements
Inadequate or unsafe modifications to plant & equipment	Lack of mandate and commitment from senior management
Inadequate policy, frameworks, systems and structure to prevent the injury of visitors, staff, contractors and/or tenants.	Inadequate organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc.).
Inadequate supervision, training or mentoring of staff	Slow or inadequate response to notifications from public

Key Controls	Type	Last Reviewed	Rating
Building Security Access Controls (Keys & Keypad Access)	Preventative	Sep-19	<b>Adequate</b>
OSH Management Framework	Preventative	May-17	<b>Adequate</b>
Human Resource Management Framework	Preventative	May-19	<b>Adequate</b>
Governance Management Framework	Preventative	Ongoing	<b>Adequate</b>
Facility Risk Management Plan	Preventative		<b>Not Rated</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Hazard Register	Dec-21	MWA / TWC
Complete Staff Training Register	Jun-20	SMT
Conduct Quarterly Workplace Inspections	Quarterly	MWA / TWC
Safe Work Method Statements (SWMS) Library	Ongoing	MWA / TWC
Assess Shire Building and Facility Safety and Security	Dec-21	MWA / TWC
Develop Isolated Worker Management Protocol	Jun-21	MWA / TWC
Re-Establish OSH Committee & Conduct Monthly Meetings	Monthly	MWA / TWC
Develop Facility Risk Management Plan	Dec-21	CEO
Conduct Annual BCP and LEMC Drills	Dec-21	CEO
Review Contractor Inductions and Register	Dec-21	MWA / TWC

Key Performance Indicators	Tolerance	Latest Result	Trend
Reporting and Management of Incidents	100%	100%	Improving
Failed Safety Inspections	Nil	Nil	Constant
Lost Time Injuries Per Quarter	Nil	30 Hours	Constant
Near Misses Per Quarter	Nil	Nil	Constant
Workers Compensation Claims Per Quarter	Nil	1	Constant
Safety Audit Result % (Every Three Years)	95%	Not rated	Constant

## Objective:

Compliance with the Occupation Safety & Health Act, associated regulations and standards, and the ability to ensure the physical security requirements of staff, contractors and visitors.

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Partial	No	No	Partial	
CEO	Yes	Yes	Yes	Yes	No	
CEO; MCCS	Partial	Partial	Partial	Partial	No	
CEO; MCCS	Yes	Yes	Yes	Yes	No	
CEO; MCCS	No	No	No	No	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Completed	Next review due Decemembr 2021
Dec-19	Feb-20	Sep-20	Progressing
Dec-19	Jan-20	Completed	Inspections recommenced
Dec-19	Dec-20	Feb-21	Task ongoing
Dec-19	Dec-20	Feb-21	Defer until December 2021
Dec-19	Jun-20	Dec-20	Commenced; to complete by June 2021
Dec-19	Jan-20	May-20	Monthly meetings recommenced
Jun-20	Jun-21	Dec-21	Allocation in 2021/22 budget deliberations
Jun-20	Dec-21		Waiting for DFES to coordinate LEMC Drill
Jun-20	Jun-20	Dec-21	Progressing

KPI / Action Data			
2020	2021	2022	Comments
100%			
Nil			
30 Hours			
Nil			
2			
Not rated			Not rated this review; Safety Audit due 2021

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Health	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

# Supplier / Contract Management

Dec-20

Risk Context
Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.
This also includes:
<ul style="list-style-type: none"> <li>• Concentration issues (contracts awarded to one supplier)</li> <li>• Vendor sustainability</li> </ul>

Potential causes include;	
Insufficient funding	Inadequate contract management practices
Complexity and quantity of work	Ineffective monitoring of deliverables
Suppliers not willing to provide quotes	Limited availability of suppliers
Inadequate tendering process	Lack of planning and clarity of requirements
Contracts not renewed on time	Historical contracts remaining

Key Controls	Type	Last Reviewed	Rating
Annual Budget	Preventative	Jul-20	<b>Adequate</b>
Financial Management Framework	Preventative	Progressing	<b>Adequate</b>
Access to Independent Advice (WALGA/Lawyers) & Peer Review	Preventative	Ongoing	<b>Adequate</b>
<b>Overall Control Ratings:</b>			<b>Adequate</b>

Actions (Treatments)	Due Date	Responsibility
Review Purchasing Policy	Completed	CEO; M CCS
Develop Standardised Contracts	Ongoing	CEO; M CCS
Document Financial Controls	Ongoing	M CCS
Develop Appropriate Financial Reporting Tools	Ongoing	M CCS
Develop Centralised Contract Management System	Ongoing	CEO; M CCS

Key Performance Indicators	Tolerance	Latest Result	Trend
Contracts Reviewed And Maintained	90%	90%	Constant
Number of Expired Contracts Not Yet Renewed	<1 per quarter	1	Constant

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Service Interruption / Financial	<b>Consequence:</b>	Moderate (3)
	<b>Likelihood:</b>	Possible (3)
	<b>Overall Risk Ratings:</b>	<b>Moderate</b>

**Objective:**  
**Adequate management (including contractual arrangements) of external Suppliers, Contractors, IT Vendors or Consultants engaged for operations.**

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO; M CCS	Yes	Yes	Yes	Yes	No	
CEO; M CCS	Yes	Yes	Yes	Yes	Partial	
CEO; M CCS	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Completed			Presented to Audit & Risk Committee July 2020
Ongoing			Standardised MOUs; Service Level Agreements; Tenancy Agreements
Ongoing			Progressing
Ongoing			Progressing; implementation of Procurement & COA finalised; Payroll underway
Ongoing			Investigating

KPI / Action Data			
2020	2021	2022	Comments
90%			
1			

Additional / Final Comments
Reviewed by Management Team - December 2020
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.