



SHIRE OF
DOWERIN
TIN DOG TERRITORY

AGENDA

Audit & Risk Committee Meeting

To be held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
Tuesday 8 March 2022
Commencing 9.00am

ABN: 35 939 977 194

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NOTICE OF MEETING

Dear Audit & Risk Committee Members,

The next Audit & Risk Committee Meeting of the Shire of Dowerin will be held on Tuesday 8 March 2022 in the Shire of Dowerin Council Chambers, 13 Cottrell Street, Dowerin commencing at 9.00am.

Rebecca McCall
Chief Executive Officer
3 March 2022

DISCLAIMER

Statements or decisions made at this meeting should not be relied or acted on by an applicant or any other person until they have received written notification from the Shire. Notice of all approvals, including planning and building approvals, will be given to applicants in writing. The Shire of Dowerin expressly disclaims liability for any loss or damages suffered by a person who relies or acts on statements or decisions made at a Council or Committee meeting before receiving written notification from the Shire.

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

It should be noted that the Attachment hyperlinks may not be functional from this document when sourced from the Shire of Dowerin's website. Attachment copies follow on at the end of the Agenda and Minutes.

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Shire of Dowerin
Audit & Risk Committee Meeting
9.00am 8 March 2022



1. Official Opening

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr RI Trepp	President & Chair
Cr BA Ward	Deputy President
Cr NP McMorran	
Mrs T Jones	
Mr D Armstrong	

Staff:

Ms R McCall	Chief Executive Officer
Mr A Wooldridge	Manager Corporate & Community Services
Ms L Dreghorn	Executive & Governance Officer

Apologies:

Approved Leave of Absence:

3. Public Question Time

4. Disclosure of Interest

Committee Members are to complete a Disclosure of Interest Form for each item they are required to disclose an interest in. The Form should be given to the Presiding Member before the meeting commences. After the meeting, the Form is to be provided to the Executive & Governance Officer for inclusion in the Disclosures Register.

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

5.1 Audit & Risk Committee Meeting held on 21 December 2021

Attachment 5.1A

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation - 5.1

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 December 2021, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

6. PRESENTATIONS

Nil

7. OFFICER'S REPORTS

7.1 Risk Dashboard Quarterly Report – March 2022

<h1>Governance & Compliance</h1>		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	28 February 2022	
Location:	Not Applicable	
Responsible Officer:	Rebecca McCall, Chief Executive Officer	
Author:	As Above	
Legislation:	<i>Local Government Act 1995</i>	
Sharepoint Reference:	Compliance/Risk Management/Reporting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.1A - Risk Dashboard Quarterly Report – March 2022	

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the Risk Dashboard Quarterly Review 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.

The following comments against current actions are noted:

Asset Management

Action: Road condition data to be updated in RAMM annually

Comment: Yet to be completed

Action: Revaluation of sewerage assets

Comment: Contractor appointed, timeline extended due to increased scope of works

Action: Implement New Fuel Stock Control System

Comment: Partially completed; fuel pods will be installed into new fleet

Action: Review of Asset Management Plan

Comment: Progressing, currently linking draft AMP and LTFP

Action: Review of Long-Term Financial Plan

Comment: Progressing, currently linking draft AMP and LTFP

KPI: Asset Renewal Funding Ratio Result 92%, worsening

KPI: Asset Consumption Ratio Result 59%, worsening

KPI: Asset Sustainability Ratio Result 69%, worsening

KPI: Accidents/Damage to Property Result 5 for quarter, worsening

Business Disruption

Action: Development of IT Disaster Recovery Plan

Comment: Deferred until MCCS has reviewed IT Systems and Controls

KPI: No quorum for LEMC meetings scheduled for June, August, and February

KPI: No LEM annual exercise due to unavailability of DFES personnel

Compliance

Action: Review of Asset Management Plan & Long-Term Financial Plan

Comment: Progressing, currently merging data between draft AMP and LTFP

Action: Review of Information Management System

Comment: Review deferred to provide the new MCCS time to carry out review

KPI: Regulation 53 of Building Regulations 2021 (pool Inspections)

Comment: Inspections to be arranged with new EHO

Document Control

Action: Review Record Keeping Plan

Comment: No capacity to complete inhouse, need to engage a consultant

Employment Practices

Action: Review of Staff Induction process

Comment: Review commenced.

Action: Develop Health & Wellbeing Plan

Comment: Completion deferred to March 2022 for July 2022 implementation, no budget allocation

Environmental Management

Action: Address Compliance of Waste Water Re-Use

Comment: Contracted EHO progressing license renewal

Management of Facilities/Venues/Events

Action: Develop Event Management Framework

Comment: EMP in place, framework ongoing, deferred due date to June 2022

Action: Public Buildings Inspected Annually for Compliance

Comment: Inspections commenced; Discuss inspection schedule with new EHO

Safety and Security Practices

Action: Assess Shire Building and Facility Safety and Security

Comment: Arrange EHO onsite visit to conduct assessment

Action: Develop Isolated Worker Management Procedure

Comment: Progressing; to be presented to WHS Committee March 2022

Action: Conduct Annual BCP and LEMC Drills

Comment: Waiting on DFES to coordinate LEMC Drill; BCP drill underway

IT and Communication Systems

Action: Document IT Infrastructure Replacement Program

Comment: To be developed prior to December 2022

Consultation

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Manager Corporate & Community Services

Les Vidovich, Manager Works & Assets

Linley Dregghorn, Executive & Governance Officer

Policy Implications

Policy 2.2 - Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.1

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

The Shire of Dowerin has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

Financial Implications

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

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation - 7.1

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

- 1. Receives the quarterly Risk Dashboard Quarterly Report - March 2022, 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;**
- 2. Recommends to Council that it adopts the quarterly Risk Dashboard Quarterly Report - March 2022.**

Please note that the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

7.2 2020/21 Annual Report & Annual Electors Meeting

Corporate & Community Services



Date:	28 February 2022
Location:	Not Applicable
Responsible Officer:	Aaron Wooldridge, Manager Corporate & Community Services
Author:	Linley Dreghorn, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
Sharepoint Reference:	Organisation/Corporate Management/Reporting/2020-21 Annual Report
Disclosure of Interest:	Nil
Attachments:	Attachment 7.2A - 2020/21 Annual Report

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the 2020/21 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 2021 have been audited by the Auditors under the Office of the Auditor General (OAG).

The 2020/21 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 2020/21 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 CEO of the local government; and
3. the Minister.

The Opinion Letter included with the 2020/21 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.

Due to impacts of COVID-19 and the availability of Auditors, the End of Financial Year Report was not received until 15 February 2022. The Audit Exit Meeting took place on 15 February 2022.

2020/21 Annual Report

This year was the third year the Shire of Dowerin was audited by the OAG. The interim audit was conducted on-site from 20 and 21 May 2021. The process was rigorous and extensive.

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 2020/21 Annual Report is endorsed by Council at its 15 March 2022 meeting it is recommended that the AEM be held on Tuesday 29 March 2022. The date is suggested as it will be prior to school holidays meaning most people will be in the district before seeding commences. It also allows enough time for the minimum 14 day notification period.

Discussion with the OAG and Auditors

Representatives from the OAG and Macri Partners Chartered Accountants conducted the Exit Interview which discussed the Opinion Letter and other relevant matters with the President, CEO and MCCS via teleconference on Tuesday 15 February 2022.

There were two significant findings as per the attached Auditors Report:

a) The Operating Surplus Ratio as reported in Note 32 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.

a) For approximately 35% of the purchase transactions sampled, the same staff who issued and approved the purchase orders also receipted goods or services and authorised the related supplier invoices. This practice increases the risk of fraud or error occurring without timely detection. However, all these transactions were for business purposes.

Consultation

OAG / Auditors

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Manager Corporate & Community Services

Linley Dreghorn, 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 Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government.

Outcome: 5.3

Reference: 5.3.2

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

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

Financial Implications

The Dowerin Despatch costs for advertising can be accommodated within current budget allocations. 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 - 7.2

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 2020/21 Annual Report, as presented in Attachment 7.2A, for the 2020/21 financial year;**
- 2. Recommends to Council that it adopts the 2020/21 Annual Report, as presented in Attachment 7.2A, for the 2020/21 financial year; and**
- 3. Recommends to Council that it conducts its Annual Electors Meeting on Tuesday 29 March 2022 at the Lesser Hall, Cottrell Street Dowerin commencing at 6.00pm.**

7.3 2021 Compliance Audit Return

<h2>Governance & Compliance</h2>		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	28 February 2022	
Location:	Not Applicable	
Responsible Officer:	Rebecca McCall, Chief Executive Officer	
Author:	Linley Dreghorn, Executive & Governance Officer	
Legislation:	<i>Local Government Act 1995</i>	
Sharepoint Reference:	Organisation/Governance/Committees/2022 March Audit & Risk Committee Meeting Organisation/Corporate Management/Reporting/2021 Compliance Audit Return	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.3A - 2021 Compliance Audit Return	

Purpose of Report

Executive Decision



Legislative Requirement

Summary

This Item presents the 2021 Compliance Audit Return (CAR) to the Audit & Risk Committee (the Committee) for consideration and, if satisfactory, recommendation to Council for adoption.

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.

After the CAR has been reviewed by the Committee and presented to Council, a copy certified by the President and CEO along with the relevant section of the minutes and any additional information explaining or qualifying the CAR, is to be submitted to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March.

The CAR is one of the tools available to the Committee and Council in its governance monitoring role. The CAR also forms part of the DLGSC's monitoring program. The 2021 CAR once again places emphasis on the need for the Committee and Council to be aware of and acknowledge instances of non-compliance or where full compliance was not achieved. In addition, the CAR requires Council to endorse details of remedial action either taken or proposed to be taken to prevent future like occurrences.

The 2021 CAR contains questions relating to:

1. Commercial Enterprises by Local Governments (5 questions);
2. Delegation of Power/Duty (13 questions);
3. Disclosure of Interest (25 questions);
4. Disposal of Property (2 questions);
5. Elections (Gift Register) (3 questions);
6. Finance (7 questions);
7. Integrated, Planning and Reporting (3 questions);
8. Local Government Employees (6 questions);
9. Official Conduct (3 questions)

10. Optional Questions (9 questions); and
11. Tenders for Providing Goods and Services (22 questions).

The 2021 CAR was completed internally and involved collection of documents, verification of compliance and, where useful and applicable, recommendations in relation to improve any systems and processes that the Shire may have in place.

The CAR for the period 1 January 2021 to 31 December 2021 is included as Attachment 7.3A.

Comment

The 2021 CAR identified three areas of partial non-compliance:

'The Shire achieved a commendable level of compliance. Of the 98 areas examined there were only three where the Shire was partially non-compliant:

1. *'Delegation of Power/Duty' question 5 - section 5.18 requires council to review delegations to its committees each financial year.*

A review of the delegations was conducted in June of 2020 and presented to Council at its Ordinary Council Meeting, Item 11.5 CMRef 0214 and again at its Ordinary Council Meeting November 2021, Item 12.1 CMRef 0520. From this you can see that appropriate reviews were conducted annually, however it was not within the reporting financial year.

2. *'Disclosure of Interest' question 13 - the Shire is required to publish a register of gifts received by relevant persons (essentially councillors and employees) under s5.87A and 5.87B of the Act on its website, remove the entries where a person no longer ceases to be a councillor or employee and keep them in a separate register which the public can then inspect by attendance at the Shire office.*

The register on the Shire's website contained entries relating to former councillors and employees who are no longer relevant persons. The matter was easily fixed during the course of the audit.

3. *'Finance' question 3 - section 7.9(1) requires an auditor to examine the accounts and annual financial report submitted for audit and, prepare a report thereon and forward a copy of that report to (a) the mayor or president, (b) the CEO of the local government; and (c) the Minister.*

The End of Financial Year Audit was conducted, however due to impacts of COVID-19 and the availability of Auditors and the OAG, the End of Financial Year Report was not received until 15 February 2022.

Overall, the systems and processes employed by the Shire appear robust and appropriate for a local government of its size.'

These three areas, and the remedial action taken to ensure they do not occur again, are summarised in the following table:

Category	Question	Response	Comment	Remedial Action
Delegation of Power/Duty	Has council reviewed delegations to its committees in the 2020/2021 financial year?	No	A review was conducted in June 2020 Item 11.5, CMRef 0214 and in November 2021 Item 12.1, CMRef 0520	Ensure the Delegation requirement is captured in the Compliance Calendar to ensure an annual review is carried out within the financial year.
Disclosure of Interest	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records	No	The register on the website contained declarations from former Councillors and employees that should have been removed.	In addition to the SharePoint Register, there is a separate Register module on the Shire's website which contained declarations. This is a duplication, hence the human error in not removing non-

	relating to that person?			relevant declarations from the website Register. It is proposed to cease using the website Register and instead have a page on the website where the SharePoint Register is uploaded. This will remove the risk of having two registers and staff having to update the same information in both.
Finance	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	No	Auditor's report was received 17 February 2022	This was an unprecedented occurrence. Due to increasingly complex reporting and audit issues, delays carried over from State sector audits, COVID-19 as well as the availability of Auditors and the OAG, the audit process was delayed. A Letter was received from the OAG on 23 December 2021 communicating the delay. This was out of the Shire's control.

The 2021 CAR included 98 questions. Of these, 95 were able to be answered on the basis of complying with the legislative requirements resulting in a 96.94% success rate. This compares with 97.06% over 102 questions in 2020, 97% compliance over 104 questions in 2019, 94.7% compliance in 2018 over 95 questions and 98.9% over 94 questions in 2017.

The 2021 CAR demonstrates the Shire's ongoing commitment to statutory compliance and adequate response to non-compliance throughout the organisation.

Consultation

Rebecca McCall, Chief Executive Officer
Aaron Wooldridge, Manager Corporate & Community Services
Linley Dreghorn, Executive & Governance Officer

Policy Implications

Policy 2.2 – Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government.

Outcome:

Reference:

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

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 Regulations.

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.”*

Regulation 15 of the *Local Government (Audit) Regulations 1996* requires a certified copy of the CAR to be provided to the DLGSC by 31 March:

“15. Certified copy of compliance audit return and other documents to be given to Departmental CEO

- (1) *After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with –*
 - (a) *a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and*
 - (b) *any additional information explaining or qualifying the compliance audit,**is to be submitted to the Departmental CEO by 31 March next following the period to which the return relates.*
- (2) *In this regulation –*

certified *in relation to a compliance audit return means signed by –*

 - (a) *the mayor or president; and*
 - (b) *the CEO.”*

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls (in place)	Governance Management Framework

Action (Treatment)	Document Governance Management Framework
Risk Rating (after treatment)	Adequate

Financial Implications

Nil

Voting Requirements

Simple Majority

Absolute Majority

Officer's Recommendation - 7.3

That, in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee:

1. **Receives the 2021 Compliance Audit Return, as presented in Attachment 7.3A, noting the remedial action taken to address the three areas of partial non-compliance; and**
2. **Recommends to Council that it adopts the 2021 Compliance Audit Return and submits it to the Department of Local Government, Sport & Cultural Industries prior to 31 March 2022.**

7.4 Policy 2.2 - Risk Management Policy and Risk Management Framework Review

Governance & Compliance



Date:	28 February 2022
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Linley Dreghorn, Executive & Governance Officer
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
Sharepoint Reference:	Compliance/Risk Framework Management/Planning/Risk Management
Disclosure of Interest:	Nil
Attachments:	Attachment 7.4A - Policy 2.2 - Risk Management Policy Attachment 7.4B - Risk Management Framework

Purpose of Report

Executive Decision

Legislative Requirement

Summary

This Item presents Policy 2.2 – Risk Management Policy and the Risk Management Framework for consideration and, if satisfactory, recommendation to Council for adoption.

Background

The Shire of Dowerin’s Risk Management Policy and Framework sets out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. All components of the Risk Management Framework are based on AS/NZS ISO 31000:2018 Risk Management - Guidelines.

It is essential that all areas of the Shire adopt these procedures to ensure:

1. Strong corporate governance;
2. Compliance with relevant legislation, regulations and internal policies;
3. Integrated Planning and Reporting requirements are met; and
4. Uncertainty and its effects on objectives is understood.

The Risk Management Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

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 framework.

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every two years, hence a review has been undertaken and the reviewed Risk Management Framework is included as an Attachment.

Comment

The Shire adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, management and community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate and Operational Plans.

The risk management process is standardised across all areas of the Shire. 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 the 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 on controls and treatments / action that are mitigating those risks.

As the matter of risk management is a major component of the CEO’s review of certain systems and procedures required under Regulation 17 of the *Local Government (Audit) Regulations 1996*, and the role (in part) of the Audit Committee in accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*, is to review the report given to it by the CEO under Regulation 17, and to report to the Council the results of that review, as well as monitoring and advising the CEO when carrying out functions in relation to the Regulation 17 review, the Risk Management Policy and Risk Management Framework are presented to the Audit Committee for consideration.

The review in 2019 expanded the Policy to include Risk Assessment and Acceptance Criteria and also a Monitor and Review process. In addition, the Roles and Responsibilities were expanded to clearly define the CEO’s responsibilities relating to risk management.

This review has not identified any required changes to the policy or Risk Management Framework.

Consultation

Senior Management Group

Policy Implications

Council’s Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government.

Outcome:

Reference:

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

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

Risk Implications

The Shire of Dowerin has a Risk Management Governance Framework which includes a policy and procedure. The framework provides tools to monitor the Shire’s risk profile on a quarterly basis. With the implementation of regular monitoring and review risk implications are considered low.

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation - 7.4

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

- 1. Receives Policy 2.2 - Risk Management Policy, as presented in Attachment 7.4A, and the Risk Management Framework, as presented in Attachment 7.4B; and**
- 2. Recommends to Council that it adopts Policy 2.2 - Risk Management Policy and the Risk Management Framework.**

8.	Questions from Members
9.	Urgent Business Approved by the Person Presiding or by Decision
10.	Date of the Next Meeting
11.	Closure



SHIRE OF
DOWERIN
TIN DOG TERRITORY

MINUTES

Audit & Risk Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
21 December 2021

ABN: 35 939 977 194

P (08) 9631 1202 E dowshire@dowerin.wa.gov.au
13 Cottrell Street, Dowerin WA 6461

 www.dowerin.wa.gov.au



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9.	Urgent Business Approved by the Person Presiding or by Decision
10.	Date of Next Meeting
11.	Closure

Shire of Dowerin
Audit & Risk Committee Meeting
21 December 2021



1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 12.31pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr RI Trepp	President & Chair
Cr BA Ward	Deputy President
Cr NP McMorran	
Mrs TA Jones	
Mr D Armstrong	

Staff:

Ms R McCall	Chief Executive Officer
Mr A Wooldridge	Manager Corporate & Community Services
Ms L Dreghorn	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 23 September 2021

Attachment 5.1A

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Ward

Seconded: Mrs T Jones

0529 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 23 September 2021, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 5/0

6. PRESENTATIONS

Nil

7. OFFICER'S REPORTS

7.1 Risk Dashboard Quarterly Report – December 2021

<h1>Governance & Compliance</h1>		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	December 2021	
Location:	Not Applicable	
Responsible Officer:	Rebecca McCall, CEO	
Author:	As Above	
Legislation:	<i>Local Government Act 1995</i>	
Sharepoint Reference:	Compliance/Risk Management/Reporting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.1A - Risk Dashboard Quarterly Report – December 2021	

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the Risk Dashboard Quarterly Review 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.

The following comments against current actions are noted:

Asset Management

Action: Road condition data to be updated in RAMM annually

Comment: Yet to be completed

Action: Revaluation of sewerage assets

Comment: Contractor appointed, timeline extended due to increased scope of works

Action: Implement New Fuel Stock Control System

Comment: Partially completed; fuel pods will be installed into new fleet

Action: Review of Asset Management Plan

Comment: Progressing, due for completion in February 2022

Action: Review of Long-Term Financial Plan

Comment: Progressing, due for completion in February 2022

KPIs: unable to rank until End of Year Financials 2020/2021 finalised

Business Disruption

Action: Development of IT Disaster Recovery Plan

Comment: Deferred until MCCS has reviewed IT Systems and Controls

KPI: No quorum for LEMC meetings scheduled for June and August.

KPI: No LEM annual exercise due to unavailability of DFES personnel

KPI: No BCP exercise undertaken in a 12-month period

Compliance

Action: Review of Asset Management Plan & Long-Term Financial Plan

Comment: Progressing, due for completion in February 2022

Action: Review of Information Management System

Comment: Review deferred to provide the new MCCS time to carry out review

KPI: Regulation 53 of Building Regulations 2021 (pool Inspections)

Comment: No Environmental Health Officer in place to conduct inspections

Employment Practices

Action: Review of Staff Induction process

Comment: Completion of the Review has been deferred to December 2021 to introduce a new online induction developed in consultation with LG Professionals WA and the local government sector

Action: Develop Health & Wellbeing Plan

Comment: Completion deferred to October 2021 due to operational priorities

Environmental Management

KPI: Asbestos Register maintained

Comment: No Environmental Health Officer to maintain register

Errors, Omissions & Delays

Action: Review Employee Code of Conduct

Comment: Review underway

Safety and Security Practices

Action: Develop Isolated Worker Management Procedure

Comment: Isolated workers beacons installed; development of procedure delayed

IT and Communication Systems

Action: Document IT Infrastructure Replacement Program

Comment: To be developed prior to June 2022

Misconduct

KPI: Breaches of Code of Conduct

Tolerance: Nil

Result: 4

Safety and Security Practices

KPI: Near misses per quarter

Tolerance: Nil

Result: 4

KPI: Workers' compensation claims per quarter

Tolerance: Nil

Result: 2

Consultation

Rebecca McCall, Chief Executive Officer

Aaron Wooldridge, Manager Corporate & Community Services

Les Vidovich, Manager Works & Assets

Linley Dreghorn, Executive & Governance Officer

Policy Implications

Policy 2.2 - Risk Management Policy is applicable.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.1

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

The Shire of Dowerin has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

Financial Implications

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

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution

Moved: Cr Ward

Seconded: Mrs T Jones

0530 That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee:

1. **Receives the quarterly Risk Dashboard Quarterly Report - December 2021, 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;**
2. **Recommends to Council that it adopts the quarterly Risk Dashboard Quarterly Report - December 2021.**

CARRIED 5/0

Please note that the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

8.	Questions from Members
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Nil

9.	Urgent Business Approved by the Person Presiding or by Decision
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Nil

10.	Date of the Next Meeting
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11.	Closure
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The Chair thanked those in attendance and declared the Meeting closed at 1.10pm

Shire of Dowerin Risk Dashboard Report - March 2022

Asset Management Practices			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		

Business Disruption			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		
Review Managing Emergencies in Shire Facilities	Dec 21	CEO; MCCS		

Failure to fulfil Compliance Requirements			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		
End of Year Financial Audit - Response to Findings	Jun-22	MCCS		
Interim Audit Finding 30 June 2021 - Prepare	May-22	MCCS		
Interim Audit Finding 30 June 2020 - Review of AMP & LTFP	May-22	MCCS		

Document Management Processes			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		

Employment Practices			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	Dec-19	SMT		
Review Workforce Plan	Apr-20	SMT		
Create Checklist for Human Resource Management Framework	Jun-20	SMT		
Update Training Register & Develop 2022/2023 Training Program	May-22	CEO; MCCS		
Review Staff Induction Process	Mar-20	MCCS		
Conduct Annual Drivers License Checks	Annually in Apr	MCCS		
Conduct Annual Performance Reviews	Annually in Apr	SMT		

Engagement Practices			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		
Review Community Engagement Policy & Framework	Jun-22	SMT / CDO		
Conduct Community Satisfaction Survey	Sep-22	CEO / CDO		
Review Process For Customer Response Requests	Jun-22	MCCS		
Review Customer Service Charter (every two years)	As Required	MCCS		
Review Customer Service Charter (every two years)	Sep-22	EGO		
Update Complaint Register (in accordance to Act)	As Required	MCCS		

Environment Management			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		

Errors, Omissions & Delays			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 Employee Code of Conduct	Jul-22	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-22	MCCS		

External Theft & Fraud (Including Cyber)			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	No Date	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-22	MCCS		
Document Financial Management System	Dec-22	MCCS		

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

IT or Communication Systems and Infrastructure			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.				

Misconduct			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 - March 2022

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
Develop Secure Password Procedure	Jun-21	MCCS
Develop Secure Password Procedure	Jun-20	MCCS
Replacemrent of Phone System	Sep-21	MCCS
Document IT System Access Framework	Jun-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 - Every 3 Years	Dec-22	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	April Annually	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
Review Communication and Engagement Framework	Mar-22	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	Annually	MWA / TWC
Update Staff Training Register	Ongoing	SMT
Conduct Quarterly Workplace Inspections	Quarterly	MWA / TWC
Safe Work Method Statements (SWMS) Library	May-22	MWA / TWC
Assess Shire Building and Facility Safety and Security	Dec-21	MWA / TWC
Develop Isolated Worker Management Procedure	Jun-21	MWA / TWC
Re-Establish OSH Committee & Conduct Monthly Meetings	Monthly	MWA / TWC
Review Managing Emergencies In Shire Facilities	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

Mar-22

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	May-21	Adequate
Road Asset Management Program (RAMM)	Preventative	Apr-20	Adequate
Fleet and Plant Maintenance Program	Preventative	Jun-21	Adequate
Building Maintenance Program	Preventative	Jun-21	Adequate
Asset Management Plan	Preventative	Jun-18	Inadequate
Plant Replacement Program	Preventative	Jun-21	Adequate
Sewerage Maintenance Plan & Program	Preventative	Oct-19	Inadequate
Stock Control Systems (Fuel)	Preventative	May-20	Inadequate
Overall Control Ratings:			Adequate

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%	92%	Worsening
Asset Consumption Ratio	60%-75%	59%	Worsening
Asset Sustainability Ratio	90%-110%	69%	Worsening
AMP & LTFP	Reviewed Annually	Not Completed	Improving
Accidents and / or Damage to Property	<2 Per Quarter	5 for Quarter	Worsening

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

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 *
Dec-22	Apr-22		Contractor appointed; timeline extended due to increased scope of works
Jun-21	Sep-21	Apr-22	Condition data & 21/22 works program to be entered
Dec-20	Apr-21	Jun-22	Postponing until review of AMP is completed
Mar-20	Dec-20	Apr-22	Consultant engaged to review AMP; Currently linking draft AMP with LTFP
Jun-21	Dec-21	Apr-22	Review along with budget timetable
Jun-20	Feb-21	Apr-22	Consultant engaged to review AMP; Currently linking draft AMP with LTFP
Completed			Review identified control deficiencies
Nov-20	Feb-21	Sep-22	Partially completed; Pods will be installed once receive new fleet

KPI / Action Data			
2021	2020	2019	Comments
92%	140%	135%	Rate annually in December
59%	60%	95%	Rate annually in December
69%	83%	143%	Rate annually in December
			Plans in draft, currently linking Plans
8	4		Result December 2020 - 8; Rate annually in December

Additional / Final Comments

Reviewed by Management Team - March 2022
 Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

Business & Community Disruption

Mar-22

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".

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	Adequate
Business Continuity Plan	Preventative	Mar 21	Adequate
Managing Emergencies in Shire Facilities	Preventative	Dec 16	Adequate
Overall Control Ratings:			Adequate

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; M CCS
Develop IT Disaster Recovery Plan	Jun 21	M CCS
Fire Breaks Inspected and Enforced Annually	Nov 21	M CCS
Fire Fighting Equipment Maintained and Serviced Annually	Mar-Apr 21	M WA
Wardens (Internal) - Training of New Wardens	Jun 21	S MT
Admin Generator Maintained and Serviced	Monthly	M WA
Review Managing Emergencies in Shire Facilities	Dec 21	CEO; M CCS

Key Performance Indicators	Tolerance	Latest Result	Trend
Missed LEMC Committee Meetings	1 per annum	1	Worsening
Number of Firebreak Infringements Issued	5 per annum	2	Improving
LEM Annual Exercise Undertaken	1 per annum	Nil	Worsening
BCP Annual Exercise Undertaken	1 per annum	1	Improving

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Service Interruption; Reputation; Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Objective: To continue delivery of critical services at acceptable levels following a disruption

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	Yes	Yes	Yes	Yes		Fraud not relevant

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	Completed		BCP activated March 2020 in response to COVID19; Next review day Mar 23
Oct-19	Completed		COVID-19 response treated as BCP exercise; Next due April 2022
Dec-20	Jun-21	Dec-22	Deferred until M CCS can review IT system & controls
Completed			Inspected November 2021
N/A			Inspections completed; Next inspection March 2022
Oct-19	Jun-20	Jun-22	Training completed; Warden identifying tools and equipment to be orderd
Monthly	NA	NA	Inspection completed; need to implement monthly monitoring system
Jun-20	Dec-21	Jun-22	Review yet to take place

KPI / Action Data

2020	2021	2022	Comments
1	1		June, August, October & Feb meeting deferred due to not having a quorum
2	0		5 Infringements issued in 2019; 2 Infringements in 2020; 0 Infringements in 2021
Nil	Nil		Scheduled for October 2020, DFES unable to conduct due to COVID-19
1	1	1	COVID-19 response treated as BCP exercise

Additional / Final Comments

Reviewed by Management Team - March 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

Failure to fulfil Compliance Requirements (Statutory and Regulatory)

Mar-22

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	Adequate
Information Management System	Preventative	Unknown	Adequate
Human Resource Management Framework	Preventative	Ongoing	Adequate
Access to Accurate & Current Legislation & Regulations	Preventative	Jun-20	Adequate
Governance Calendar	Preventative	Ongoing	Adequate
Council & Staff Inductions	Preventative	Feb-20	Adequate
Overall Control Ratings:			Adequate

Control Assurance						
Control Owner	Control Documented	Completed	Accuracy	Timeliness	Fraud	Comments
CEO	Yes	Yes	Yes	Yes	No	
CEO; M CCS	Partial	Partial	Partial	Partial	No	
CEO; M CCS	Partial	Partial	Partial	Partial	No	
EGO	No	No	Yes	Yes	No	Documentation not required
EGO	Yes	Yes	Yes	Yes	No	
CEO; M CCS	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; M CCS
Review Information Management System	Feb-21	M CCS
End of Year Financial Audit - Response to Findings	Jun-22	M CCS
Interim Audit Finding 30 June 2021 - Prepare	May-22	M CCS
Interim Audit Finding 30 June 2020 - Review of AMP & LTFP	Dec-21	M CCS; M WA

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Jun-22	Progressing; Extended completion to June 22 to provide new M CCS time to review
Ongoing			Progressing
Completed			Completed September 2021; Next review due September 2023
Ongoing	Feb-21	Jun-22	Progressing; Extended completion to June 22 to provide new M CCS time to review
Dec-20	Feb-21	Dec-22	Progressing; Extended completion to June 22 to provide new M CCS time to review
			Prepare action plan and implement
			Prepare for interim audit
Dec-20	Apr-21	Apr-22	Consultants engaged; Currently merging data between draft AMP and LTFP

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	Worsening
Food Act 2008 & Public Health Act 2016 Reporting	As per legislated	Compliant	Improving

KPI / Action Data			
2020	2021	2022	Comments
<i>Unqualified Audit</i>	<i>Unqualified Audit</i>		Rated annually in December
<i>Compliant</i>	<i>Compliant</i>		Completed February 2022; Rated annually in March
<i>Not Rated</i>	<i>Not Rated</i>		Last reviewed September 2019; Due September 2022
<i>Compliant</i>	<i>Not Rated</i>		Last reviewed September 2019; Due September 2022
<i>Compliant</i>	<i>Compliant</i>		Submitted July 2021; Rated annually in July
<i>Compliant</i>	<i>Compliant</i>		Submitted October 2021; Rated annually in October
<i>Not Rated</i>	<i>Non-Compliant</i>		Due December 2021; Every 3 years; Inspections to be arranged with new EHO
<i>Compliant</i>	<i>Compliant</i>		Rated annually in August; Next due August 2022

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Additional / Final Comments
Reviewd by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies

Document Management Processes

Mar-22

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	Adequate
Governance Management Framework	Preventative	Ongoing	Adequate
Recordkeeping Plan	Preventative	Mar-19	Adequate
Overall Control Ratings:			Adequate

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	Worsening

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Compliance / Reputation	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

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			
Completed			
Jun-21	Dec-21	Apr-22	Scope to be prepared and consultant engaged
Jun-20	Jun-21	Jun-22	Progressing; Extended completion to June 22 to provide new MCCS time to review
Ongoing			Form part of Induction Process
Jun-21	Dec-21	Jun-22	Second extension request approved; Revised due date June 22

KPI / Action Data			
2020	2021	2022	Comments
<i>Not Rated</i>	<i>Not Rated</i>		Rate annually in December
<i>Compliant</i>	<i>Compliant</i>		Recorded & destroyed as per R&D Schedule; Rate annually in December
<i>Not Rated</i>	<i>Non Compliant</i>		Compliant & Current RKP by due date

Additional / Final Comments
Reviewed by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Employment Practices

Mar-22

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

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	Effective
Human Resource Management Framework	Preventative	May-19	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Develop a Health and Wellbeing Program	Dec-19	SMT
Review Workforce Plan	Apr-20	SMT
Create Checklist for Human Resource Management Framework	Jun-20	SMT
Update Training Register & Develop 2022/2023 Training Program	May-22	CEO; MCCS
Review Staff Induction Process	Mar-20	MCCS
Conduct Annual Drivers License Checks	Annually in Apr	MCCS
Conduct Annual Performance Reviews	Annually in Apr	SMT

Key Performance Indicators	Tolerance	Latest Result	Trend
Training Program (% Completed)	90% per annum	Not rated	
Absenteeism (% of Personal)	<10 days per FTE	Not rated	
Absenteeism (% Unpaid Leave)	<0 days per FTE	Not rated	
Employee Turnover (% Turnover Rate of Permanent Staff)	10%	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	0	Improving

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Compliance / Health / Reputational / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Notes:

Australian Public Service Commission
 .id informed decisions
 CEMI (UWA)
 National turnover 8.5%

Objective:
 Effective management and leadership of human resources (full-time, part-time, casual, temporary and volunteer).

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	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-19	Jun-20	Mar-22	Program not in place, no budget allocation; Defer to March 22 for July 22 Implementation
Apr-20	Mar-21	Jul-22	Unable to completed until AMP & LTFP reviews undertaken
Jun-20	Jun-21	Jun-22	Progressing; Extended completion to June 22 to provide new MCCS time to review
Mar-20	Sep-20	Jun-22	Review underway
			Conducting check during performance review process in April 22
			Management currently reviewing performance review template in readiness for reviews

KPI / Action Data

2020	2021	2022	Comments
	Not Rated		Rate annually in September commencing in 2021; Control not in place to rate indicator
	Not Rated		Rate annually in September commencing in 2021; Control not in place to rate indicator
	Not Rated		Rate annually in September commencing in 2021; Control not in place to rate indicator
	Not Rated		Rate annually in September commencing in 2021; Control not in place to rate indicator
100%	100%		Rate annually in June
100%	100%		Rate annually in June
2	4		Rate annually in June; 2020 cases (x2) closed in 2020/2021; 1 current cases

Additional / Final Comments
 Reviewed by Management Team - March 2022
 Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Engagement Practices

Mar-22

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	Oct-20	Adequate
Customer Service Charter	Preventative	Sep-20	Adequate
Overall Control Ratings:			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 / MCCA
Review Community Engagement Policy & Framework	Jun-22	SMT / CDO
Conduct Community Satisfaction Survey	Sep-22	CEO / CDO
Review Process For Customer Response Requests	Jun-22	MCCA
Review Customer Service Charter (every two years)	Sep-22	EGO
Update Complaint Register (in accordance to Act)	As Required	MCCA

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Sep-19	Jun-20	Apr-22	Second review required to streamline processes; Revised due date April 22
			Due to review in June 22
			Completed in October 2020; Next due September 22
			Conduct second review and align with complaints handling process
			Completed September 2020; Next due Septemebr 22
			Register available on Shire website & update as required

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
<i>Not Rated</i>	<i>Not Rated</i>		Rated annually in December; control to be identified to capture indicator
<i>75%</i>	<i>Not Rated</i>		Rated biannually in December; Next due 2022
<i>75%</i>	<i>Not Rated</i>		Rated biannually in December; Next due 2023
<i>Not Rated</i>	<i>Completed</i>		Rate in December

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation	Consequence:	<i>Minor (2)</i>
	Likelihood:	<i>Likely (4)</i>
	Overall Risk Ratings:	Moderate

Additional / Final Comments

Reviewed by Management Team - March 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Environment Management

Mar-22

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	Adequate
Waste Water Management Plan & Program	Preventative		Not Rated
Contaminated Sites Register	Preventative	Nov-19	Adequate
Waste Management Plan & Program	Preventative		Not Rated
Overall Control Ratings:			Adequate

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
Valuation of Sewage System	Jun-22	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	Jun-22	Not yet commenced; Revised due date June 22
Completed			
			Valuer engaged to complete valuation
Ongoing			MWA to determine & identify any gaps
Jun-21	Jun-22		Contracted EHO progressing license renewal

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>	<i>Submitted</i>		Completed as per statutory requirements; Next due October 2022
<i>100%</i>	<i>100%</i>		Water sampling conducted monthly during irrigation season
<i>Maintained</i>	<i>Maintained</i>		Last reviewed June 2021; Review annually in June
<i>Maintained</i>	<i>Maintained</i>		Maintained

Residual Risk Rating

Consequence Category	Risk Ratings	Rating
Environment / Reputation / Financial	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Additional / Final Comments

Reviewed by Management Team - March 2022

Errors, Omissions & Delays

Mar-22

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	Adequate
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	Adequate
Overall Control Ratings:			Adequate
Actions (Treatments)			
		Due Date	Responsibility
Review Employee Code of Conduct		Jul-22	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-22	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	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

CEO; MCCS	Yes	Yes	Yes	Yes	No	
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Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
			Presented to Council July 2020; Next review July 22
Ongoing			Progressing; Altus Payroll & Procurement Module implemented
Dec-20	Jun-21	Jun-22	Progressing; Extended completion to June 22 to provide new MCCS time to review
			Second review required to streamline processes

KPI / Action Data			
2020	2021	2022	Comments
0	0		Rate annually in June
0	0		Rate annually in June
0	0		Rate annually in June
0	0		Rate annually in June
0	0		Rate annually in June
Unqualified Audit	Unqualified Audit		Rate annually in December
Not Rated	Unable to Rate		Rate annually in June; Control to be identified to rate indicator

Additional / Final Comments
Reviewed by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

External Theft & Fraud (Including Cyber)

Mar-22

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	Adequate
Equipment Storage and Access Controls	Preventative	Unknown	Adequate
IT Security Framework (Passwords and Security Protocols)	Preventative	Sep-19	Adequate
Financial Management System	Preventative	Sep-19	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Review Access Controls to Include Key Register	No Date	CEO; M CCS
Photographic Record of Minor Assets & Align With Minor Assets Register	Jun-21	M CCS
Implement Quarterly Schedule For Changing Passwords	Ongoing	M CCS
Review Security and Storage of Records	Aug-22	M CCS
Document Financial Management System	Dec-22	M CCS

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	Consequence:	Minor (2)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

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; M CCS	Yes	Yes	Yes	Yes	Partial	
CEO; M CCS	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, no due date set
Jun-20			Commenced
Ongoing			Secure password policy in place; reset passwords every 90 days
			Last review August 2021
Oct-21			Progressing; anticipate completion December 2022

KPI / Action Data			
2020	2021	2022	Comments
0	0		Rate annually in June
0	0		Rate annually in June
100%	100%		Rate annually in June

Additional / Final Comments

Reviewed by Management Team - March 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Management of Facilities / Venues / Events

Mar-22

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	Adequate
Building Maintenance Program	Preventative	May-19	Adequate
Facility / Venue Booking System	Preventative	May-19	Adequate
Reserves Management System	Preventative	May-19	Adequate
Asset Management Plan	Preventative	May-19	Adequate
Statutory Public Building Compliance Program	Preventative	Nov-21	Adequate
Overall Control Ratings:			Adequate

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	Jun-22	Event Management Plan in place, yet to complete framework; Defer due date to June 22
Dec-20	Dec-21		Completed
Dec-19	Mar-20	Jun-22	Defer due date to Jun 22
Jun-20	Feb-21	Jun-22	Progressing; Defer due date to Jun 22
Dec-20	Nov-21	Apr-22	Inspections commenced; Discuss inspection schedule with new EHO

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		Rate annually in June
0	0		Rate annually in June
81%	Not Rated		Rated every 2 years; Due September 2022
90%	Not Rated		Rated every 2 years; Due September 2023
Not Rated	Maintained		New indicator; Rate in December 2022

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation	Consequence:	Minor (2)
	Likelihood:	Unlikely (2)
	Overall Risk Ratings:	Low

Additional / Final Comments
Reviewed by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

IT or Communication Systems and Infrastructure

Mar-22

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	Adequate
IT Management Service Level Agreement	Detective	Early 2018	Adequate
IT Managed Service Agreement Monthly Report	Detective	Monthly	Adequate
IT Disaster Recovery Plan	Recovery		Not Rated
IT System Access Framework	Preventative		Adequate
Secure Password Procedure	Preventative		Adequate
Advanced Email Protection	Preventative	Aug-20	Effective
Overall Control Ratings:			Adequate

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
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	Consequence:	Major (4)
	Likelihood:	Likely (4)
	Overall Risk Ratings:	Moderate

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	
MCCS	Yes	Yes	Yes	Yes	Partial	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec-20	Dec-22		Action included in IT Management tender scope; date to be confirmed
Mar-20	Dec-20	Jun-22	Action included in IT Management tender scope; deferred to June 22
Completed			Procedure implemented
Sep-21	Completed		VOIP system installed
Mar-21	Dec-22		Date to be confirmed

KPI / Action Data			
2020	2021	2022	Comments
0	0		Rate annually in June
Not rated			Rating based on completion
Not rated			Rating based on completion
Installed			System remains in place
Not rated			Rating based on completion
Not rated			Rating based on completion
Not rated	Completed		VOIP system installed

Additional / Final Comments

Reviewed by Management Team - March 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Misconduct

Mar-22

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	Adequate
Staff Recruitment Process (includes Police Clearance)	Preventative	Feb-19	Adequate
Staff Inductions	Preventative	Aug-20	Adequate
External Audits	Preventative	May-20	Adequate
Annual Drivers Licence Checks	Preventative	Feb-20	Adequate
Social Media Policy	Preventative	Apr-20	Adequate
Segregation of Duties (Financial)	Preventative	Jul-20	Adequate
Financial Management Policy	Preventative	May-20	Adequate
Financial Authorisation Policy	Preventative	May-20	Adequate
Delegation Control - Synergy	Preventative	Jul-20	Adequate
Financial Interests Returns Declarations	Preventative	Ongoing	Adequate
Primary and Annual Returns Process	Preventative	Aug-20	Adequate
Procurement Delegation Control - Synergy	Preventative	Ongoing	Adequate
Petty Cash Policy	Preventative	May-20	Adequate
Corporate Credit Card Policy	Preventative	Apr-21	Adequate
Delegated Authority for Procurement	Preventative	May-20	Adequate
Elected Member Training Plan	Preventative	Ongoing	Adequate
Audit & Risk Committee Terms of Reference	Preventative	Nov-19	Adequate
IT Security Access Register (Profiles & Passwords)	Preventative	90 Days	Adequate
Purchasing Policy & Procurement Process	Preventative	Jul-20	Adequate

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	Adequate
Financial Management Systems Review	Preventative	Sep-19	Adequate
Regulation 17 Review	Preventative	Dec-19	Adequate
Related Parties Disclosures Policy	Preventative	Jan-19	Adequate
Council Member Communication & Use of Social Media Policy	Preventative	Introduced	Adequate
Code of Conduct	Preventative	Feb-21	Adequate
Overall Control Ratings:			Adequate

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 - Every 3 Years	Dec-22	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
Prepare Credit Card Procedure	Sep-21	MCCS
Conduct Drivers Licence Check Annually	April Annually	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	Jun-22	Progressing
May-20	Apr-21		Unable to finalised until receive fleet replacement; Date to be confirmed
			Next due December 22
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 2021
Sep-21	Completed		Credit Card authorisation forms and agreements in place
			Last checked February 2021; Next check April 2022

Key Performance Indicators	Tolerance	Latest Result	Trend
Unqualified External Audits (# of Signicifant Findings)	0	Unqualified	Constant
Disregarding or Manipulating Procurement Process	Nil	Not rated	Constant
Breaches of Code of Conduct	Nil	0	Constant
Internal & External Complaints (Minor)	< 1 per quarter	0	Constant
Internal & External Complaints (Major)	0	0	Constant
Adherance to Internal Controls	Nil	Not rated	Constant

KPI / Action Data			
2020	2021	2022	Comments
<i>Unqualified</i>	<i>Unqualified</i>		Rate annually in December
<i>Not rated</i>	35		Rate annually in December; 35 non-conforming
0	4		Rate annually in December
0	0		Rate annually in December
0	0		Rate annually in December
<i>Not rated</i>	<i>Unable to Rate</i>		Rate annually in December; Control to rate indicator yet to be identified

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Reputation / Finance	Consequence:	<i>Moderate (3)</i>
	Likelihood:	<i>Possible (3)</i>
	Overall Risk Ratings:	Moderate

Additional / Final Comments
Reviewed by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Project / Change Management

Mar-22

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		Not Rated
Communication and Engagement Framework	Preventative		Not Rated
Risk Management Framework	Detective	Oct-19	Adequate
Financial Management Framework	Preventative	Mar-17	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Develop Project Management Methodology and Framework	Dec-21	MCCS
Review Communication and Engagement Framework	Mar-22	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	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

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

KPI / Action Data			
2020	2021	2022	Comments
<i>Not rated</i>	<i>Unable to Rate</i>		Rate annually in December; Controls to rate indicator to be identified
<i>Not rated</i>	<i>Unable to Rate</i>		Rate annually in December; Controls to rate indicator to be identified
<i>Not rated</i>	<i>Completed</i>		Rate upon completion

Additional / Final Comments

Reviewed by Management Team - March 2022

Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Safety and Security Practices

Mar-22

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	Adequate
OSH Management Framework	Preventative	May-17	Adequate
Human Resource Management Framework	Preventative	May-19	Adequate
Governance Management Framework	Preventative	Ongoing	Adequate
Managing Emergencies In Shire Facilities	Preventative	Dec-16	Adequate
Overall Control Ratings:			Adequate

Actions (Treatments)	Due Date	Responsibility
Review Hazard Register	Annually	MWA / TWC
Update Staff Training Register	Ongoing	SMT
Conduct Quarterly Workplace Inspections	Quarterly	MWA / TWC
Safe Work Method Statements (SWMS) Library	May-22	MWA / TWC
Assess Shire Building and Facility Safety and Security	Dec-21	MWA / TWC
Develop Isolated Worker Management Procedure	Jun-21	MWA / TWC
Re-Establish OSH Committee & Conduct Monthly Meetings	Monthly	MWA / TWC
Review Managing Emergencies In Shire Facilities	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	Nil	Constant
Near Misses Per Quarter	Nil	Nil	Improving
Workers Compensation Claims Per Quarter	Nil	0	Improving
Safety Audit Result % (Every Three Years)	95%	74%	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	Yes	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	Yes	Yes	Yes	Yes	No	

Original Due Date	Extension 1 Date	Extension 2 Date	Comments / Current Status
Dec Annually			
			Ensure completion of annual training is registered by June
			Inspections recommenced, inspection scheduled to be prepared
			Preparing SWMS for rollers
Dec-19	Dec-20	Jun-22	Arrange EHO onsite visit to conduct assessment
Dec-19	Jun-20	Apr-22	Progressing; to be presented to WHS Committee March 2022
			Monthly meetings conducted
Dec-21	Jun-22		Unable to review due to staff shortages
Jun-20	Dec-21	Apr-22	Waiting for DFES to coordinate LEMC Drill; BCP drill underway
Jun-20	Jun-20	Jun-22	Review underway

KPI / Action Data			
2020	2021	2022	Comments
100%	Unable to Rate		Rated annually in December; Control to be identified to rate indicator
Nil	Unable to Rate		Rated annually in December; Control to be identified to rate indicator
30 Hours	Unable to Rate		Rated annually in December; Control to be identified to rate indicator
Nil	4		Rated annually in December
2	2	2	2 overall for 2021/22 (nil for quarter); Rated annually in December
Not rated	74%		Safety Audit completed May 2021;

Residual Risk Rating		
Consequence Category	Risk Ratings	Rating
Health	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

Additional / Final Comments
Reviewed by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Nil

Supplier / Contract Management

Mar-22

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"> • Concentration issues (contracts awarded to one supplier) • Vendor sustainability

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	Mar-21	Adequate
Financial Management Framework	Preventative	Progressing	Adequate
Access to Independent Advice (WALGA/Lawyers) & Peer Review	Preventative	Ongoing	Adequate
Overall Control Ratings:			Adequate

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	Consequence:	Moderate (3)
	Likelihood:	Possible (3)
	Overall Risk Ratings:	Moderate

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 September 21
Ongoing			Standardised MOUs; Service Level Agreements; Tenancy Agreements
Ongoing			Progressing
Ongoing			Progressing; implementation of Procurement & COA finalised; Payroll gone live
Ongoing			Investigating

KPI / Action Data			
2020	2021	2022	Comments
90%	90%		Rate annually in December
1	1		Rate annually in December

Additional / Final Comments
Reviewed by Management Team - March 2022
Frameworks - the overarching structure to include adopted policies, documented controls, plans and strategies.

Measures of Consequence [V.2 - May 2019 - DRAFT FOR COUNCIL CONSIDERATION]

RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION (Social / Community)	COMPLIANCE	PROPERTY (Plant, Equip, Buildings)	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT	
								Time	Budget
Insignificant (1)	Near-Miss	No material service interruption Less than 1 hour	Unsubstantiated, localised low impact on community	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact	Less than \$5,000	Exceeds deadline by 5% of project	Exceeds project budget by 5%
Minor (2)	First Aid Treatment	Short term temporary interruption – localised impact on community trust or	Substantiated, public embarrassment	Some temporary non-compliance	Localised damage rectified by routine	Contained, reversible impact	\$5,001 - \$50,000	Exceeds deadline by 10% of project	Exceeds project budget by 10%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption –	Substantiated, public embarrassment	Short term non-compliance but with significant	Localised damage routine	Contained, reversible impact	\$50,001 - \$200,000	Exceeds deadline by 15% of project	Exceeds project budget by 15%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional	Substantiated, public embarrassment	Non-compliance results in termination of	Significant damage routine	Uncontained, reversible impact	\$200,001 - \$500,000	Exceeds deadline by 20% of project	Exceeds project budget by 20%
Extreme (5)	Fatality, permanent disability	Indeterminate prolonged interruption of	Substantiated, public embarrassment	Non-compliance results in litigation, criminal charges or	Extensive damage routine	Uncontained, irreversible impact	More than \$500,000	Exceeds deadline by 25% of project	Exceeds project budget by 25%

Measures of Likelihood

Rating	Description	Frequency
Almost Certain (5)	The event is expected to occur in most circumstances	More than once per year
Likely (4)	The event will probably occur in most circumstances	At least once per year
Possible (3)	The event should occur at some time	At least once in 3 years
Unlikely (2)	The event could occur at some time	At least once in 10 years
Rare (1)	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix

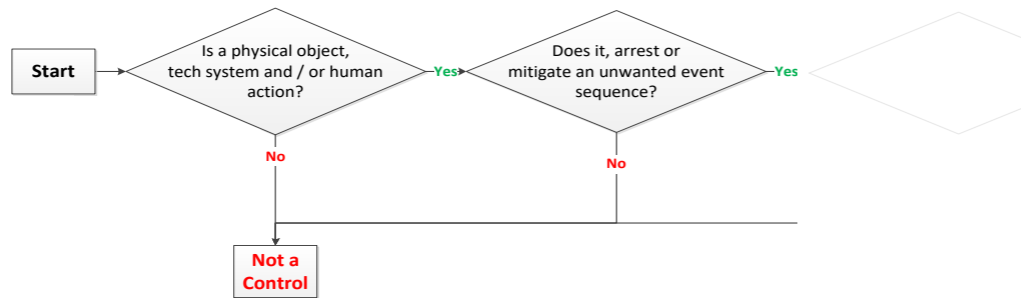
	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	DCEO / CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings

Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is some scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Nil or limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a need for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.



Lagging Indicator

Indicators relating to a result or outcome. Lag means the indicator will change after something happens. The indicator measures the results of an action. Looks back as to whether the intended result was achieved)

Leading Indicator

Indicators measures an input that leads to a result. Often related to something you can influence. How to produce desired results. Looks forward at future outcomes.

Risk Register

Theme	Key Control	Rating
Asset Management Practices	Recreation Facilities Maintenance Program	Not Rated
Asset Management Practices	Asset Management Plan	Inadequate
Asset Management Practices	Stock Controls Systems (Fuel)	Inadequate
Business & Community Disruption	Facility Risk Management Plan	Not Rated
Engagement Practices	Community Engagement Framework	Not Rated
Environment Management	Sewer Management Plan	Not Rated
Environment Management	Waste Management Plan	Not Rated
Errors, Omissions & Delays	Checklists & Documented Procedures	Inadequate
Management of Facilities/Venues/Events	Event Management Framework	Not Rated
Management of Facilities/Venues/Events	Reserves Management System	Not Rated
Management of Facilities/Venues/Events	Statutory Public Building Compliance Program	Not Rated
IT or Communication Systems & Infrastructure	IT Disaster Recovery Plan	Not Rated
IT or Communication Systems & Infrastructure	IT System Access Framework	Not Rated
Project/Change Management	Project Management Methodology & Framework	Not Rated
Project/Change Management	Community Engagement Framework	Not Rated
Safety & Security Practices	Facility Risk Management Plan	Not Rated



Annual Report 2020/21



Shire of Dowerin

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SHIRE OF

DOWERIN

TIN DOG TERRITORY

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Vision Statement

“A thriving and supportive rural community which offers lifestyle choices and opportunities for all”

OUR MISSION - COMMUNITY VISION AND VALUES

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

“A thriving and supporting rural community which offers lifestyle choices and opportunities for all”

In delivering this Vision for the community the Shire of Dowerin recognises our commitment to the community by:



We will be open, fair and impartial in what we do



We will consult and engage with our community



We will encourage, welcome and value feedback



We will encourage and support the volunteers in our community



We will spend local as often as we can



We will treat people with respect



We will value our natural environment and treat it with importance



The Shire’s priorities are described by five key result areas below:

SHIRE PRIORITIES				
<p>Our Community</p> <p>We live in a diverse, healthy, safe and connected community</p>	<p>Our Economy</p> <p>We are an attractive location to invest, live, play, visit and work</p>	<p>Our Infrastructure</p> <p>We have functional infrastructure that meets the needs of the community</p>	<p>Our Natural Environment</p> <p>We manage our natural environment appropriately to ensure a sustainable future for our community</p>	<p>Our Organisation</p> <p>We are recognised as a transparent, well governed, and effectively managed Local Government</p>



PRESIDENTS MESSAGE

“This year has seen some terrific community activation areas throughout our community.”

COVID-19 PANDEMIC

The Covid-19 pandemic continues to have substantial effects on our country in particular, our Eastern seaboard counterparts have had to endure a year like no other. 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 others, however we are certainly not immune.

NEWROC MEMBERSHIP

The North Eastern Wheatbelt Regional Organisation of Councils is a voluntary organisation of seven local governments, established for over 20yrs. The purpose of NEWROC is to work together for successful communities. NEWROC achieves this with regional collaboration to champion opportunities for the communities.

The collaboration between Town Team Movement and NEWROC resulted in an impressive “Dowerin Do Over” earlier this year. This event also encouraged the establishment of the Dowerin Town Team - Dowerin This Together. The team successfully secured RAC

funding for a transformation of the facade of the Tin Dog General Store where future community activities will be held.

We look forward to continuing our partnership with NEWROC and the ventures that this will bring to our community.

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.

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 would like to welcome the new Councillors and look forward to working cohesively together to hold Dowerin in good stead for the future.



CEO'S MESSAGE

“The Shire has achieved some solid results in what has been a difficult and challenging year.”

FLOOD DAMAGE

The Shire sustained significant damage to roads and drainage infrastructure as a result of heavy rain in February 2020. Funding was secured for the restoration of damaged infrastructure under the Disaster Recovery Funding Arrangements WA (DRFAWA) funding program.

Upon the completion of the tender process contractors were engaged to project manage and undertake the essential public asset reconstruction works determined by DRFAWA. The approved works commenced in May 2021 and is to be completed by June 2022.

COMMUNITY ENGAGEMENT

Communication and engagement with the community is a priority for the Shire with a focus on providing information to the community through Council Connect, the Shire website, Facebook and other social media platforms.

REGIONAL COLLABORATION

The Shire became a financial council member of the North Eastern Wheatbelt Organisation of Councils (NEWROC). There are synergies between the seven Member Councils, therefore presents opportunity for regional collaboration and resource sharing. NEWROC is well structured with a strategic plan identifying focus areas that align with our objectives.

GOVERNANCE AND COMPLIANCE

The Local Government Legislation Amendment Act 2019 was passed by Parliament. This Act addresses elected member training, the treatment of gifts, a new code of conduct, changes to the Standards Panel, best practice for CEO recruitment, performance review and early termination; and greater transparency through more information being made more easily accessible online.

We have responded in a timely manner to ensure controls and systems comply with the newly introduced reform.

The Shire commenced the 8-year review process to consider if the local laws should be repealed, left as is or amended. The review process includes community comment on prospective changes.

INTEGRATED PLANNING

Following an engagement series, the Strategic Community Plan and Corporate Business Plan was reviewed extensively. As a result, our adopted Integrated Strategic Plan reinforces our commitment to the people who live, work and visit our Shire and to regional co-operation and prosperity.

The Youth Plan 2021-2024 was developed to confirm the Shire's dedication to the young people in our community based on comprehensive engagement.

COVID-19 IMPLICATIONS

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 installment charges. Council also adopted a COVID-19 Hardship Policy to ensure those within our community experiencing financial hardship can be dealt with in a fair and equitable manner.

LOCAL ROAD & COMMUNITY INFRASTRUCTURE PROGRAM

LRCIP, funded by the Australian Government, supported local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

Our Shire received two allocations:

Phase 1 - \$383,746

Phase 2 - \$273,469

CLOSING ACKNOWLEDGEMENTS

I extend my appreciation and recognition of all Shire staff for their invaluable contribution. Without the support and dedication of a professional, passionate and community focused workforce we would not have been able to achieve all we have over the past year.

I would like to acknowledge the support of Elected Members and the community in helping to progress towards our Vision - 'A thriving and supportive rural community which offers lifestyle choices and opportunities for all'.



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 GWN7 Dowerin Machinery Field Days has cemented Dowerin on the map, attracting over 24,000 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 Dowerin Home Care (DHC), and a range of independent living units. For families and children, Dowerin is home to Regional Early Education and Development (REED) previously Lil Tigers Day Care, 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, agricultural machinery & goods supply, heavy transport, CBH, retail, accounting and farm advisory services.



PEOPLE

Resident population of 697

Median Age is 43

23.2% of the population is aged 0 to 14

20.7% aged 65 and over



ECONOMY

137 registered businesses

Median weekly household income of \$1,125

Agriculture is the largest employing industry (33.4%)

Unemployment rate of 4.1%



COMMUNITY

Established in 1906

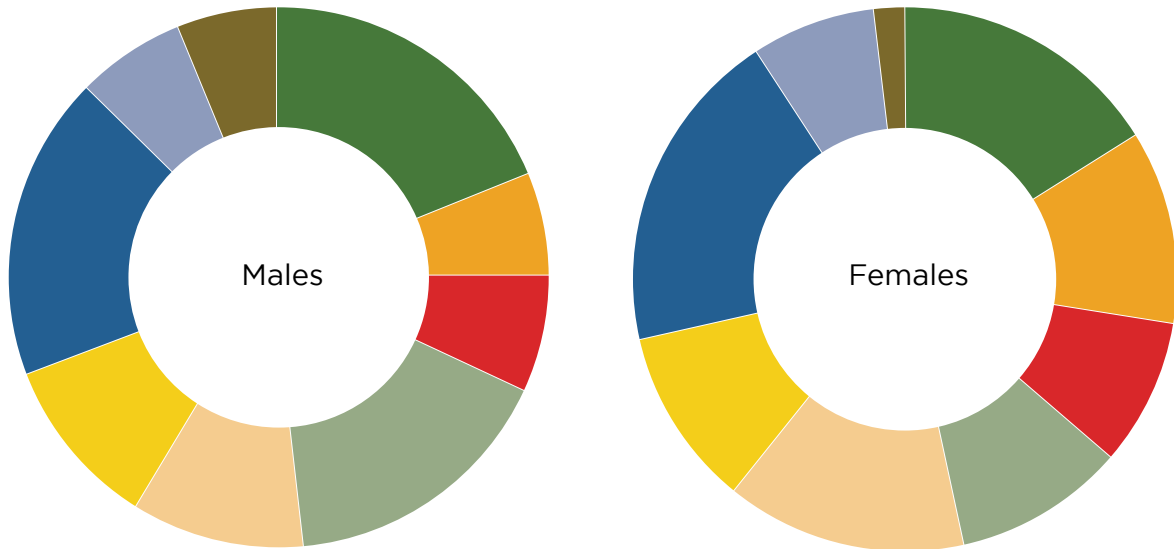
Located 156km from Perth

High quality community and sporting facilities

Diverse service delivery catering to community needs

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
 ■ 70-79years
 ■ 80+ years



YOUR COUNCIL



Cr Darrel Hudson
SHIRE PRESIDENT
Term ends 2021



Cr Bev Ward
DEPUTY PRESIDENT
Term ends 2021



Cr Adam Metcalf
COUNCILLOR
Term ends 2023



Cr Lindsay Hagboom
COUNCILLOR
Term ends 2021



Cr Len Holberton
COUNCILLOR
Term ends 2021

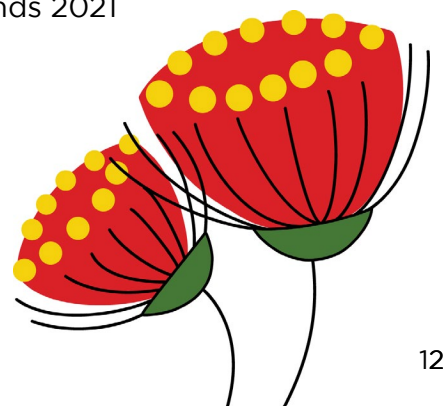


Cr Rob Trepp
COUNCILLOR
Term ends 2023



Cr Jason Sewell
COUNCILLOR
Term ends 2023

VACANT SEAT
Term ends 2021



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, the information is to be included in the Annual Report for that financial year.

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

Legend:

N/A - Not applicable

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 2020/21 financial year is detailed below:

Other Professional Development	Cr Hudson	Cr Metcalf	Cr Hagboom	Cr Holberton	Cr Sewell	Cr Trepp	Cr Ward
WALGA Annual Conference	N/A	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

Legend:

N/A - Not applicable

ATTENDANCE AT COUNCIL MEETINGS

ATTENDANCE AT ORDINARY MEETINGS OF COUNCIL 2020/21												
COUNCILLOR	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Cr DP Hudson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A
Cr AJ Metcalf	✓	✓	✓	✓	✓	✓	✓	✓	✓	LoA	✓	✓
Cr LG Hagboom	✓	A	A	✓	✓	✓	A	A	✓	✓	A	A
Cr LH Holberton	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	✓	✓
Cr JC Sewell	A	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓
Cr RI Trepp	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr BA Ward	A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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		Local Emergency Management		Bush Fire Advisory Committee		Australia Day Honours		Road Verge Advisory Committee	
	Meeting Held	Meetings Attended	Meeting Held	Meetings Attended	Meeting Held	Meetings Attended	Meeting Held	Meetings Attended	Meeting Held	Meetings Attended
Cr DP Hudson	5	5	2	2	N/A	N/A	N/A	N/A	N/A	N/A
Cr RI Trepp	5	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cr BA Ward	5	4	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	1	0	N/A	N/A	1	0
Cr AJ Metcalf	N/A	N/A	N/A	N/A	1	1	N/A	N/A	N/A	N/A
Cr LH Holberton	N/A	N/A	N/A	N/A	1	1	1	1	1	1
Cr JC Sewell	N/A	N/A	N/A	N/A	N/A	N/A	1	0	N/A	N/A

Legend:

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



YEAR IN REVIEW

In 2020/2021, for every \$100 the Shire of Dowerin spent:




Works & Assets

During 2020/2021 the Shire:



Replaced from the Plant Replacement Program
\$372,319



Road maintenance/grading/minor improvements
\$515,954



Completed **260m** footpath repairs/replacement
\$53,629



Completed **4.63km** reseal of roads



Maintenance Buildings & Infrastructure
\$223,500




Maintenance/minor improvements to Parks & Gardens
\$169,568

Development Services


During 2020/2021 the Shire:



Issued **8 building Approvals**



Completed **7 Subdivisions/Amalgamations**



Completed **0 Demolition Permit**



Reached Registration of **159 Dogs**



Issued **2 Planning Approvals**



Reached Registration of **54 Cats**

Media & Communication Services

During 2020/2021 the Shire:



Published **471 posts** on the **Shire's Facebook** Page



Publication of **27 Council Connect / CEO Connect** Newsletter in the Despatch



Published **56 posts** on the Dowerin Short Stay Accommodation **Facebook** Page



Publication of **3 gym** Newsletters

Shire of Dowerin Facebook

Page likes have grown from 730 to 938 during FY 20/21, an increase of 28%

Dowerin Short Stay Accommodation

Facebook page likes have grown from 374 to 470 during FY 20/21

Instagram follows have grown from 215 to 279 during FY 20/21

Community Services

During 2020/2021 the Shire:



Received **2,571 Visitors** to the Short Stay



Reached **96 gym Memberships**



Delivered **246 Meals on Wheels**



Submitted **6 grant Applications**



Organised and held **7 Community events**



Delivered **17 Home Care Packages**



INTEGRATED PLANNING & REPORTING

Strategic Community Plan

The Shire of Dowerin's Corporate Business Plan 2018-2022 aligns with the strategic initiatives identified in the Strategic Community Plan 2018-2028, reflecting our commitment to fulfilling the community's vision, goals and aspirations.

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 Organisation

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

Strategies are outlined in the Strategic Community Plan. Actions to achieve the outlined Strategies are identified within this plan. The following tables report on the key directions of the Strategic Community Plan.

Our Lifestyle

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced ✗	Scheduled ■	On Hold 	To Be Completed ●
----------------	--------------	------------------	--------------------	----------------	-------------	----------------------

Theme	Our Lifestyle
Objective	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	May 2020	Oct 2020	Jan 2021	Apr 2021
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	▶	▶	▶	▶

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	May 2020	Oct 2020	Jan 2021	Apr 2021
C2.1	Continue to maintain the Dowerin Home Care Volunteer Register	∞	∞	∞	∞
C2.2	Develop and maintain a community 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	May 2020	Oct 2020	Jan 2021	Apr 2021
C3.1	Facilitate best-practice governance training for community groups	∞	∞	∞	∞

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 Facilitate	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
C4.1	Develop, implement and monitor a Communication and Engagement Framework	×	×	▶	▶

No	Strategy	Priority		Our Role	
C5	Provide an annual program of events that incorporates activities and opportunities	1		Direct Delivery Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
C5.1	Develop and implement an annual Community Development Plan	▶	▶	▶	▶

Outcome 4

Better access to quality and diverse education and training opportunities

No	Strategy	Priority		Our Role	
C1	Actively promote Dowerin as a vibrant, family friendly community with quality and diverse amenities and services	1		Advocate Facilitate	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
C6.1	Continued provision of HR and payroll support for Lil' Tigers Early Years Centre	∞	∞	✓	
C6.2	Continued provision of a facility to support Regional Early Education & Development Inc (REED) formerly Lil' Tigers	∞	∞	∞	∞
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	◻	◻	◻	◻

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	May 2020	Oct 2020	Jan 2021	Apr 2021
C7.1	Investigate opportunities and partnership to develop a community traineeship program	∞	∞	∞	∞
Comment: 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	May 2020	Oct 2020	Jan 2021	Apr 2021
C8.1	Develop and implement an 'Aged Friendly Community Plan'	∞	∞	∞	∞
C8.2	Continue to support the Dowerin Home Care Service	▣	▣	▣	▣

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 Facilitate Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
C9.1	Develop and implement a Strategic Youth Plan	▣	▶	▶	▶

Our Infrastructure

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced ✗	Scheduled ◻	On Hold 	To Be Completed ●
----------------	--------------	------------------	--------------------	----------------	-------------	----------------------

Theme	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.

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	May 2020	Oct 2020	Jan 2021	Apr 2021
I1.1	Facility and Spaces audit and review completed	✗	▶	▶	▶
I1.2	Develop a Facility and Spaces Plan and implement identified strategies	✗	✗	✗	▶
I1.3	Develop and implement a 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	May 2020	Oct 2020	Jan 2021	Apr 2021
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	✗	✗	✗	▶

Outcome 2 Housing meets existing community need and facilitates 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	May 2020	Oct 2020	Jan 2021	Apr 2021
I3.1	Complete a Housing Needs Analysis	◻	◻	◻	◻

No	Strategy	Priority		Our Role	
I4	Investigate and implement appropriate housing investment models for Dowerin	4		Direct Delivery Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
I4.1	Implement the Avon Well Housing Project				
I4.2	Identify a sustainable housing model to improve the quality of housing in Dowerin	■	■	■	■

Our Economy

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced ✗	Scheduled ◻	On Hold 	To Be Completed ●
----------------	--------------	------------------	--------------------	----------------	-------------	----------------------

Theme	Our Lifestyle
Objective	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	May 2020	Oct 2020	Jan 2021	Apr 2021
E1.1	Develop a business and industry investment prospectus	✗	✗	✗	▶
E1.2	Develop and implement a Dowerin Marketing Plan	✗	▶	▶	▶

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	May 2020	Oct 2020	Jan 2021	Apr 2021
E2.1	Undertake a tourism audit to include attractions, services and signage	▶	▶	▶	▶
E2.2	Prepare and implement a Strategic Tourism Plan	◻	◻	◻	◻

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 Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
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	×	▶	▶	∞
E3.3	Develop and implement a Dowerin Short Stay Accommodation marketing plan	▶	▶	▶	▶
E3.4	Develop imagery inventory to enable marketing content	▶	▶	▶	▶

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 Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
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	×	▶	▶	▶

Outcome 3 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	May 2020	Oct 2020	Jan 2021	Apr 2021
E5.1	Develop and implement a Strategic Economic Plan	□	□	□	□

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 Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
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	■	■	▶	▶

Our Natural Environment

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced ✗	Scheduled ◻	On Hold 	To Be Completed ●
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Theme	Our Environment
Objective	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	May 2020	Oct 2020	Jan 2021	Apr 2021
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	✗	✗	✗	▶

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	May 2020	Oct 2020	Jan 2021	Apr 2021
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	May 2020	Oct 2020	Jan 2021	Apr 2021
N3.1	Investigate opportunities for renewable energy development	✘	✘	▶	▶

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	May 2020	Oct 2020	Jan 2021	Apr 2021
N4.1	Develop and implement a Strategic Waste Management Plan	◻	◻	◻	◻

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	May 2020	Oct 2020	Jan 2021	Apr 2021
N5.1	Develop and implement a Water Management Plan	◻	◻	◻	◻

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	May 2020	Oct 2020	Jan 2021	Apr 2021
N6.1	Identify and action water use reduction, recovery and re-use initiatives	▶	▶	▶	▶
N6.2	Identify opportunities to initiate renewable energy installations	∞	∞	∞	∞

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	May 2020	Oct 2020	Jan 2021	Apr 2021
N7.1	Provide appropriate environment friendly products and design information on the Shire of Dowerin's website	x	x	x	•

Our Leaders

Completed ✓	Ongoing ∞	In Progress ▶	Not Commenced ✗	Scheduled ■	On Hold 	To Be Completed ●
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Theme	Our Leaders
Objective	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	May 2020	Oct 2020	Jan 2021	Apr 2021
L1.1	Continue to facilitate and support identified project committees and working groups focusing on community priorities	∞	∞	∞	∞

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	May 2020	Oct 2020	Jan 2021	Apr 2021
L2.1	Develop, implement and monitor a Communication and Engagement Framework	✗	✗	▶	▶

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	May 2020	Oct 2020	Jan 2021	Apr 2021
L3.1	Conduct a comprehensive service delivery review	▶	▶	▶	▶
L3.2	Develop a suite of service delivery plans and strategies	✗	✗	✗	✗
L3.3	Integrate service delivery strategies into the asset management plan and long-term financial plan	✗	✗	✗	✗
L3.4	Conduct a facility audit and develop a master plan for future facility usage	✗	✗	▶	▶

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	May 2020	Oct 2020	Jan 2021	Apr 2021
L4.1	Monitor and review IPR Suite of Plans	∞	∞	∞	∞
L4.2	Conduct biennial Community Satisfaction Surveys	✗	✓		

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

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	May 2020	Oct 2020	Jan 2021	Apr 2021
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	∞	∞	∞	∞

No	Strategy	Priority		Our Role	
L6	Integrated planning evolves and adapts to meet the changing context for Dowerin	1		Direct Delivery	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
L6.1	Review IPR Framework	▣	▶	▶	▶
L6.2	Monitor and review IPR Suite of Plans	∞	∞	∞	∞

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 Partner	
No	Key Actions	May 2020	Oct 2020	Jan 2021	Apr 2021
L7.1	Continue to progress regional collaboration by participating in North Eastern Wheatbelt 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	∞	∞	∞	∞

STATUTORY REPORTING

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 2020/21 year include:

- LED lighting was installed at the southern end of Stewart Street. The lighting assists with visibility reducing risk of potential injury or traffic incidents.
- Picnic furniture with wheelchair accessibility has been installed on Stewart Street.
- Additionally, a new pathway along Cottrell Street and Jackson 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.

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. The Shire of Dowerin has been granted an extension to complete this plan until 20 April 2022.

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 numerous 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.



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.

No disclosures were made during 2020/21 and the Shire declares that all obligations under the Public Interest Disclosure Act 2003 have been complied with.

Employees Remuneration

In accordance with Regulation 19B 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	0
\$110,000 to \$119,999	2
\$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 to \$189,999	0
\$190,000 to \$199,999	0

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 breaches received each year.

No complaints were received during 2020/21.

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 one valid freedom of information applications in 2020/21.

The Shire of Dowerin's Information Statement, adopted at Council's October 2020 meeting, is available on its website at www.dowerin.wa.gov.au.



COMMUNITY SERVICES & ECONOMIC DEVELOPMENT

Support for Community Events and Organisations

Community Group	Purpose	Value
Dowerin District High School	Preparations of jumps for school athletics carnival	\$795
Wheatbelt Way	Award for Curtin University Student Presentation - SSA Accommodation for 6 students	\$780
Dowerin Community Resource Centre	Melbourne Cup Lunch Door Prize (Shop Local voucher for butcher)	\$100
Dowerin Community	Vacation Swimming Lessons 18-24 December	\$1,348
Dowerin District High School	Interim Swimming 2021	\$935
Dowerin Child Care Committee	Printing of Football Tipping Booklets	\$300
Wheatbelt Way	Award for Curtin University Student Presentation - SSA Accommodation for 6 students	\$780
Dowerin District High School P&C	Donation toward purchasing large size gaming equipment for undercover area	\$200
Walk for the Boys	Fundraising for Men's Mental Health & Suicide Prevention - SSA Accommodation	\$120
TOTAL		\$5,358

Grants and Funding

The Shire was successful in obtaining a range of grant funds over 2020/21 including:

Funding Body	Project	Amount	Total Project Value
National Australia Day Council	Branding for Australia Day	\$1,000	\$1,000
National Australia Day Council	COVID Safe Event	\$20,059	\$27,000
Dowerin Event Management	Dowerin Community Christmas Festival	\$1,500	\$5,062
Dowerin Event Management	We are Rural Women Event	\$5,000	\$14,459
Bendigo Bank Goomalling	We are Rural Women Event	\$500	\$14,459
BBRF, Lotterywest & Development Fund	Pioneers Pathway Project	\$22,048	\$30,054



Phil Pickering, Senior Citizen of the Year

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.

Event	Date
Dowerin Community Christmas Festival	18 December 2020
Australia Day Celebrations	26 January 2021
We are Rural Women	24 March 2021
Dowerin Triathlon	27 March 2021
Youth Skatepark Workshop	16 April 2021
ANZAC Day	25 April 2021
Dowerin Do Over	29 - 30 April 2021
Student Leadership Event	25 May 2021

Citizen of the Year Award

Rob Proud was awarded Citizen of the Year at the annual Australia Day celebrations, for his tireless and selfless contribution towards to Dowerin community.

Phil Pickering was awarded Senior Citizen of the Year for his ongoing support and contribution to the Dowerin Community.



Scheepers Family receiving Citizenship certificates

In addition to the above events, the Shire President conducted one Citizenship Ceremony throughout the year. The ceremony took place in Cadoux with the family surrounded by friends and the Cadoux community, Congratulations to Koert, Elizabeth, Ruhan and Ruben Scheepers.

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 Drive Trail

LRCIP Funding Projects

Local Road and Community Infrastructure Program (LRCIP), funded by the Australian Government, supported local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

The Shire of Dowerin received two allocations and utilised the funding to improve functionality or upgrade identified facilities, enhance the aesthetics of the township and renew recognised assets.

Phase 1 \$383,743

- Administration Roof - renewed
- Amery Acres Waste Facility Fence - extended
- Archive Room - refurbished
- Dowerin Community Club - constructed an entrance statement
- Dowerin Oval Perimeter Fence - renewed
- Lessor Hall - installed air-conditioning
- Pioneer's Pathway - installed interpretative signage
- Short Stay Accommodation - installed RV friendly caravan bays
- Short Stay Accommodation - constructed an entrance statement
- Stewart Street - enhanced main street
- Stewart Street LED Lighting Upgrade Stage 1
- Tin Dog Walk & Bird Hide Stage 1 - refurbished



Phase 2 \$273,469

- Administration Office - refurbishment
- Recreation Centre - refurbishment (to be completed in 2022)
- Irrigation Project - installation (to be completed in 2022)

Pioneers' Pathway

The Shire of Dowerin and Pioneers' Pathway, through funding from BBRF, Lotterywest and Development Fund, undertook product development for the drive trail. Dowerin worked alongside local resident Diane Hatwell to collect information on the local Dowerin pioneers and develop interpretive signage to share their stories with the community and visitors to Dowerin. Along with the creation of four pioneering stories, a new Tin Dog was formed to showcase the women who impact the pioneering era, the new Tin Dog named Rosey sits along Stewart Street and has a raised paw pointing to the Dowerin Community Resource Centre. The Shire thanks Dowerin Engineering for their hard work, design and construction of Rosey.

The four pioneering stories included Eva Stacy, Eugene O'Shaughnessy, Couper Sisters and Joe Anderson. To accompany the Rosey & Rusty was two new signs to replicate the design of the pioneering stories.

EXCITING COMMUNITY ACTIVITIES

Dowerin Do Over

The Shire of Dowerin was fortunate enough to be selected as the pilot town for the Town Team Movement showcase to the Wheatbelt. Town Team Movement are a not-for-profit social enterprise who assist in enabling local communities and government to connect, organise and act to regenerate the fabric of neighbourhood and to create better places.

The Dowerin Do Over consisted of a two-day part conference part activation of Dowerin. The Do Over was sponsored by RAC, NEWROC, Wheatbelt Business Network, Edith Cowan University and the Shire of Dowerin.

Prior to the Dowerin Do Over, community members were included in a community workshop to discuss with Town Team Movement what projects they believe could be completed along the main street of Dowerin. The projects included a revamp of the empty block next to the Dowerin Butcher, a revamp of

the book exchange at the Dowerin Community Resource Centre, an art project to be located at the corner of Stewart Street & Goldfields Road, re-designing the internal layout of the Dowerin Community Resource Centre to ensure the facility is welcoming to the community and visitors and lastly a street festival at the end of the conference for the entire Dowerin Community to enjoy.

As a result of the workshop several community working groups were formed who with assistance of the Shire undertook the projects both in the lead up to and during the Thursday & Friday of the Dowerin Do Over.

The Dowerin Do Over brought over 100 people to Dowerin during the 29th & 30th of April, these people attended the Dowerin Do Over conference which showcased community activation with over 20 guest speakers across 6 venues in Dowerin.





We are Rural Women

Dowerin hosted a women's event labelled GWN7 Dowerin Machinery Field Days presents We are Rural Women. The event was sold out and brought over 110 women to Dowerin to showcase the power of regional women.

The event was aligned with the Western Australia Government Gender Equality Plan which focused on three of the four main priority areas: Health & Wellbeing, Economic Independence and Leadership. Dowerin Event Management was the major sponsor for the event.

The day was empowering, uplifting and showcased what can be achieved by women supporting women.

WORKS & ASSETS

Road Construction & Maintenance

Road & Footpath Maintenance	\$1,036,609
LCRIP Funded Jackson Street & Cottrell Street Footpath Construction	\$53,629
Roads to Recovery - Dowerin-Koorda Road	\$268,819
Roads to Recovery - Koorda-Wongan Hills Road	\$109,399
Regional Roads Group - Koomberkine North	\$396,947
Regional Roads Group - Dowerin-Kalannie Road	\$192,886
Regional Roads Group - Dowerin-Kalannie Road	\$73,320
Total Cost - Road Construction & Maintenance	\$2,131,609

PLANT REPLACEMENT

	Purchase	Trade/Disposal
Heavy Plant - Bomag Multi Tyre Roller	\$166,950	\$20,000
Heavy Plant - Caterpillar Smooth Drum Roller	\$154,500	0
Light Plant - Electronic Diesel Fuel Bowser	\$10,032	0
Light Plant - Ford Ranger Ute 4x4	0	\$35,976
Light Plant - Toyota Hilux 4x4 (Replaced by Toyota Hilux 4x4)	\$49,100	\$45,682
Light Plant - Toyota Hilux 4x4 (Replaced by Toyota Fortuner)	\$45,908	\$47,500
Total Cost - Plant Replacement	\$426,490	\$149,158

Capital Projects

Entrance/Streetscape Project - SSA & DCC	\$69,150
Main Street Improvements	\$59,652
Waste Facility Perimeter Fencing	\$8,125
Street Lighting LED Upgrade	\$9,818
Pioneer Pathway Project includes Tin Dog Replica	\$41,174
Tin Dog Walk Stage 1	\$5,546
Internet Connectivity Upgrade Administration	\$9,346
Short Stay Accommodation Caravan Bay Extension	\$47,643
Oval Perimeter Fence Extension	\$58,319
Information Bays	\$6,988
Total Cost - Capital Projects	\$315,761



CHSP

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. The service is provided with funding from two separate sections of the Federal Department of Health, CHSP-Commonwealth Home Support Program (low level care) and HCP-Home Care Packages (low to high level care, levels 1-4).

Throughout the course of the year, the dedicated staff of four provided a variety of services to assist the clients. The assistance which can be provided is assessed as required may include personal care - showering/grooming/dressing, domestic assistance - household cleaning/grocery shopping/laundry, garden home maintenance, medication support and administration, social support for individuals and group Gentle Gym, transport to local businesses/medical appointments, meals on wheels and meal preparation for approximately 45 clients and carers.

Under the HCP program clients can choose to use their funding for home modifications, equipment, contractor services and for Lite N Easy meals. These are not options under the CHSP program.

COVID-19 has meant staff have had to adapt their delivery of these services. Staff still social distance when with the client as far as practicable for tasks such as the signing of documents and ensuring all parties have been vaccinated. All services have resumed as they were prior to the first COVID-19 lockdown but are modified to ensure everyone's safety.

We received numerous client referrals for Commonwealth Home Support Program services in this period either from the My Aged Care Portal, RAS (Regional Assessment Service) or from ACAT (Aged Care Assessment Team). These referrals and acceptances took the place of some clients who transitioned to full time care. The majority of HCP acceptances were from the client contacting us directly to see if we could assist them.

Active seniors enjoy the Gentle Gym sessions offered on Mondays and Thursdays and the annual Seniors Games held in Northam. The Perpetual Trophy was won by another town this year. Congratulations to all involved and thank you for the support from the Shire for donating the bus.

The Christmas Party this year was held at the Dowerin Hotel, a fantastic 3 course meal was enjoyed by all. A number of the clients travelled from Koorda & Wyalkatchem to attend. It was a great afternoon.

We would like to thank all the clients and carers for their patience and support over the past 12 months with the many changes that have gone on, the change in location, changes in staff and all the other small bits and pieces.



Financial Reports 2020/21

SHIRE OF DOWERIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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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 2021**

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Dowerin at 30 June 2021 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 17th day of February 2022



Chief Executive Officer

Rebecca McCall

SHIRE OF DOWERIN
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		27	500	323
General purpose funding		2,914,421	2,201,760	2,987,834
Law, order, public safety		37,769	36,000	65,808
Health		1,217	2,600	(622)
Education and welfare		518,190	463,365	423,444
Housing		160,475	146,500	136,805
Community amenities		264,098	275,100	272,230
Recreation and culture		66,692	58,400	82,549
Transport		1,156,697	157,272	147,526
Economic services		222,408	131,405	152,562
Other property and services		140,832	66,200	160,054
		5,482,826	3,539,102	4,428,513
Expenses				
Governance		(383,266)	(432,792)	(570,655)
General purpose funding		(178,249)	(196,631)	(211,142)
Law, order, public safety		(137,062)	(141,949)	(184,432)
Health		(35,597)	(55,047)	(39,877)
Education and welfare		(580,531)	(502,343)	(511,318)
Housing		(280,467)	(217,824)	(163,852)
Community amenities		(398,139)	(427,885)	(367,240)
Recreation and culture		(987,196)	(912,820)	(1,012,120)
Transport		(2,535,239)	(1,726,844)	(1,974,112)
Economic services		(462,981)	(449,951)	(391,748)
Other property and services		(276,842)	(17,292)	(121,087)
		(6,255,569)	(5,081,378)	(5,547,583)
Finance Costs				
Housing		(9,285)	(9,375)	(9,646)
Recreation and culture		(8,340)	(8,533)	(11,574)
Transport		(1,689)	(2,730)	0
Economic services		(20,880)	(21,122)	(22,022)
	2(b)	(40,194)	(41,760)	(43,242)
		(812,937)	(1,584,036)	(1,162,312)
Non-operating grants, subsidies and contributions	2(a)	1,237,358	3,820,864	1,104,342
Profit on disposal of assets	10(a)	88,072	92,467	5,786
(Loss) on disposal of assets	10(a)	(8,776)	(5,794)	(11,517)
Fair value adjustments to financial assets at fair value through profit or loss		2,804	0	0
		1,319,458	3,907,537	1,098,611
Net result for the period		506,521	2,323,501	(63,701)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	32,004,728
Total other comprehensive income for the period		0	0	32,004,728
Total comprehensive income for the period		506,521	2,323,501	31,941,027

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

SHIRE OF DOWERIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	25(a)	1,409,586	1,400,150	1,402,771
Operating grants, subsidies and contributions	2(a)	3,232,273	1,280,232	2,031,369
Fees and charges	2(a)	483,977	442,150	418,193
Service charges	25(c)	145,045	166,000	168,495
Interest earnings	2(a)	25,745	37,205	48,819
Other revenue	2(a)	186,200	213,365	358,866
		5,482,826	3,539,102	4,428,513
Expenses				
Employee costs		(1,683,886)	(1,829,973)	(1,991,182)
Materials and contracts		(2,122,633)	(1,514,958)	(1,460,564)
Utility charges		(162,226)	(158,230)	(189,395)
Depreciation on non-current assets	10(b)	(1,993,364)	(1,333,450)	(1,599,951)
Interest expenses	2(b)	(40,194)	(41,760)	(43,242)
Insurance expenses		(129,417)	(113,750)	(118,022)
Other expenditure	2(b)	(164,043)	(131,017)	(188,469)
		(6,295,763)	(5,123,138)	(5,590,825)
		(812,937)	(1,584,036)	(1,162,312)
Non-operating grants, subsidies and contributions	2(a)	1,237,358	3,820,864	1,104,342
Profit on asset disposals	10(a)	88,072	92,467	5,786
(Loss) on asset disposals	10(a)	(8,776)	(5,794)	(11,517)
Fair value adjustments to financial assets at fair value through profit or loss		2,804	0	0
		1,319,458	3,907,537	1,098,611
Net result for the period		506,521	2,323,501	(63,701)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	32,004,728
Total other comprehensive income for the period		0	0	32,004,728
Total comprehensive income for the period		506,521	2,323,501	31,941,027

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

SHIRE OF DOWERIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,960,401	1,212,407
Trade and other receivables	6	490,896	268,604
Other financial assets	5(a)	2,280,139	1,851,073
Inventories	7	14,603	3,051
TOTAL CURRENT ASSETS		4,746,039	3,335,135
NON-CURRENT ASSETS			
Trade and other receivables	6	20,477	34,282
Other financial assets	5(b)	55,355	52,551
Property, plant and equipment	8	19,524,985	19,880,681
Infrastructure	9	58,749,854	58,602,967
TOTAL NON-CURRENT ASSETS		78,350,671	78,570,481
TOTAL ASSETS		83,096,710	81,905,616
CURRENT LIABILITIES			
Trade and other payables	13	392,393	421,179
Other liabilities	14	704,013	126,641
Borrowings	15(a)	187,197	144,043
Employee related provisions	16	171,845	192,102
TOTAL CURRENT LIABILITIES		1,455,448	883,965
NON-CURRENT LIABILITIES			
Borrowings	15(a)	1,300,570	1,182,149
Employee related provisions	16	29,632	34,963
TOTAL NON-CURRENT LIABILITIES		1,330,202	1,217,112
TOTAL LIABILITIES		2,785,650	2,101,077
NET ASSETS		80,311,060	79,804,539
EQUITY			
Retained surplus		31,693,071	31,615,618
Reserves - cash/financial asset backed	4	2,280,141	1,851,073
Revaluation surplus	12	46,337,848	46,337,848
TOTAL EQUITY		80,311,060	79,804,539

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 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL ASSET BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		31,284,922	2,245,470	14,333,120	47,863,512
Comprehensive income					
Net result for the period		(63,701)	0	0	(63,701)
Other comprehensive income	12	0	0	32,004,728	32,004,728
Total comprehensive income		(63,701)	0	32,004,728	31,941,027
Transfers from reserves	4	1,116,153	(1,116,153)	0	0
Transfers to reserves	4	(721,756)	721,756	0	0
Balance as at 30 June 2020		31,615,618	1,851,073	46,337,848	79,804,539
Comprehensive income					
Net result for the period		506,521	0	0	506,521
Total comprehensive income		506,521	0	0	506,521
Transfers to reserves	4	(429,068)	429,068	0	0
Balance as at 30 June 2021		31,693,071	2,280,141	46,337,848	80,311,060

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,409,419	1,400,150	1,399,380
Operating grants, subsidies and contributions		3,718,215	1,430,232	2,184,878
Fees and charges		445,533	442,150	418,193
Service charges		145,045	166,000	168,495
Interest received		25,745	37,205	48,819
Goods and services tax received		307,773	500,000	294,266
Other revenue		186,200	213,365	358,866
		6,237,930	4,189,102	4,872,897
Payments				
Employee costs		(1,709,474)	(1,829,973)	(2,013,814)
Materials and contracts		(2,162,800)	(1,514,961)	(1,406,426)
Utility charges		(162,226)	(158,230)	(189,395)
Interest expenses		(40,365)	(41,760)	(43,803)
Insurance paid		(129,417)	(113,750)	(118,022)
Goods and services tax paid		(386,219)	(500,000)	(321,178)
Other expenditure		(164,043)	(131,017)	(188,469)
		(4,754,544)	(4,289,691)	(4,281,107)
Net cash provided by (used in) operating activities	17	1,483,386	(100,589)	591,790
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		(429,066)	0	0
Payments for purchase of property, plant & equipment	8(a)	(651,290)	(964,328)	(509,597)
Payments for construction of infrastructure	9(a)	(1,378,657)	(4,038,856)	(1,244,478)
Non-operating grants, subsidies and contributions	2(a)	1,237,358	3,820,864	1,104,342
Proceeds from financial assets at amortised cost - term deposits		0	0	394,396
Proceeds from sale of property, plant & equipment	10(a)	324,688	382,000	99,223
Net cash provided by (used in) investment activities		(896,967)	(800,320)	(156,114)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(158,425)	(174,553)	(142,042)
Proceeds from financial assets at amortised cost - self supporting loans		0	0	12,752
Proceeds from new borrowings	15(b)	320,000	508,000	50,000
Net cash provided by (used in) financing activities		161,575	333,447	(79,290)
Net increase (decrease) in cash held		747,994	(567,462)	356,386
Cash at beginning of year		1,212,407	2,752,008	856,021
Cash and cash equivalents at the end of the year	17	1,960,401	2,184,546	1,212,407

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

SHIRE OF DOWERIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26 (b)	801,648	941,147	587,683
		801,648	941,147	587,683
Revenue from operating activities (excluding rates)				
Governance		27	500	323
General purpose funding		1,554,239	838,462	1,631,664
Law, order, public safety		37,769	36,000	65,808
Health		1,217	2,600	(622)
Education and welfare		518,190	463,365	423,444
Housing		236,832	231,547	136,805
Community amenities		264,098	275,100	272,230
Recreation and culture		66,692	58,400	82,549
Transport		1,168,412	157,272	153,312
Economic services		222,408	131,405	152,562
Other property and services		140,832	73,620	160,054
		4,210,716	2,268,271	3,078,129
Expenditure from operating activities				
Governance		(383,266)	(432,792)	(570,656)
General purpose funding		(178,249)	(196,631)	(211,142)
Law, order, public safety		(137,062)	(141,949)	(184,432)
Health		(35,597)	(55,047)	(39,877)
Education and welfare		(580,531)	(502,343)	(511,318)
Housing		(289,752)	(227,199)	(173,498)
Community amenities		(398,139)	(427,885)	(367,240)
Recreation and culture		(995,536)	(921,353)	(1,023,694)
Transport		(2,536,928)	(1,735,368)	(1,975,355)
Economic services		(483,861)	(471,073)	(413,770)
Other property and services		(285,618)	(17,292)	(131,361)
		(6,304,539)	(5,128,932)	(5,602,343)
Non-cash amounts excluded from operating activities	26(a)	1,939,997	1,267,398	1,617,412
Amount attributable to operating activities		647,822	(652,116)	(319,119)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,237,358	3,820,864	1,104,342
Proceeds from disposal of assets	10(a)	324,688	382,000	99,223
Payments for financial assets at amortised cost - self supporting loans		0	0	12,752
Purchase of property, plant and equipment	8(a)	(651,290)	(964,328)	(509,597)
Purchase and construction of infrastructure	9(a)	(1,378,657)	(4,038,856)	(1,244,478)
Amount attributable to investing activities		(467,901)	(800,320)	(537,758)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(158,425)	(174,553)	(142,042)
Proceeds from borrowings	15(c)	320,000	508,000	50,000
Transfers to reserves (restricted assets)	4	(429,068)	(437,642)	(721,756)
Transfers from reserves (restricted assets)	4	0	193,333	1,116,153
Amount attributable to financing activities		(267,493)	89,138	302,355
Surplus/(deficit) before imposition of general rates		(87,572)	(1,363,298)	(554,522)
Total amount raised from general rates	25(a)	1,362,986	1,363,298	1,356,170
Surplus/(deficit) after imposition of general rates	26(b)	1,275,414	0	801,648

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 2021

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SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* 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 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.

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 financial 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.

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.

INITIAL APPLICATION OF 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.

These were:

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

The impact of adoption of these standards is described at Note 28.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing liabilities
- Provisions

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
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 2021

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,476,529	760,860	1,528,148
Law, order, public safety	33,252	27,000	55,537
Education and welfare	464,618	343,000	291,449
Housing	560	0	0
Community amenities	273	0	0
Recreation and culture	34,710	9,900	24,210
Transport	1,141,889	139,472	132,025
Economic services	48,679	0	0
Other property and services	31,763	0	0
	3,232,273	1,280,232	2,031,369
Non-operating grants, subsidies and contributions			
General purpose funding	433,664	383,000	0
Recreation and culture	0	96,666	0
Transport	803,694	3,341,198	1,104,342
	1,237,358	3,820,864	1,104,342
Total grants, subsidies and contributions	4,469,631	5,101,096	3,135,711
Fees and charges			
General purpose funding	2,453	1,750	1,803
Law, order, public safety	4,109	5,000	6,271
Health	1,141	1,600	0
Education and welfare	8,663	12,500	14,933
Housing	149,020	145,000	134,984
Community amenities	111,954	105,600	104,009
Recreation and culture	24,339	22,500	21,459
Transport	136	0	0
Economic services	172,338	113,200	136,015
Other property and services	9,824	35,000	(1,281)
	483,977	442,150	418,193

There were no changes to the amounts of fees or charges detailed in the original budget.

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 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	860,038	352,000	341,986
Fees and charges	482,053	437,150	311,306
Other revenue	30,451	0	0
Non-operating grants, subsidies and contributions	1,237,358	3,820,864	1,104,342
	2,609,900	4,610,014	1,757,634

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:

Revenue from contracts with customers included as a contract liability at the start of the period	126,641	0	0
Revenue from contracts with customers recognised during the year	1,245,901	789,150	653,292
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,237,358	3,820,864	1,104,342
	2,609,900	4,610,014	1,757,634

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	211,060	0	145,443
Contract liabilities from contracts with customers	(542,502)	0	(126,641)
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	(161,511)		0

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 2021

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:

General rates
 Service charges
 Statutory permits and licences
 Fines

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Financial assets at amortised cost - self supporting loans
 Interest on reserve funds
 Rates instalment and penalty interest (refer Note 25(e))
 Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	1,362,986	1,363,298	1,356,170
	145,045	166,000	168,495
	1,872	4,000	2,867
	52	1,000	1,365
	1,509,955	1,534,298	1,528,897
	155,749	213,365	188,834
	30,451	0	170,032
	186,200	213,365	358,866
	0	0	204
	11,425	20,000	34,377
	13,237	7,000	13,201
	1,083	10,205	1,037
	25,745	37,205	48,819

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.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit of the Annual Financial Report		27,500	33,100	28,480
Interest expenses (finance costs)				
Borrowings	15(b)	40,194	41,760	43,242
Other expenditure				
Impairment (gain) loss on trade and other receivables		(7,076)	10,000	65,053
Sundry expenses		171,119	121,017	123,416
		164,043	131,017	188,469

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	1,960,401	1,212,407
Term deposits	0	0
Total cash and cash equivalents	1,960,401	1,212,407

Restrictions

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:

- Cash and cash equivalents		704,015	126,641
- Financial assets at amortised cost - term deposits	5	2,280,139	1,851,073
		2,984,154	1,977,714

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

Reserves - cash/financial asset backed	4	2,280,141	1,851,073
Contract liabilities from contracts with customers	14	542,502	126,641
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	14	161,511	0
Total restricted assets		2,984,154	1,977,714

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.

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4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	57,507	20,260	0	77,767	57,464	20,621	0	78,085	56,632	875	0	57,507
(b) Plant Replacement Reserve	141,172	54,004	0	195,176	141,066	54,892	0	195,958	59,958	81,214	0	141,172
(c) Sewerage Asset Preservation Reserve	1,011,234	57,841	0	1,069,075	1,010,473	64,201	0	1,074,674	1,256,174	19,213	(264,153)	1,011,234
(d) Information Technology Reserve	29,175	10,132	0	39,307	29,153	10,315	0	39,468	0	64,175	(35,000)	29,175
(e) Land & Building Reserve	146,075	200,728	0	346,803	145,965	198,578	0	344,543	449,364	6,711	(310,000)	146,075
(f) Emergency Reserve	0	10,000	0	10,000	0	10,000	0	10,000	0	500,000	(500,000)	0
(g) Swimming Pool Reserve	20,203	10,091	0	30,294	20,188	10,219	0	30,407	186	20,017	0	20,203
(h) Recreation Reserve	194,920	10,880	0	205,800	194,774	12,106	(193,333)	13,547	193,926	7,994	(7,000)	194,920
(i) Community Housing Reserve	49,691	10,224	0	59,915	49,652	10,537	0	60,189	48,934	757	0	49,691
(j) Economic Reserve	56,614	10,256	0	66,870	56,571	10,612	0	67,183	55,752	862	0	56,614
(k) Bowling Green Reserve	98,639	8,445	0	107,084	98,565	9,066	0	107,631	85,312	13,327	0	98,639
(l) Tennis Court Reserve	45,843	6,207	0	52,050	45,808	6,495	0	52,303	39,231	6,612	0	45,843
(m) Depot Reserve	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	0
(n) Waste Reserve	0	10,000	0	10,000	0	10,000	0	10,000	0	0	0	0
	1,851,073	429,068	0	2,280,141	1,849,679	437,642	(193,333)	2,093,988	2,245,469	721,756	(1,116,153)	1,851,073

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) Employee Entitlement 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 Replacement Reserve	Ongoing	-To ensure the cost of additional new plant and refurbishment or replacement can be met as per the Plant Replacement Program
(c) Sewerage Asset Preservation Reserve	Ongoing	-To provide for the replacement and development of sewerage and stormwater infrastructure throughout the Shire.
(d) Information Technology Reserve	Ongoing	-To be used for the renewal & upgrade of Shire of Dowerin Information Technology
(e) Land & Building Reserve	Ongoing	-To assist with funding the development and purchase of land and building assets.
(f) Emergency Reserve	Ongoing	-To be used to reduce immediate cash flow pressure during a declared emergency
(g) Swimming Pool Reserve	Ongoing	-To be used for the renewal and/or upgrade and development of the swimming pool.
(h) Recreation Reserve	Ongoing	-To fund future maintenance, upgrades and developments of recreation facilities, including the swimming pool.
(i) Community Housing Reserve	Ongoing	-To enable participation in community housing projects such as independent living units for seniors
(j) Economic Reserve	Ongoing	-To maintain a reserve to fund economic development initiatives
(k) Bowling Green Reserve	Ongoing	-To be used for the replacement of the bowling greens.
(l) Tennis Court Reserve	Ongoing	-To be used for the replacement of the Tennis Courts
(m) Depot Reserve	Ongoing	-To be used for the purpose of construction of a new Shire of Dowerin Works Depot facility
(n) Waste Reserve	Ongoing	-To be used for the renewal & development of the Shire of Dowerin Waste Facility

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
Financial assets at amortised cost	2,280,139	1,851,073
Other financial assets at amortised cost		
Term deposits	2,280,139	1,851,073
Financial assets at fair value through profit and loss	55,355	52,551
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	55,355	52,551

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 27.

SHIRE OF DOWERIN
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6. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding	
Sundry Debtors	
GST Receivable	
Provision for Doubtful Debts	
Accrued income	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2021	2020
\$	\$
133,185	119,213
245,496	154,066
140,767	62,321
(59,920)	(66,996)
31,368	0
490,896	268,604
20,477	34,282
20,477	34,282

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 27.

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 2021

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	14,603	3,051
	3,051	11,163
	(90,968)	(105,870)
	102,520	97,758
	14,603	3,051

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.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - Non Specialised	Total land and buildings	Furniture & Equipment	Plant & Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2019	1,125,000	16,712,326	17,837,326	102,669	2,269,655	20,209,650
Additions	0	36,009	36,009	11,049	462,539	509,597
(Disposals)	0	0	0	0	(104,954)	(104,954)
Depreciation (expense)	0	(495,367)	(495,367)	(16,816)	(221,429)	(733,612)
Carrying amount at 30 June 2020	1,125,000	16,252,968	17,377,968	96,902	2,405,811	19,880,681
Comprises:						
Gross balance amount at 30 June 2020	1,125,000	17,220,902	18,345,902	151,132	2,655,882	21,152,916
Accumulated depreciation at 30 June 2020	0	(967,934)	(967,934)	(54,230)	(250,071)	(1,272,235)
Carrying amount at 30 June 2020	1,125,000	16,252,968	17,377,968	96,902	2,405,811	19,880,681
Additions	0	175,820	175,820	0	475,470	651,290
(Disposals)	0	(114,142)	(114,142)	0	(131,250)	(245,392)
Depreciation (expense)	0	(493,155)	(493,155)	(17,793)	(250,646)	(761,594)
Carrying amount at 30 June 2021	1,125,000	15,821,491	16,946,491	79,109	2,499,385	19,524,985
Comprises:						
Gross balance amount at 30 June 2021	1,125,000	17,276,573	18,401,573	151,133	2,978,650	21,531,356
Accumulated depreciation at 30 June 2021	0	(1,455,082)	(1,455,082)	(72,024)	(479,265)	(2,006,371)
Carrying amount at 30 June 2021	1,125,000	15,821,491	16,946,491	79,109	2,499,385	19,524,985

SHIRE OF DOWERIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation	2018	Price per hectare/market borrowing rate
	3	Market approach using recent or estimated 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 or estimated observable market data for similar items	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	Cost approach using current replacement cost (Net Revaluation Method)	Independent Valuation	2018	Improvements to buildings using 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 by the local government to determine the fair value of property 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 was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

SHIRE OF DOWERIN
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FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure Roads	Infrastructure Drainage	Infrastructure Footpaths	Infrastructure Parks & Ovals	Other Infrastructure - Sewerage	Infrastructure Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2019	21,846,990	1,061,554	485,199	1,194,852	1,002,037	629,468	26,220,100
Additions	1,120,432	0	69,658	0	0	54,388	1,244,478
Revaluation increments / (decrements) transferred to revaluation surplus	28,785,192	3,024,838	194,698	0	0	0	32,004,728
Depreciation (expense)	(595,570)	(41,547)	(23,143)	(78,396)	(55,668)	(72,015)	(866,339)
Carrying amount at 30 June 2020	51,157,044	4,044,845	726,412	1,116,456	946,369	611,841	58,602,967
Comprises:							
Gross balance at 30 June 2020	77,151,208	7,933,610	1,373,891	1,351,642	1,113,375	816,488	89,740,214
Accumulated depreciation at 30 June 2020	(25,994,164)	(3,888,765)	(647,479)	(235,186)	(167,006)	(204,647)	(31,137,247)
Carrying amount at 30 June 2020	51,157,044	4,044,845	726,412	1,116,456	946,369	611,841	58,602,967
Additions	1,056,910	0	53,629	0	0	268,118	1,378,657
Depreciation (expense)	(913,272)	(80,447)	(28,769)	(78,395)	(55,669)	(75,218)	(1,231,770)
Carrying amount at 30 June 2021	51,300,682	3,964,398	751,272	1,038,061	890,700	804,741	58,749,854
Comprises:							
Gross balance at 30 June 2021	78,208,118	7,933,610	1,427,520	1,351,642	1,113,375	1,084,606	91,118,871
Accumulated depreciation at 30 June 2021	(26,907,436)	(3,969,212)	(676,248)	(313,581)	(222,675)	(279,865)	(32,369,017)
Carrying amount at 30 June 2021	51,300,682	3,964,398	751,272	1,038,061	890,700	804,741	58,749,854

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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 and infrastructure 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 and infrastructure 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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.

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, is 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.

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.

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10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - Non Specialised	114,142	190,500	76,358	0	111,953	197,000	85,047	0	0	0	0	0
Plant & Equipment	131,250	134,188	11,714	(8,776)	183,374	185,000	7,420	(5,794)	104,954	99,223	5,786	(11,517)
	245,392	324,688	88,072	(8,776)	295,327	382,000	92,467	(5,794)	104,954	99,223	5,786	(11,517)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport	42,928	54,642	11,714	0
Other property and services	88,322	79,546	0	(8,776)
	131,250	134,188	11,714	(8,776)
Land and Buildings				
Housing				
16 Anderson Street	56,560	90,000	33,440	0
18 Anderson Street	57,582	100,500	42,918	0
	114,142	190,500	76,358	0
	245,392	324,688	88,072	(8,776)

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10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - Non Specialised	493,155	527,500	495,367
Furniture & Equipment	17,793	0	16,816
Plant & Equipment	250,646	211,950	221,429
Infrastructure Roads	913,272	420,500	595,570
Infrastructure Drainage	80,447	21,000	41,547
Other Infrastructure - Bridges	0	20,000	0
Infrastructure Footpaths	28,769	35,000	23,143
Infrastructure Parks & Ovals	78,395	72,000	78,396
Other Infrastructure - Sewerage	55,669	25,000	55,668
Infrastructure Other	75,218	500	72,015
	1,993,364	1,333,450	1,599,951

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.

11. LEASES

(a) Right-of-Use Assets

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation Surplus Land - Freehold	871,768	871,768	871,768	0	0	0	871,768
Revaluation Surplus Land - Vested	0	0	300,000	(300,000)	0	0	0
Revaluation Surplus Buildings - Non Specialised	9,061,374	9,061,374	9,061,374	0	0	0	9,061,374
Revaluation Surplus Plant and Equipment	197,973	197,973	197,973	0	0	0	197,973
Revaluation Surplus Infrastructure Roads	30,179,485	30,179,485	1,394,293	0	28,785,192	28,785,192	30,179,485
Revaluation Surplus Infrastructure Drainage	4,103,641	4,103,641	1,078,803	0	3,024,838	3,024,838	4,103,641
Revaluation Surplus Infrastructure Footpaths	497,095	497,095	302,397	0	194,698	194,698	497,095
Revaluation Surplus Infrastructure Parks & Ovals	539,161	539,161	539,161	0	0	0	539,161
Revaluation Surplus Infrastructure Sewerage	853,802	853,802	853,802	0	0	0	853,802
Revaluation Surplus Infrastructure Other	33,549	33,549	33,549	0	0	0	33,549
	46,337,848	46,337,848	14,633,120	(300,000)	32,004,728	32,004,728	46,337,848

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Other creditors	
Bonds and deposits held	
Creditors licensing	
Payroll creditors	
Accrued interest on loans	
FBT Liabilities	

2021	2020
\$	\$
78,380	250,099
4,310	86,093
36,396	13,551
49,298	0
198,864	6,865
0	11,661
5,165	8,765
7,075	36,243
7,731	7,902
5,174	0
392,393	421,179

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. OTHER LIABILITIES

Current

Contract liabilities
 Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

2021	2020
\$	\$
542,502	126,641
161,511	0
704,013	126,641

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
542,502	161,511

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.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant 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
FOR THE YEAR ENDED 30 JUNE 2021

15. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Current	187,197	144,043
Non-current	1,300,570	1,182,149
	<u>1,487,767</u>	<u>1,326,192</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021					30 June 2021					30 June 2020				
				Actual Principal 1 July 2020	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2020	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2019	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Housing																		
Loan 100 - GROH	100	WATC*	3.57%	265,171	0	(10,332)	(9,285)	254,839	265,171	0	(10,332)	(9,375)	254,839	275,144	0	(9,973)	(9,647)	265,171
Recreation and culture																		
Loan 97 - Community Club	97	WATC*	4.09%	148,819	0	(72,904)	(5,161)	75,915	148,819	0	(72,904)	(5,349)	75,915	218,830	0	(70,011)	(8,062)	148,819
Loan 101 - Swimming Pool	101	WATC*	1.80%	181,574	0	(18,759)	(3,179)	162,815	181,574	0	(18,759)	(3,184)	162,815	200,000	0	(18,426)	(3,512)	181,574
DEM Loan - Swimming Pool	LP000	DEM**	0.00%	50,000	0	(5,000)	0	45,000	50,000	0	(10,000)	0	40,000	0	50,000	0	0	50,000
Transport																		
Multi Tyre Roller	103	WATC*	0.83%	0	170,000	(10,297)	(897)	159,703	0	170,000	(10,197)	(926)	159,803	0	0	0	0	0
Smooth Drum Tyre Roller	104	WATC*	0.83%	0	150,000	(9,085)	(792)	140,915	0	150,000	(9,022)	(793)	140,978	0	0	0	0	0
Low Loader	105	WATC*	1.09%	0	0	0	0	0	0	85,000	(5,113)	(450)	79,887	0	0	0	0	0
Side Tipper	106	WATC*	1.09%	0	0	0	0	0	0	103,000	(6,178)	(561)	96,822	0	0	0	0	0
Economic services																		
Loan 99 - Accommodation	99	WATC*	3.14%	680,628	0	(32,048)	(20,880)	648,580	680,628	0	(32,048)	(21,122)	648,580	711,692	0	(31,064)	(21,870)	680,628
				<u>1,326,192</u>	<u>320,000</u>	<u>(158,425)</u>	<u>(40,194)</u>	<u>1,487,767</u>	<u>1,326,192</u>	<u>508,000</u>	<u>(174,553)</u>	<u>(41,760)</u>	<u>1,659,639</u>	<u>1,405,666</u>	<u>50,000</u>	<u>(129,474)</u>	<u>(43,091)</u>	<u>1,326,192</u>
Self Supporting Loans																		
Economic services																		
Loan 98 - Dowerin Events	98	WATC*	3.25%	0	0	0	0	0	0	0	0	0	0	12,568	0	(12,568)	(151)	0
				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,568</u>	<u>0</u>	<u>(12,568)</u>	<u>(151)</u>	<u>0</u>
				<u>1,326,192</u>	<u>320,000</u>	<u>(158,425)</u>	<u>(40,194)</u>	<u>1,487,767</u>	<u>1,326,192</u>	<u>508,000</u>	<u>(174,553)</u>	<u>(41,760)</u>	<u>1,659,639</u>	<u>1,418,234</u>	<u>50,000</u>	<u>(142,042)</u>	<u>(43,242)</u>	<u>1,326,192</u>

* WA Treasury Corporation

** Interest free loan from 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
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15. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Multi Tyre Roller	WATC*	Debenture	8	0.83%	170,000	170,000	(170,000)	(170,000)	6,088	0
Smooth Drum Tyre Roller	WATC*	Debenture	8	0.83%	150,000	150,000	(150,000)	(150,000)	5,372	0
Low Loader	WATC*	Debenture			0	85,000	0	(85,000)	0	0
Side Tipper	WATC*	Debenture			0	103,000	0	(103,000)	0	0
					320,000	508,000	(320,000)	(508,000)	11,460	0

* WA Treasury Corporation

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
Bank overdraft limit	60,000	60,000
Bank overdraft at balance date	0	0
Credit card limit	18,000	18,000
Credit card balance at balance date	(5,463)	(1,910)
Total amount of credit unused	72,537	76,090

Loan facilities

Loan facilities - current	187,197	144,043
Loan facilities - non-current	1,300,570	1,182,149
Total facilities in use at balance date	1,487,767	1,326,192

Unused loan facilities at balance date

NIL NIL

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 27.

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
Non-current provisions

Additional provision
Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
117,921	74,181	192,102	
0	34,963	34,963	
117,921	109,144	227,065	
102,656	10,481	113,137	
(95,961)	(42,764)	(138,725)	
124,616	76,861	201,477	
124,616	47,229	171,845	
0	29,632	29,632	
124,616	76,861	201,477	

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	2021	2020
	\$	\$
66,007	117,921	
104,890	92,750	
30,580	16,394	
201,477	227,065	

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

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

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

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:

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	1,960,401	2,184,546	1,212,407
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	506,521	2,323,501	(63,701)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,804)	0	0
Depreciation on non-current assets	1,993,364	1,333,450	1,599,951
(Profit)/loss on sale of assets	(79,296)	(86,673)	5,731
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(208,487)	150,000	(17,864)
(Increase)/decrease in inventories	(11,552)	0	8,112
Increase/(decrease) in payables	(28,786)	(3)	51,698
Increase/(decrease) in employee provisions	(25,588)	0	(14,436)
Increase in contract liabilities	577,372	0	126,641
Non-operating grants, subsidies and contributions	(1,237,358)	(3,820,864)	(1,104,342)
Net cash from operating activities	1,483,386	(100,589)	591,790

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	39,307	0
General purpose funding	2,604,896	1,423,619
Law, order, public safety	627,437	693,182
Education and welfare	504,212	177,823
Housing	4,146,880	3,933,932
Community amenities	2,379,164	1,384,048
Recreation and culture	10,746,112	10,916,836
Transport	56,611,795	56,535,528
Economic services	2,696,958	2,701,076
Other property and services	2,739,949	3,582,295
Unallocated	0	557,277
	83,096,710	81,905,616

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.

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

The Shire is aware that contamination exists in the form of vehicle fuel, however the extent of the value and timing of remediation has not been ascertained as at the date of this report.

2. Amery Refuse Site – Pt4 – 13758, Cnr Dowerin/Kalannie Rds., Dowerin - Asbestos

Operated by the Shire as a single landfill which receives kerbside and general waste generated by the community.

This refuse site was registered with the Department of Environmental Protection on 10th November 2003 as a Schedule 2 Putrescible landfill.

The landfill site covers a total area of 8.8472 hectares and is currently at 80% capacity. At the current rate of waste disposal, the site has an estimated remaining life of 5 years.

The Shire is aware that contamination exists in the form of asbestos, however the extent of the contamination has not yet been ascertained. As at the reporting date, the contamination had not been reported to the Department of Water and Environmental Regulation as required by the Contaminated Sites Act 2003. The Shire has committed to ensuring compliance with this reporting requirement in 2021-22.

The Shire will in 2022 complete a landfill closure plan which will inform the scale of the Council's rehabilitation liability and annual allocation to its Waste Management Reserve to fund the liability. The Waste Management Reserve (Note 4) currently has a balance of \$10,000 with a further \$10,075 budgeted to be transferred into this reserve in FY22.

20. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

	2021	2020
	\$	\$
- capital expenditure projects	39,752	0
- plant & equipment purchases	0	55,000
	<u>39,752</u>	<u>55,000</u>

Payable:

- not later than one year	39,752	55,000
---------------------------	--------	--------

The amount of capital commitments at 30 June 2021 relates to uncompleted contracted Capital works projects for Aged Care packages and floor coverings at the Shire Office.

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

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Elected member - D Hudson			
President's annual allowance	3,200	3,200	3,200
Meeting attendance fees	3,240	4,500	4,335
	6,440	7,700	7,535
Elected member - B Ward			
Deputy President's annual allowance	667	800	800
Meeting attendance fees	2,200	3,000	2,775
	2,867	3,800	3,575
Elected member - J Sewell			
Meeting attendance fees	1,800	2,500	1,675
	1,800	2,500	1,675
Elected member - A Metcalf			
Deputy President's annual allowance	133	0	0
Meeting attendance fees	1,875	2,500	2,225
	2,008	2,500	2,225
Elected member -L Holberton			
Meeting attendance fees	2,200	2,500	2,675
	2,200	2,500	2,675
Elected member - L Hagboom			
Meeting attendance fees	1,400	2,500	1,950
	1,400	2,500	1,950
Elected member -R Trepp			
Meeting attendance fees	2,400	2,500	2,250
	2,400	2,500	2,250
Elected member - B Walsh			
Meeting attendance fees	0	0	0
	0	0	0
Elected member - J Chatfield			
Meeting attendance fees	0	0	2,150
	0	0	2,150
	19,115	24,000	24,035
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	3,200	3,200	3,200
Deputy President's allowance	800	800	800
Meeting attendance fees	15,115	20,000	20,035
	19,115	24,000	24,035

22. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total remuneration paid/payable to KMP of the Shire during the year are as follows:		
Short-term employee benefits	389,345	384,458
Post-employment benefits	48,098	35,279
Other long-term benefits	15,486	43,560
Termination benefits	0	17,709
	452,929	481,006

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 the annual leave and long service leave 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).

22. 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.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	787,031	402,423
Short term employee benefits -other related parties	57,707	51,505
Post employment benefits - other related parties	5,345	4,799
Amounts outstanding from related parties:		
Trade and other receivables	0	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

An 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 activity 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.

23. INVESTMENT IN JOINT ARRANGEMENTS

Share of joint operations

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

The Shire has a 19% interest in the joint arrangement.

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

The Shire has a 21% interest in the joint arrangement.

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

	2021	2020
	\$	\$
Land and Buildings	1,155,947	1,115,947
Less: accumulated depreciation	(83,696)	(55,797)
Total assets	1,072,251	1,060,150
Statement of Comprehensive income		
Other revenue	17,836	15,962
Other expenditure	(56,553)	(50,177)
Net result for the period	(38,717)	(34,215)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in asset revaluation surplus	0	0
Total other comprehensive income for the period	0	0
Total comprehensive income for the period	(38,717)	(34,215)

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.

24. MAJOR LAND TRANSACTIONS

The Shire had no major land transactions during the financial year 2020/2021.

SHIRE OF DOWERIN
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25. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate											
Gross rental valuations											
Residential	0.10079	176	1,312,923	132,330	1,658	0	133,988	132,330	1,500	133,830	140,229
Commercial	0.10079	32	256,474	25,850	0	0	25,850	25,850	0	25,850	25,850
Town Rural	0.10079	27	138,892	13,999	0	0	13,999	13,999	0	13,999	13,999
Other Towns	0.10079	27	33,384	3,365	0	0	3,365	3,365	0	3,365	3,365
Unimproved valuations											
Rural Farmland	0.0084	288	127,313,000	1,069,429	(10)	(10)	1,069,409	1,069,429	250	1,069,679	1,059,139
Sub-Total		550	129,054,673	1,244,973	1,648	(10)	1,246,611	1,244,973	1,750	1,246,723	1,242,582
Minimum payment											
Gross rental valuations											
Residential	770	39	230,415	30,030	0	0	30,030	30,030	0	30,030	30,030
Commercial	770	17	65,470	13,090	0	0	13,090	13,090	0	13,090	13,860
Town Rural	770	15	36,975	11,550	0	0	11,550	11,550	0	11,550	11,550
Other Towns	225	19	7,809	4,275	0	0	4,275	4,275	0	4,275	4,500
Unimproved valuations											
Rural Farmland	770	66	3,468,700	50,820	0	0	50,820	50,820	0	50,820	46,970
Commercial	770	4	400	3,080	0	0	3,080	3,080	0	3,080	3,080
Town Rural	770	4	89,000	3,080	0	0	3,080	3,080	0	3,080	3,080
Mining	225	2	7,029	450	0	0	450	650	0	650	518
Sub-Total		166	3,905,798	116,375	0	0	116,375	116,575	0	116,575	113,588
Total amount raised from general rate		716	132,960,471	1,361,348	1,648	(10)	1,362,986	1,361,548	1,750	1,363,298	1,356,170
Ex-gratia rates							46,600			36,852	46,601
Totals							1,409,586			1,400,150	1,402,771

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.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

25. RATING INFORMATION (Continued)

(b) Specified Area Rate

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

(c) Service Charges

<u>Service Charges</u>	<u>Amount of Charge</u>	<u>2020/21 Actual Revenue Raised</u>	<u>2020/21 Actual Charges Applied to Costs</u>	<u>2020/21 Actual Charges Set Aside to Reserve</u>	<u>2020/21 Actual Reserve Applied to Costs</u>	<u>2020/21 Budget Revenue</u>	<u>2020/21 Budget Charges Applied to Costs</u>	<u>2020/21 Budget Charges Set Aside to Reserve</u>	<u>2020/21 Budget Reserve Applied to Costs</u>	<u>2019/20 Total Actual Revenue</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sewerage Rates	0.07584	145,045	112,725	57,841	0	156,000	112,685	64,201	0	157,585
Sewerage Fixtures	250/114	0	0	0	0	10,000	0	0	0	10,910
		145,045	112,725	57,841	0	166,000	112,685	64,201	0	168,495

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

25. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	4/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	4/09/2020	5.00	5.50%	8.00%
Second instalment	5/01/2021	5.00	5.50%	8.00%
Option Three				
First instalment	4/09/2020	5.00	5.50%	8.00%
Second instalment	4/11/2020	5.00	5.50%	8.00%
Third instalment	5/01/2021	5.00	5.50%	8.00%
Fourth instalment	5/03/2021	5.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Charges on installment plan	1,820	1,000	1,120
Interest on installment plan	4,032	2,000	3,893
Interest on unpaid rates	8,813	5,000	9,308
Pensioner Deferred Interest	392	0	0
	15,057	8,000	14,321

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
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> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) (88,072)	(92,467)	(5,786)
Less: Movement in employee leave reserve	20,260	0	875
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,804)	0	0
Movement in pensioner deferred rates (non-current)	13,805	0	0
Movement in employee benefit provisions (non-current)	(5,332)	20,621	10,855
Add: Loss on disposal of assets	10(a) 8,776	5,794	11,517
Add: Depreciation on non-current assets	10(b) 1,993,364	1,333,450	1,599,951
Non cash amounts excluded from operating activities	1,939,997	1,267,398	1,617,412
(b) Surplus/(deficit) after imposition of general rates			
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.			
Adjustments to net current assets			
Less: Reserves - cash/financial asset backed	4 (2,280,141)	(2,093,988)	(1,851,072)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	15(a) 187,197	3,000	144,043
- Liabilities supported by a reserve	77,767	78,085	57,507
Total adjustments to net current assets	(2,015,177)	(2,012,903)	(1,649,522)
Net current assets used in the Rate Setting Statement			
Total current assets	4,746,039	2,386,262	3,335,135
Less: Total current liabilities	(1,455,448)	(373,359)	(883,965)
Less: Total adjustments to net current assets	(2,015,177)	(2,012,903)	(1,649,522)
Net current assets used in the Rate Setting Statement	1,275,414	0	801,648

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

27. 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
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	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
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.05%	1,960,401	0	1,960,401	0
Financial assets at amortised cost - term deposits	0.25%	2,280,139	2,280,139	0	0
2020					
Cash and cash equivalents	0.10%	1,212,407	0	1,212,407	0
Financial assets at amortised cost	0.90%	1,851,073	1,851,073	0	0

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*

* Holding all other variables constant

	2021	2020
	\$	\$
	19,604	12,124

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).

27. 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. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage 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 2020 or 1 July 2021 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 2021 for rates receivable and related charges was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.62%	
Gross carrying amount	5,495	28,925	22,987	96,255	153,662
Loss allowance	0	0	0	59,782	59,782
30 June 2020					
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	0	0	0	64,422	64,422

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for sundry debtors.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Sundry debtors					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	233,544	0	984	10,968	245,496
Loss allowance	90	0	0	48	138
30 June 2020					
Sundry debtors					
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	0	0	0	2,574

27. 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
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	392,393	0	0	392,393	392,393
Borrowings	225,067	566,026	950,753	1,741,846	1,487,767
	<u>617,460</u>	<u>566,026</u>	<u>950,753</u>	<u>2,134,239</u>	<u>1,880,160</u>
<u>2020</u>					
Payables	421,179	0	0	421,179	421,179
Borrowings	183,073	592,358	870,460	1,645,891	1,326,192
	<u>604,252</u>	<u>592,358</u>	<u>870,460</u>	<u>2,067,070</u>	<u>1,747,371</u>

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the 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 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. The Shire has considered the requirements of AASB1059 Service Concession Agreements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire has no subsequent events to report.

SHIRE OF DOWERIN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 end of the reporting period.

SHIRE OF DOWERIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.</p>	<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>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<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>
<p>HOUSING To provide housing to staff.</p>	<p>Staff housing, provision of general rental accomodation when buildings not required by staff.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<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>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which help the social well being of the community.</p>	<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>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.</p>
<p>ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.</p>	<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>
<p>OTHER PROPERTY AND SERVICES To monitor and control Council's overhead operating accounts.</p>	<p>Private works operation, plant repair and operation costs, housing and engineering operation costs.</p>

32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.62	1.94	2.16
Asset consumption ratio	0.59	0.60	0.95
Asset renewal funding ratio	0.92	1.40	1.35
Asset sustainability ratio	0.69	0.83	1.43
Debt service cover ratio	6.56	2.56	2.72
Operating surplus ratio	(0.31)	(0.52)	(0.40)
Own source revenue coverage ratio	0.37	0.40	0.41

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 2021 Shire of Dowerin

To the Councillors of the Shire of Dowerin

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Dowerin (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, 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
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the 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.

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 financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the 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

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the 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 financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

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 a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio as reported in Note 32 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law was identified during the course of my audit:
 - a) For approximately 35% of the purchase transactions we sampled, the same staff who issued and approved the purchase orders also receipted goods or services, and authorised the related supplier invoices. This practice increases the risk of fraud or error occurring without timely detection. However, all these transactions were for business purposes.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Dowerin for the year ended 30 June 2021 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 financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the 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 financial report to confirm the information contained in this website version of the financial report.



Patrick Arulsingham
Acting Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 February 2022

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of
**Local Government, Sport
and Cultural Industries**

Dowerin - Compliance Audit Return 2021

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Linley Dreghorn
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Linley Dreghorn
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Linley Dreghorn
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Linley Dreghorn
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Linley Dreghorn

Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	The Shire has delegated to the Audit Committee only. Delegations were reviewed by Council on 16 November 2021. Item 12.1 CMRef 0520	Linley Dreghorn
2	s5.16	Were all delegations to committees in writing?	Yes	Register is available on the Shire website	Linley Dreghorn
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	Yes	Council has delegated authority to the Audit Committee. See Council Meeting 16 November 2021. Item 12.1 CMRef 0520	Linley Dreghorn
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	Register is available on the Shire website	Linley Dreghorn



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No	Reference	Question	Response	Comments	Respondent
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	No	A review was conducted in June 2020 Item 11.5 CMRef 0214 and November 2021 Item 12.1 CMRef 0520	Linley Dreghorn
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes	The register contains a list (see page 7) of those matters which are excluded.	Linley Dreghorn
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	See Item 12.1 Council Meeting November 2021 CMRef 0520	Linley Dreghorn
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	See Item 12.1 Council Meeting November 2021 CMRef 0520 and the Shire website for most up to date version of the Delegations Register.	Linley Dreghorn
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	The CEO and Employee both signed the form/memo acknowledging delegations and associated conditions.	Linley Dreghorn
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes	On any occasion where delegations were reviewed or given during the year, minutes reflect that Council resolved by Absolute Majority.	Linley Dreghorn
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	Delegations to employees are contained in the 'main' Delegations Register	Linley Dreghorn
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes	The Delegations Register is reviewed by management and Council on a monthly basis as part of the Information Report.	Linley Dreghorn
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes	These are reported to Council monthly as part of the information Report.	Linley Dreghorn

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
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No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	Declaration of Interests were made at the January, February, March, October, November and December meetings. On all occasions the minutes correctly recorded the nature of the interest with the action then required being in accordance with the Act.	Linley Dreghorn
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Yes	Refer to OCM 16 Feb 2021 Item 13.1	Linley Dreghorn
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes	Refer to OCM 16 Nov 2021 Item 11.5	Linley Dreghorn
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	Refer to Register of Returns.	Linley Dreghorn
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes	Refer to Register of Returns.	Linley Dreghorn
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes	Refer to Register of Returns.	Linley Dreghorn
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes	The register is available on the Shire website.	Linley Dreghorn
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes	The register is available on the Shire website.	Linley Dreghorn
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Linley Dreghorn
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Linley Dreghorn
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes	The register is available on the Shire website.	Linley Dreghorn



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No	Reference	Question	Response	Comments	Respondent
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	The register is available on the Shire website.	Linley Dreghorn
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	No	The register on the website included declarations from former Councillors and employees that should have been removed. This has now been rectified.	Linley Dreghorn
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Linley Dreghorn
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?*	Yes	See Council Meeting February 2021, Item 13.1	Linley Dreghorn
		*Question not applicable after 2 Feb 2021			
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	Yes	See Council Meeting October 2021, Item 20.1	Linley Dreghorn
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	See Council Meeting February 2021, Item 16.1. CMRef 0377	Linley Dreghorn
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	No applications were required to be made.	Linley Dreghorn
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A	No applications were required to be made.	Linley Dreghorn
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes	Available on the Shire website.	Linley Dreghorn
		*Question not applicable after 2 Feb 2021			



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No	Reference	Question	Response	Comments	Respondent
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?* *Question not applicable after 2 Feb 2021	Yes	Refer to the Shire's website	Linley Dreghorn
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes	Refer to Council Meeting March 2021 Item 12.2 CMRef 0396	Linley Dreghorn
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	N/A	No additional requirements were adopted.	Linley Dreghorn
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes	Refer to the Shire's website	Linley Dreghorn
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes	Refer to the Shire's website	Linley Dreghorn

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	N/A	There were no occasions where the Shire disposed of property over the prescribed amount where a tender process was not used.	Linley Dreghorn
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes	Local Public Notice was given via Farm Weekly Thursday 16 April 2020 and Dowerin Despatch Friday 17 April 2020	Linley Dreghorn



Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes	No gifts were received.	Linley Dreghorn
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	No gifts were received.	Linley Dreghorn
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes	No gifts were received.	Linley Dreghorn



Finance						
No	Reference	Question	Response	Comments	Respondent	
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	Refer to Council Meeting October 2021 Item 13.2 CMRef 0496	Linley Dreghorn	
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	Yes	Delegation 1.1 Refer to Council Meeting November 2021 Item 12.1 CMRef 0520	Linley Dreghorn	
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	No	Auditor's Report was received 17 February 2022	Linley Dreghorn	
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	Actions taken are detailed in the Interim Management Comment of the auditor's report.	Linley Dreghorn	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	No significant matters were raised hence no report was required to be provided.	Linley Dreghorn	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A		Linley Dreghorn	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		Linley Dreghorn	



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted July 2021 Item 12.2 CMRef 0443	Linley Dreghorn
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted July 2021 Item 12.2 CMRef 0443	Linley Dreghorn
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Linley Dreghorn

Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	There was no CEO recruitment during the reporting period.	Linley Dreghorn
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	Manager Corporate and Community Services was recruited in the reporting period in accordance with requirements.	Linley Dreghorn
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	There was no CEO recruitment during the reporting period.	Linley Dreghorn
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A	There was no CEO recruitment during the reporting period.	Linley Dreghorn
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes	Refer December 2021 Council Meeting Item 16.2 CMRef 0549	Linley Dreghorn
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	Council accepted the CEO's recommendations.	Linley Dreghorn



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes	The CEO fulfills the role of complaints officer	Linley Dreghorn
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121(2)?	Yes	The register is available on the Shire's website. There were no complaints received during the reporting period.	Linley Dreghorn
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	The register is available on the Shire's website.	Linley Dreghorn

Optional Questions

No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	Presented to Council November 2019 Item 11.4 CMRef 082 Due for review 2022	Linley Dreghorn
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	Presented to Council November 2020 Item 12.1 CMRef 0310	Linley Dreghorn
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		Linley Dreghorn
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes	Policy 1.16 - Proposed Attendance at Events and Functions Policy adopted by Council at it's June 2020 meeting Item 11.2 CMRef 0211 by Absolute Majority	Linley Dreghorn



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No	Reference	Question	Response	Comments	Respondent
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Linley Dreghorn
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy 1.15 - Councillor Training and Continuing Professional Development Policy adopted by Council at it's April 2020 meeting Item 11.6 CMRef 0182 by Absolute Majority	Linley Dreghorn
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes	Available on the Shire's website.	Linley Dreghorn
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Linley Dreghorn
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all it's expenditure, revenue and income?	Yes		Linley Dreghorn

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	Refer Policy 3.11 - Purchasing Policy available in the Policy Manual on the Shire's website.	Linley Dreghorn
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes	Tender T2021-01 - 30 Jan 2021 Tender T2021-02 - 6 Feb 2021 Tender T2021-03 - 6 Feb 2021 Tender T2021-04 - 1 Sept 2021	Linley Dreghorn
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes	Four tenders were advertised during the reporting period with Statewide public notice given by means of the West Australian newspaper. 30 Jan 2021 6 Feb 2021 x 2 1 Sept 2021	Linley Dreghorn



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No	Reference	Question	Response	Comments	Respondent
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	Yes	In November 2020 a Request for Tender - Appointment of Pre-qualified Supplier Panel for Wet & Dry Hire of Plant & Equipment was resolved by Council at its November 2020 meeting CMRef 0313. All submitted tenders were invited to enter into contracts during the reporting period 2021.	Linley Dreghorn
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes	Addendums were issued via email and requested written acknowledgement of receipt of such amendments.	Linley Dreghorn
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes	All tenders were submitted to a locked email account that can only be accessed after the closure of the tender submission period.	Linley Dreghorn
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	Refer to Shire's website.	Linley Dreghorn
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A	There were no tenders received which did not comply with the requirements.	Linley Dreghorn
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Linley Dreghorn
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Linley Dreghorn
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A	There were no EOI processes conducted during the reporting period for tenders	Linley Dreghorn
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	There were no EOI processes conducted during the reporting period for tenders	Linley Dreghorn
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	There were no EOI processes conducted during the reporting period for tenders	Linley Dreghorn



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No	Reference	Question	Response	Comments	Respondent
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A	There were no EOI processes conducted during the reporting period for tenders	Linley Dreghorn
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes	There was no panel of pre-qualified suppliers invited during the reporting period.	Linley Dreghorn
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes	Refer Policy 3.15 Regional Price Preference Policy available in the Policy Manual on the Shire's website.	Linley Dreghorn



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I certify this Compliance Audit Return has been adopted by council at its meeting on

Signed Mayor/President, Dowerin

Signed CEO, Dowerin

POLICY NUMBER	-	2.2
POLICY SUBJECT	-	2.2 Risk Management Policy
DATE ADOPTED	-	January 2008
POLICY OWNER	-	Chief Executive Officer
DISTRIBUTION	-	Management
RESPONSIBLE OFFICER	-	Chief Executive Officer
REVIEWED	-	March 2022

Objective

The Shire of Dowerin is committed to organisation-wide risk management principles, systems and processes that ensure consistent, efficient, and effective assessment of risk in all planning, decision making and operational processes.

Definition of Risk

AS/NZS/ISO 3100:2009 defines risk as “*the effect of uncertainty on objectives.*”

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative, or a deviation from the expected. An objective may be financial, related to health and safety, or defined in other terms.

Definition of Risk Management

Co-ordinated activities to direct and control an organisation with regard to risk (ISO Guide 73).

Definition of Management Process

Systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analysing, evaluating, treating, monitoring and reviewing risk.

Policy

The Shire of Dowerin considers risk management to be an essential management function in its operations. It recognises that the risk management responsibility for managing specific risks lies with the person who has the responsibility for the function, service or activity that gives rise to that risk.

Council is committed to the principles of managing risk as outlined in *AS/NZS/ISO 3100:2009*. The Shire of Dowerin will manage risks continuously using a process involving the identification, analysis, evaluation, treatment, monitoring and review of risks. It will be applied to decision making through all levels of the Organisation in relation to planning or executing any function, service or activity.

In particular it will be applied to:

1. Implementation of policies;
2. Strategic planning;
3. Decision making;
4. Corporate governance and compliance;
5. Expenditure of large amounts of money;

6. New strategies and procedures;
7. Managing projects;
8. Introducing significant change;
9. The management of sensitive issues; and
10. Operational management.

Risk Management Objectives

1. The achievement of organisational goals and objectives;
 2. Limited loss or damage to property and other assets;
 3. Limited interruption to business continuity;
 4. Positive public perception of Council;
 5. The ongoing health and safety of all employees at the workplace;
 6. Ensuring public safety within the Council's jurisdiction is not compromised; and
 7. Application of equal opportunity principles in the workforce and the community.
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Roles and Responsibilities

1. The CEO is responsible for the:
 - a. Implementation of this Policy;
 - b. Measurement and reporting on the performance of risk management;
 - c. Review and improvement of this Policy and the Shire's Risk Management Framework at least annually or in response to a material event or change in circumstances.
2. Senior Managers, Coordinators and Supervisors have the responsibility and accountability for ensuring that all staff manage risks within their own work areas. In each of these areas, risks should be anticipated, and reasonable protective measures taken.
3. All Managers will encourage openness and honesty in the reporting and escalation of risks. All staff will be encouraged to alert management to the risks that exist within their area, without fear of recrimination.
4. All staff will, after appropriate training, adopt the principles of risk management and comply with all policies, procedures and practices relating to risk management.
5. All staff will, as required, conduct risk assessments during the performance of their daily duties. The level of sophistication of the risk assessment will be commensurate with the scope of the task and the associated level of risk identified.
6. Failure by staff to observe reasonable directions from supervisors regarding the management of risks and/or failure of staff to take reasonable care in identifying and treating risks in the workplace may result in disciplinary action.
7. It is the responsibility of every department to observe and implement this policy in accordance with procedures and initiatives that are developed by management from time to time.
8. Council is committed morally and financially to the concept and resourcing of risk management.

Risk Assessment and Acceptance Criteria

The Shire quantified its generic risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Framework and as a component of this policy.

All organisational risks are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative

risk assessment criteria may be utilised, however these cannot exceed the organisation's appetite and are to be noted within the individual risk assessment.

Monitor & Review

The Shire will implement and integrate a monitor and review process to report on the achievement of the risk management objectives, the management of individual risks and the ongoing identification of issues and trends.

This policy will be kept under review by the Shire's Management Team and its Employees. It will be formally reviewed every two years.

Related Documentation

Risk Management Framework
Risk Management Profiling Tool

Related Legislation/Local Law/Policy

AS/NZS/ISO 3100: 2009

Related Delegation

Nil

Risk Assessment and Acceptance Criteria

MEASURES OF CONSEQUENCE									
RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION	COMPLIANCE	PROPERTY	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT	
			(Social / Community)		(Plant, Equipment, Buildings)			Time	Budget
Insignificant (1)	Near-Miss	No material service interruption Less than 1 hour	Unsubstantiated, localised low impact on community trust, low profile or no media item.	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact managed by on site response	Less than \$5,000	Exceeds deadline by 5% of project timeline	Exceeds project budget by 5%
Minor (2)	First Aid Treatment	Short term temporary interruption – backlog cleared < 1 day	Substantiated, localised impact on community trust or low media item	Some temporary non compliances	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	\$5,001 - \$50,000	Exceeds deadline by 10% of project timeline	Exceeds project budget by 10%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption – backlog cleared by additional resources < 1 Week	Substantiated, public embarrassment, moderate impact on community trust or moderate media profile	Short term non-compliance but with significant regulatory requirements imposed	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	\$50,001 - \$200,000	Exceeds deadline by 15% of project timeline	Exceeds project budget by 15%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional resources; performance affected <1 Month	Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Non-compliance results in termination of services or imposed penalties to Shire / Officers	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	\$200,001 - \$500,000	Exceeds deadline by 20% of project timeline	Exceeds project budget by 20%

MEASURES OF LIKELIHOOD

Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

RISK MATRIX

CONSEQUENCE		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

RISK ACCEPTANCE CRITERIA

Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Executive Manager/ CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

EXISTING CONTROLS RATINGS

Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	<ol style="list-style-type: none"> 1. Processes (Controls) operating as intended and aligned to Policies/Procedures. 2. Subject to ongoing monitoring. 3. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	<ol style="list-style-type: none"> 1. Processes (Controls) generally operating as intended, however inadequacies exist. 2. Nil or limited monitoring. 3. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	<ol style="list-style-type: none"> 1. Processes (Controls) not operating as intended. 2. Processes (Controls) do not exist or are not being complied with. 3. Have not been reviewed or tested for some time.



Risk Management Framework

Reviewed March 2022



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Introduction

The Shire of Dowerin’s (Shire) Risk Management Policy in conjunction with the components of this document encompasses the Shire’s Risk Management Framework. It sets out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2018 Risk management - Guidelines.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance;
- Compliance with relevant legislation, regulations and internal policies;
- Integrated Planning and Reporting requirements are met; and
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.

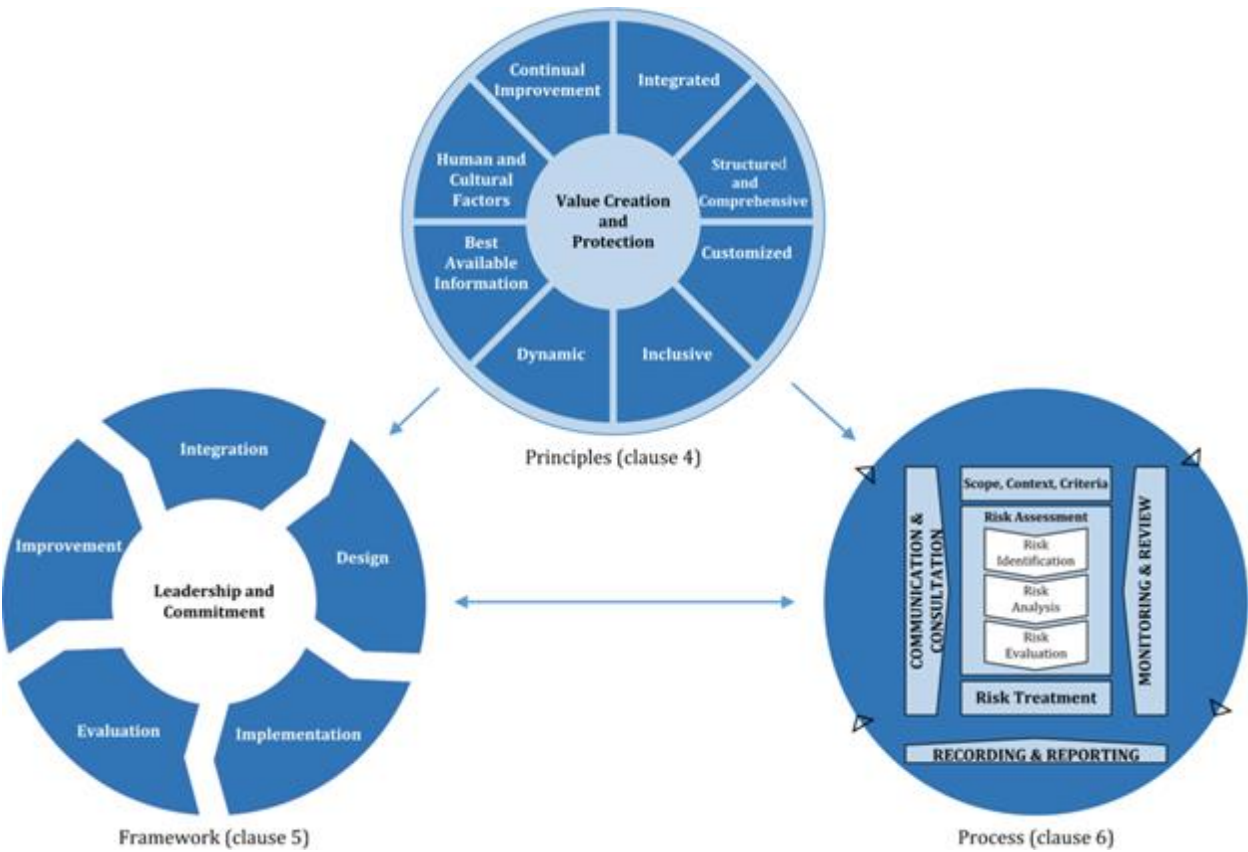


Figure 1: Relationship between the risk management principles, framework and process (Source: ISO 31000:2018)

Governance

Appropriate governance of risk management within the Shire provides:

- Transparency of decision making;
- Clear identification of the roles and responsibilities of the risk management functions; and
- An effective Governance Structure to support the risk framework.

Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every two years.

Operating Model

The Shire has adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

First Line of Defence

All operational areas of the Shire are considered ‘1st Line’. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include:

- Establishing and implementing appropriate processes and controls for the management of risk to include OHS policies and procedures (in line with these procedures);
- Undertaking adequate analysis (data capture) to support decision making regarding of risk matters;
- Preparation of risk acceptance proposals where necessary, based on level of residual risk; and
- Retention of primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence

The Manager Corporate & Community Services (“MCCS”) acts as the primary ‘2nd Line’. This position manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1st & 3rd lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1st Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required;
- Monitoring and reporting on emerging risks; and
- Co-ordinating the Shire’s risk reporting for the CEO & Management Team and the Audit Committee.

Third Line of Defence

Internal & External Audits are the third line of defence providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1st & 2nd Line).

Internal Audit Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope will be determined by the CEO with input from the Audit Committee.

External Audit Appointed by the Council on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

Governance Structure

The following diagram depicts the current operating structure for risk management within the Shire.

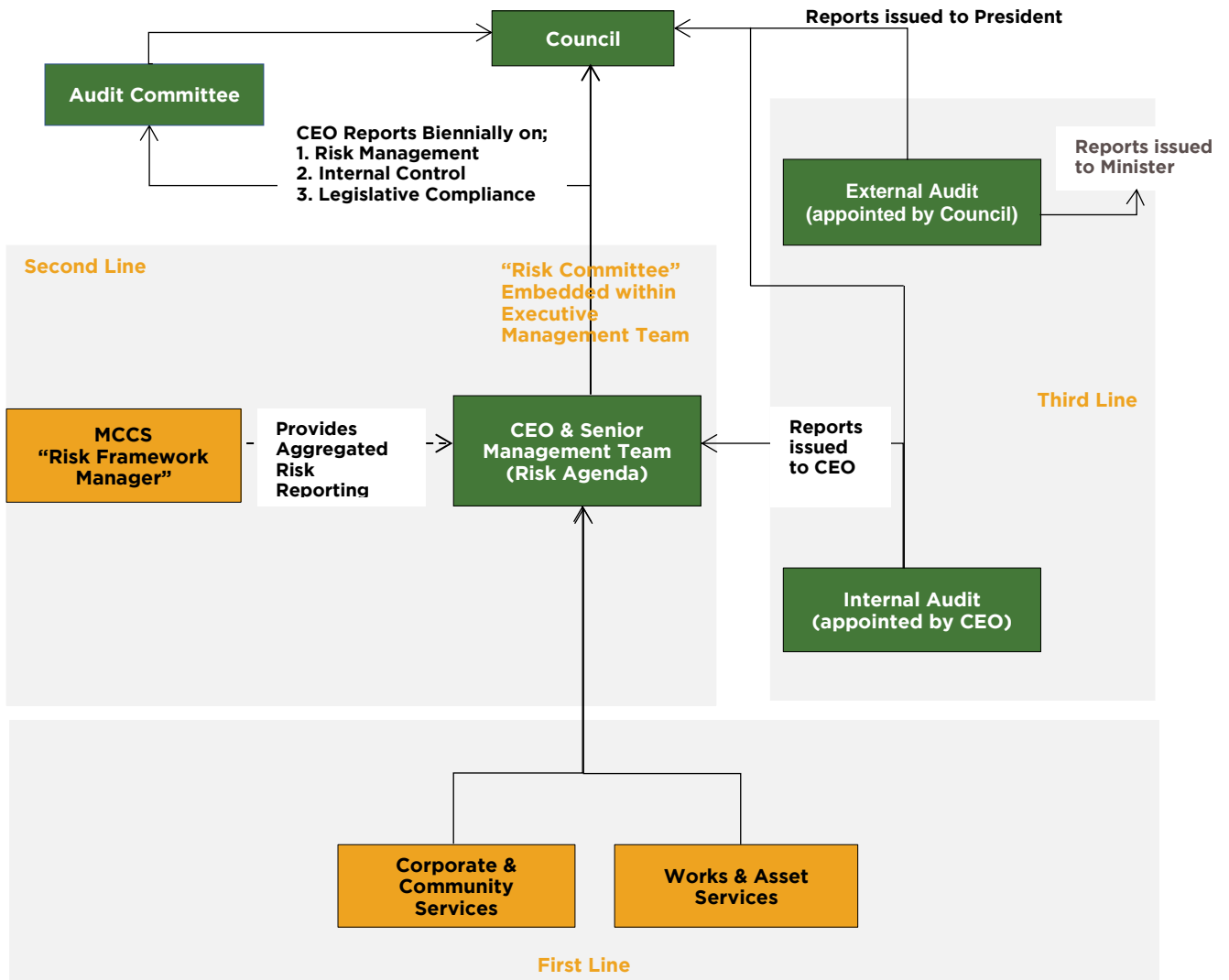


Figure 2: Operating Model

Roles & Responsibilities

Council

- Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria;
- Appoint / Engage External Auditors to report on financial statements annually; and
- Establish and maintain an Audit Committee in terms of the *Local Government Act 1995*.

Audit Committee

- Regular review of the appropriate and effectiveness of the Framework;
- Support Council to provide effective corporate governance;
- Oversight of all matters that relate to the conduct of External Audits; and
- Must be independent, objective and autonomous in deliberations.

CEO / Senior Management Team

- Appoint Internal Auditors as required under *Local Government (Audit) Regulations 1996*;
- Liaise with Council in relation to risk acceptance requirements;
- Approve and review the appropriateness and effectiveness of the Risk Management Framework;
- Drive consistent embedding of a risk management culture;
- Analyse and discuss emerging risks, issues and trends;
- Document decisions and actions arising from 'risk matters'; and
- Own and manage the Risk Profiles at Shire Level.

MCCS

- Oversee and facilitate the Risk Management Framework; and
- Support reporting requirements for Risk matters.

Work Areas

- Drive risk management culture within work areas;
- Own, manage and report on specific risk issues as required;
- Assist in the Risk & Control Management process as required;
- Highlight any emerging risks or issues accordingly; and
- Incorporate 'Risk Management' into management meetings by incorporating the following agenda items:
 - New or emerging risks;
 - Review existing risks;
 - Control adequacy; and
 - Outstanding issues and actions.

Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.

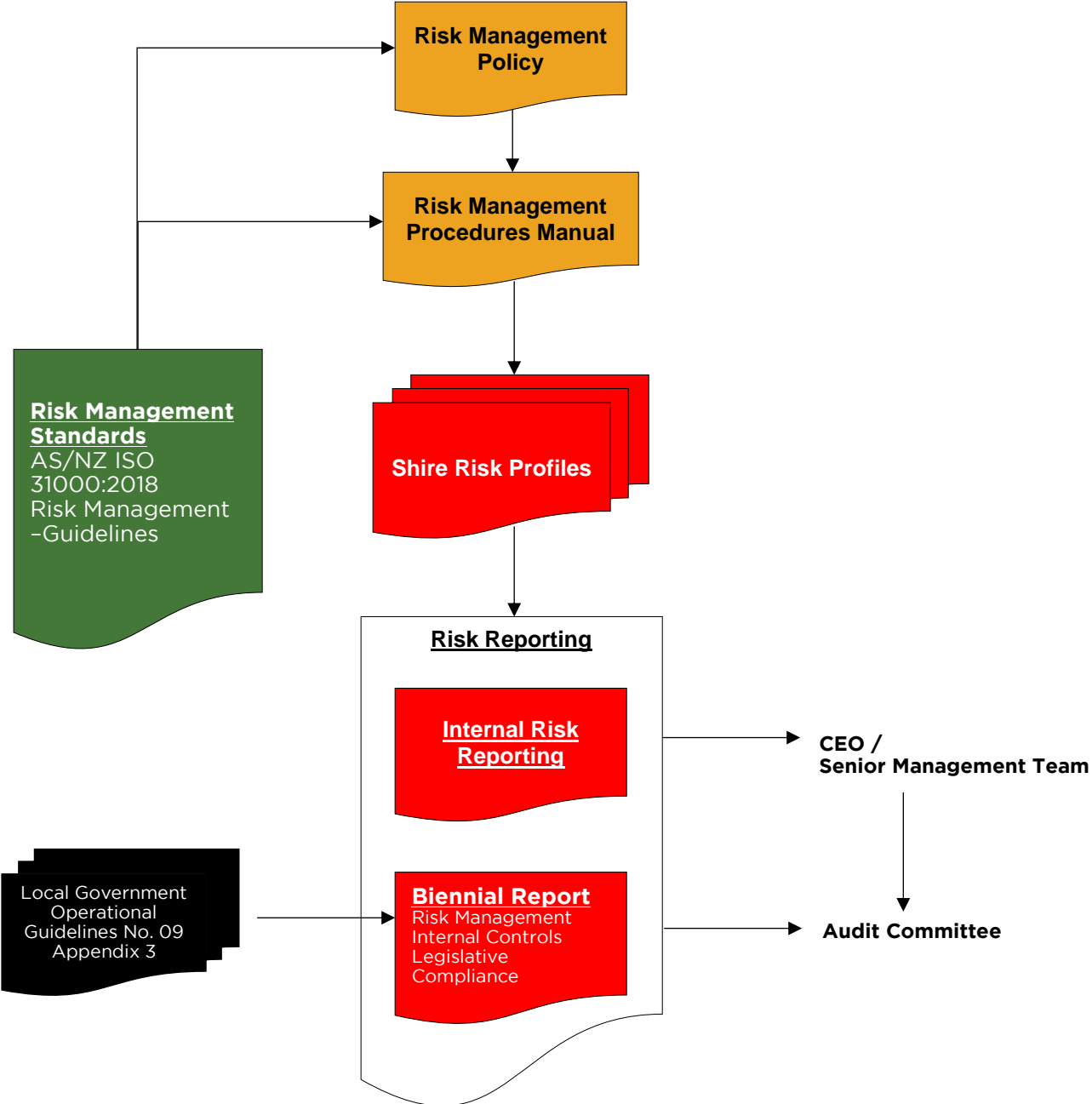


Figure 3: Document Structure

Risk Management Procedures

All Work Areas of the Shire are required to assess and manage the Risk Profiles on an ongoing basis. Each Manager, in conjunction with the CEO are accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire;
- Reviewed on at least a six-monthly basis, unless there has been a material restructure or change in the risk and control environment; and
- Maintained in the standard format.

This process is supported using key data inputs, workshops and ongoing business engagement.

The risk management process is standardised across all areas of the Shire. The following diagram outlines that process with the following commentary providing broad descriptions of each step.

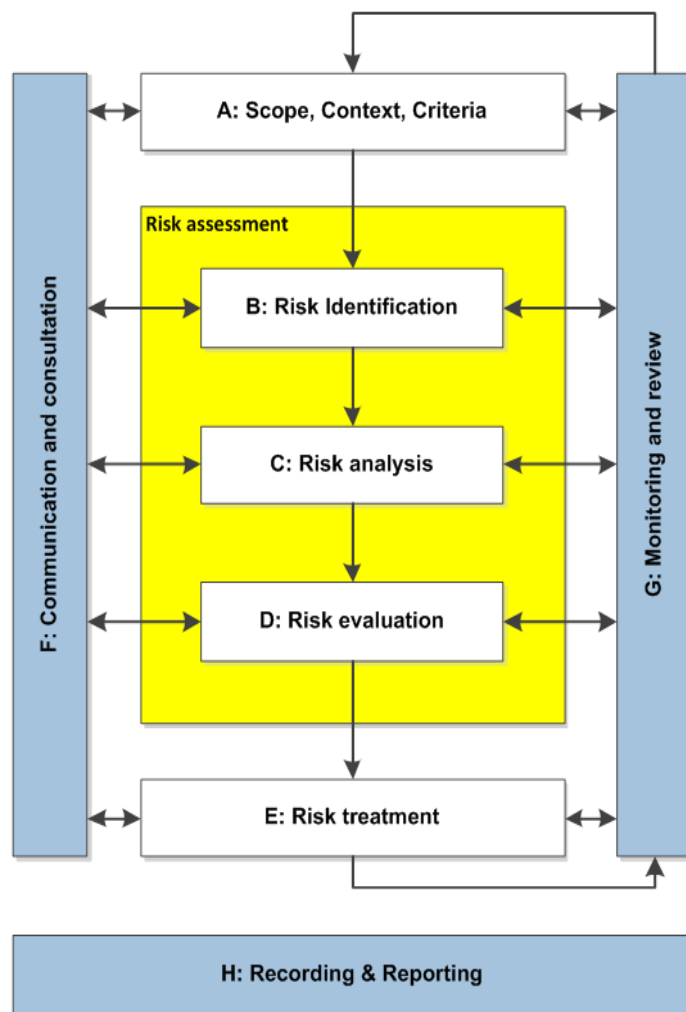


Figure 4: Risk Management Process ISO 31000:2018

A: Scope, Context, Criteria

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed. This forms two elements:

Organisational Criteria

This includes the Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision-making processes.

Scope and Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. Risk sources can be internal or external.

For specific risk assessment purposes, the Shire has three levels of risk assessment context:

Strategic Context

These risks are associated with achieving the organisation's long-term objectives. Inputs to establishing the strategic risk assessment context may include:

- Organisations Vision / Mission;
- Stakeholder Analysis;
- Environment Scan / SWOT Analysis; and
- Strategies / Objectives / Goals (Integrated Planning & Reporting).

Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its key activities i.e. what are they trying to achieve? In addition, existing Risk Themes are to be utilised where possible to assist in the identification of related risks.

These Risk Themes are expected to change over time however to ensure consistency amendments must be approved by the Senior Management Group.

Project Context

Project Risk has two main components:

- Direct refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Shire from meeting its objectives; and
- Indirect refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

B: Risk Identification

Once the context has been determined the next step is to identify risks. This is the process of finding, recognising and describing risks. Risks are described as the point along an event sequence where control has been lost. An event sequence is shown below:

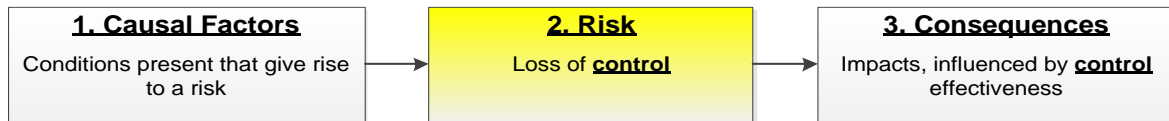


Figure 5: Event (Risk) Sequence

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, raise the below questions, capture and review the information within each defined risk theme / profile. The objective is to identify potential risks that could stop the Shire from achieving its goals.

These questions / considerations are a guide only as unidentified risks can cause major losses through missed opportunities or adverse events occurring.

'Brainstorming' will always produce a broad range of ideas and all things should be considered as potential risks. Relevant stakeholders are considered to be the subject experts when considering potential risks to the objectives of the work environment and should be included in all risk assessments being undertaken. Key risks to the organisation/unit can then be identified and captured within the risk profiles, e.g.:

- What can go wrong? / What are areas of uncertainty? (**Risk Description**);
- How may this risk eventuate? (**Potential Causes**);
- What are the current measurable activities that mitigate this risk from eventuating? (**Controls**); and
- What are the potential consequential outcomes of the risk eventuating? (**Consequences**).

This step is also where opportunities for enhancement or gain across the organisation can be found. Risks can also be identified through other business operations including policy and procedure development, internal and external audits, customer complaints, incidents and systems analysis.

Risk Description – describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event or the consequences of an event.

Potential Causes – are the conditions that may present or the failures that may lead to the event or point in time when control is lost (risk).

Controls – are measures that modify risk. At this point in the process only existing controls should be considered. They must meet the following three tests to be considered:

1. Is it an object, technological system and / or human action?
2. Does it, by itself, arrest or mitigate an unwanted sequence?
3. Is the required performance specifiable, measurable and auditable?

Consequences – need to be impacts to the Shire. These can be health of staff, visitors or contractors; financial; interruption to services provided; non-compliance; damage to reputation or other assets or the environment. There is no need to determine the level of impact at this stage.

C: Risk Analysis

To analyse identified risks the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied.

Step 1 - Consider the Effectiveness of the Identified Key Controls

Controls need to be considered from three perspectives:

1. The design effectiveness of each individual key control
2. The operating effectiveness of each individual key control
3. The overall or combined effectiveness of all identified key controls

Design Effectiveness

This process reviews the 'design' of the controls to understand their potential for mitigating the risk without any 'operating' influences. Controls that have inadequate designs will never be effective, no matter if it is performed perfectly every time.

There are four components to be considered in reviewing existing controls or developing new ones:

1. Completeness – the ability to ensure the process is completed once. How will the control ensure that the process is not lost or forgotten, or potentially completed multiple times?
2. Accuracy – the ability to ensure the process is completed accurately, that no errors are made or components of the process missed.
3. Timeliness – the ability to ensure that the process is completed within statutory timeframes or internal service level requirements.
4. Theft / Fraud – the ability to protect against internal misconduct or external theft / fraud-based activities.

It is very difficult to have a single control that meets all the above requirements when viewed against a Risk Theme. It is imperative that all controls are considered so that the above components can be met across a number of controls.

Operating Effectiveness

This process reviews how well the control design is being applied. Similar to above, the best designed control will have no impact if it is not applied correctly.

As this generally relates to the human element of control application there are four main approaches that can be employed by management or the risk function to assist in determining the operating effectiveness and / or performance management:

1. Re-perform – this is only applicable for those short timeframe processes where they can be re-performed. The objective is to re-perform the same task, following the design to ensure that the same outcome is achieved.
2. Inspect – review the outcome of the task / process to provide assurance that the desired outcome was achieved.
3. Observe – physically watch the task / process being performed.
4. Inquire – through discussions with individuals / groups determine the relevant understanding of the process and how all components are required to mitigate any associated risk.

Overall Effectiveness

This is the value of the combined controls in mitigating the risk. All factors as detailed above are to be taken into account so that a considered qualitative value can be applied to the 'control' component of risk analysis.

The criterion for applying a value to the overall control is the same as for individual controls and can be found in Appendix A under 'Existing Control Ratings'.

Step 2 – Determine the Residual Risk Rating

There are three components to this step:

1. Determine relevant consequence categories and rate the ‘probable worst consequence’ if the risk eventuated with existing controls in place. This is not the worst-case scenario but rather a qualitative judgement of the worst scenario that is probable or foreseeable (Consequence).
2. Determine how likely it is that the ‘probable worst consequence’ will eventuate with existing controls in place (Likelihood).
3. Using the Shire’s Risk Matrix, combine the measures of Consequence and Likelihood to determine the Risk Rating (Risk Matrix).

D: Risk Evaluation

Risk evaluation takes the Residual Risk Rating and applies it to the Shire’s Risk Acceptance Criteria (Appendix A) to determine whether the risk is within acceptable levels to the Shire. The outcome of this evaluation will determine whether the risk is Low; Moderate; High or Extreme.

It will also determine through the use of the Risk Acceptance Criteria what (if any) high level actions or treatments need to be implemented.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

E: Risk Treatment

There are generally two requirements following the evaluation of risks:

1. In all cases, regardless of the Residual Risk Rating; controls that are rated ‘Inadequate’ must have a treatment plan (action) to improve the control effectiveness to at least ‘Adequate’.
2. If the Residual Risk Rating is High or Extreme, treatment plans must be implemented to either:
 - a. Reduce the consequence of the risk materialising;
 - b. Reduce the likelihood of occurrence; and
(Note: these should have the desired effect of reducing the Risk Rating to at least Moderate)
 - c. Improve the effectiveness of the overall controls to ‘Effective’ and obtain delegated approval to accept the risk as per the Risk Acceptance Criteria.

Once a treatment has been fully implemented, the MCCS is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

F: Communication & Consultation

Effective communication and consultation are essential to ensure that those responsible for managing risk and those with a vested interest, understand the basis on which decisions are made and why particular treatment / action options are selected or the reasons to accept risks have changed.

As risk is defined as the effect of uncertainty on objectives, consulting with relevant stakeholders assists in the reduction of components of uncertainty. Communicating these risks and the information surrounding the event sequence ensures decisions are based on the best available knowledge.

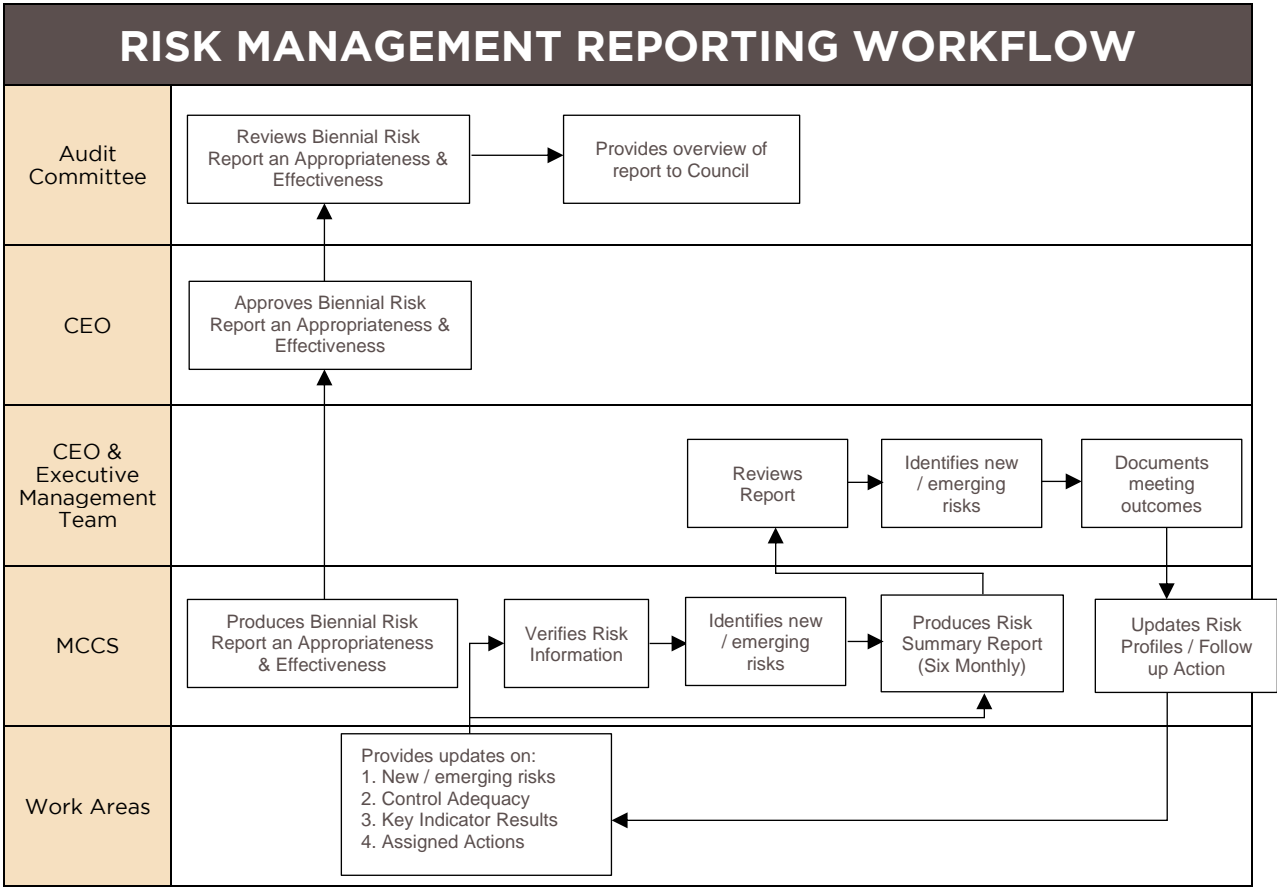
G: Monitoring & Review

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 the 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 on controls and treatments / action that are mitigating those risks. Monitoring and the reviewing of risks, controls and treatments also applies to any actions / treatments to come out of an internal audit. The audit report will provide recommendations that effectively are treatments for controls and risks that have been tested during an internal review.

H: Recording & Reporting

The following diagram provides a high-level view of the ongoing reporting process for Risk Management.



- Each Work Area is responsible for ensuring:
- They continually provide updates in relation to new / emerging risks, control effectiveness and key indicator performance to the MCCA;
 - Work through assigned actions and provide relevant updates to the MCCA; and
 - Risks / Issues reported to the CEO & Senior Management Team are reflective of the current risk and control environment.

- The MCCA is responsible for:
- Ensuring Shire Risk Profiles are formally reviewed and updated (at least on a six-monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment);
 - Six Monthly Risk Reporting to the CEO & Senior Management Team (contains an overview of the Risk Summary for the Shire); and
 - Annual Compliance Audit Return completion and lodgement.

Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review

Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- That the risk description and casual factors are fully understood;
- The KI is fully relevant to the risk or control;
- Predictive KI's are adopted wherever possible; and
- KI's provide adequate coverage over monitoring key risks and controls.

Validity of Source

In all cases an assessment of the data quality; integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

Tolerances

Tolerances are set based on the Shire's Risk Appetite. They are set and agreed over three levels:

- Green - within appetite; no action required;
- Amber - the KI must be closely monitored, and relevant actions set and implemented to bring the measure back within the green tolerance; and
- Red - outside risk appetite; the KI must be escalated to the CEO & Senior Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite

Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.

Risk Acceptance

Day to day operational management decisions are generally managed under the delegated authority framework of the Shire.

Risk Acceptance is a management decision to accept (within authority levels) material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks. The 'Risk Acceptance' must be in writing, signed by the relevant Manager and cover:

- A description of the risk;
- An assessment of the risk (e.g. impact consequence, materiality, likelihood, working assumptions, etc.);
- Details of any mitigating action plans or treatment options in place; and
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (i.e. Management Team).

Appendix A – Risk Assessment and Acceptance Criteria

MEASURES OF CONSEQUENCE									
RATING	PEOPLE	INTERRUPTION TO SERVICE	REPUTATION	COMPLIANCE	PROPERTY	NATURAL ENVIRONMENT	FINANCIAL IMPACT	PROJECT	
			(Social / Community)		(Plant, Equipment, Buildings)			Time	Budget
Insignificant (1)	Near-Miss	No material service interruption – Less than 1 hour	Unsubstantiated, localised low impact on community trust, low profile or no media item.	No noticeable regulatory or statutory impact	Inconsequential damage.	Contained, reversible impact managed by on site response	Less than \$5,000	Exceeds deadline by 5% of project timeline	Exceeds project budget by 5%
Minor (2)	First Aid Treatment	Short term temporary interruption – backlog cleared < 1 day	Substantiated, localised impact on community trust or low media item	Some temporary non compliances	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response	\$5,001 - \$50,000	Exceeds deadline by 10% of project timeline	Exceeds project budget by 10%
Moderate (3)	Medical treatment / Lost time injury <30 Days	Medium term temporary interruption – backlog cleared by additional resources < 1 Week	Substantiated, public embarrassment, moderate impact on community trust or moderate media profile	Short term non-compliance but with significant regulatory requirements imposed	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies	\$50,001 - \$200,000	Exceeds deadline by 15% of project timeline	Exceeds project budget by 15%
Major (4)	Lost time injury >30 Days / temporary disability	Prolonged interruption of services – additional resources; performance affected <1 Month	Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Non-compliance results in termination of services or imposed penalties to Shire / Officers	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies	\$200,001 - \$500,000	Exceeds deadline by 20% of project timeline	Exceeds project budget by 20%

MEASURES OF LIKELIHOOD			
Level	Rating	Description	Frequency
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RISK MATRIX						
CONSEQUENCE		Insignificant	Minor	Moderate	Major	Catastrophic
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Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

RISK ACCEPTANCE CRITERIA			
Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Executive Manager/ CEO
EXTREME	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

EXISTING CONTROLS RATINGS		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Nil or limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist or are not being complied with. Have not been reviewed or tested for some time.