

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

Date: Tuesday, 27 June 2017

Time: 3pm

**Location:** Council Chambers, Serpentine

# **AGENDA**

# Ordinary Council Meeting 27 June 2017

# **Order Of Business**

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# 1 OPENING PRAYER

"Almighty God, we humbly beseech thee to bless this Council, direct and prosper its deliberations towards the true welfare of your people of the Shire of Loddon."

# 2 APOLOGIES

# 3 DECLARATIONS OF CONFLICT OF INTEREST

# 4 PREVIOUS MINUTES

# 4.1 CONFIRMATION OF MINUTES

File Number: 02/01/001

Author: Lynne Habner, A/Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

# **RECOMMENDATION**

That Council confirm:

- The minutes of the Council Briefing of 23 May 2017
- 2. The minutes of the Ordinary Council Meeting of 23 May 2017
- 3. The minutes of the Council Forum of 13 June 2017

# **REPORT**

Seeking approval of the unconfirmed minutes of the previous meetings.

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# 5 REVIEW OF ACTION SHEET

# 5.1 REVIEW OF ACTIONS

File Number: 02/01/002

Author: Lynne Habner, A/Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Action sheet

# **RECOMMENDATION**

That Council receive and note the action sheet.

# **REPORT**

Refer attachment.

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Outstanding Actions	Division: Committee: Officer:	Ordinary Council Meeting	Date From: Date To:	1/01/2016 31/12/2018	
Action Sheets Report	Officer:		<b>Printed: Tuesday</b>	, 20 June 2017	1:00:23 PM

Outstanding actions from previous meetings

ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
9	28/5/12	9.2	Operations	Manager Technical Services

#### **ACTION**

#### That Council:

1. Develop a process for the identification and prioritisation of minor community infrastructure projects which will allow for a structured approach in providing in-principle or financial support for external funding applications.

#### COMMENTS

**12/11/14:** Action item has been amended following completion of the BRIC gymnasium development project utilising "Putting Local's First" funding. Elements of this action have been simplified to exclude those relating to the BRIC project and focusing now on the remaining action element being the development of operational guidelines for receiving, prioritising and applying for external funding in respect to minor community infrastructure projects.

11/6/2015: Manager Infrastructure has commenced development of a draft project identification template and scoping document along with associated prioritisation criteria and explanatory notes.

11/09/2015: Progress on development of assessment and prioritisation criteria for minor community Infrastructure projects has been delayed due to competing operational priorities. Delivery of this action item shall be raised with the Manager of Infrastructure as a matter of urgency.

11/02/2016: Matter has been raised with the responsible officer however no further progress has been made on development of the required process and guideline.

**12/05/2016:** Development of minor community infrastructure project assessment and prioritisation guidelines has been incorporated into the 2016/17 performance objectives of the new Manager Technical Services.

10/6/2016: No progress to date - will be considered with review of building assets

**11/08/2016:** Review of methodology for identification and prioritisation of community infrastructure projects has commenced. Consideration is currently being given to frameworks which have been adopted by other LGA's (i.e. City of Greater Bendigo Capital Investment Assessment Framework).

**20/02/2017:** Progress on developing community infrastructure project prioritisation guideline has been delayed due to competing priorities and resource constraints. Project is being handed over to the recently appointed Project/Contract Officer for further progression.

19/04/2017: The Manager Technical Services and Project/Contract Officer are working together to progress the establishment of an Assessment Framework based upon the 2017/18 projects.

ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
66	25/2/14	7.4	Operations	Manager Technical Services

#### **ACTION**

That Council look at the future needs of buildings under Council control but 'not currently covered by the Building Asset Management Plan and report to Council.

#### COMMENTS

8/4/14: All buildings identified within the shire are currently covered in the BAMP. Council have requested that the BAMP be reviewed in relation to the buildings that receive

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no financial support. A review of the BAMP is scheduled to be undertaken later this calendar year. At this time a review of all provisions will be undertaken with a subsequent report provided for Council consideration.

11/11/14: Review of the BAMP has been rescheduled to later this financial year due to commitments of staff in preparing the Road Asset Management and Stormwater Asset management Plans as a matter of priority. Preliminary discussions and consideration on service levels for various building categories has commenced however e.g. public toilets.

11/6/15: Review of the BAMP has been rescheduled following completion of the annual asset valuation data. It is expected that commencement of the BAMP review will occur following the completion of the Stormwater Asset Management Plan in September 2015.

11/09/15: Manager Policy & Strategy is finalising both the Urban Drainage Asset Management and Road Asset Management Plans. Following completion of these strategies focus shall be placed upon the revision of the Building Asset management Plan. Due to delays in progress with the development of the UDAMP and RAMP, work on the BAMP is now scheduled to commence in November 2015.

**11/02/16:** Draft RAMP and UDAMP have been prepared. Final review of draft documents is occurring in preparation for discussion with Council in March. Enquiries are being made with appropriately qualified consultants to gather necessary building asset data in preparation of commencement on the BAMP review later this year.

10/6/2016: Consultants are currently being interviewed regarding building asset system and data capture. Consultant should be engaged July/August with data capture due by end of 2016.

5/7/2016: Consultants from Assetic has been engaged to perform condition assessment of all the Council owned/managed buildings. Additionally, Assetic system has been purchased as a new corporate asset management system for building assets with future inclusion of roads and drainage assets.

11/08/2016: Register of buildings for inspection has been finalised and consultants will be commencing on site inspections and data capture by the end of August. It is expected that the data capture process could take up to 60 days after which time processing and analysis will commence to inform investment scenario modelling within the revised BAMP

**31/08/2016:** Building audits have now commenced. A total of 178 Council buildings have been identified for audit. In addition to data capture on structure details, inspections will also identify immediate works required where building element conditions are below service level intervention standards. These works will then form the basis of future building capital works programs and inform preparation of the future investment demand for the LTFP and BAMP.

**4/10/16:** Building audits are approximately 80% complete. It is anticipated that full audit details and population of the Asset Management System which has been procured, will be complete by the end of October 2016. Data modelling within the Asset Management package will then be used to inform development of the new draft Asset Management Plan.

10/11/16: Audit of Council buildings has been completed. Condition profiles for building stock are now being compiled to inform preparation of draft BAMP. It is anticipated that presentation of initial audit results to Council will occur in either December or January.

20/2/17: Post audit processing of building data has been slightly delayed due to resource constraints. Officers are in the process of finalising to produce renewal gap modelling prior to presentation of audit findings to Council. Outputs from audit process are also being utilised in the preparation of a building component of the 2017-2017 Annual Infrastructure Program.

20/03/2017: Preliminary modelling of long term investment requirements across the portfolio of Council buildings has now been completed. Summary report for Council is being prepared to convey initial findings however detailed analysis and adjustment is still required to take into consideration the current policies contained within the BAMP as well as preparation of various scenarios if service levels are changed. Scenario models will be presented to Council as part of developing the revised BAMP.

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19/04/2017: First Draft of BAMP is expected in the first	guarter of 2017/18.
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ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
96	24/2/15	7.1	Operations	Manager Technical Services

#### ACTION

That a meeting be arranged between council staff and the residents of Holloway Street, Boort, to discuss the proposed works for the street.

#### COMMENTS

11/3/15: Planning and design for the Holloway street project has been included within the 2015/16 draft annual infrastructure program. It is envisaged that a consultant will be engaged to prepare the township street plan for Holloway Street including consultation with local residents.

11/6/15: Further progress in developing streetscape plans for Holloway Street, including the required public consultation meeting are on hold pending approval of Council's 2015/16 budget.

11/09/2015: Co-ordination of community meetings (residents of Holloway Street) is still to occur. Council's Infrastructure Department is preparing a specification for the engagement of a suitably qualified civil consultancy to prepare the Holloway Street Streetscape designs as well as conduct the necessary consultation with local residents. Item shall be raised with the Manager Infrastructure as a point of urgency.

11/4/2016: Tomkinson group have been engaged to develop project plans as well as undertake the necessary community consultation with local residents. It is expected that initial concept plans will be finalised during May with initial consultations then to follow.

10/6/16: Plans are completed to a level beyond the concept stage. Plans needed to be progressed closer to a functional stage to determine what can be done with the existing drainage issues and other constraints within this site. We can't go to the community with a concept they might not actually work. Plans should be available within 4 weeks.

6/7/2016: Plans are completed and estimates are being prepared for the whole of the works. Plans can now be communicated to the community for consultation.

11/8/2016: A consultation to the community will be implemented without further delay.

**31/08/2016:** Design and associated cost estimate has now been received. Initial estimates for works required are in the order of \$1.2 Million. This is significantly more than envisaged and consideration will be given to how the works can be progressively delivered over time. Consultation with local residents is being organised with the focus on identification of immediate asset renewal requirements whilst maintaining consistency with the overarching master plan for the streetscape.

**10/01/2017:** Technical service staff are preparing correspondence for the Holloway street residents and greater Boort Community outlining the details of the Holloway Street Proposal. It is proposed to make the plans available on the website and for people that do not have access to the internet we will provide copies on request. Technical services staff will be available to discuss any issues over the phone and attend to any site visits if required.

20/03/2017: Plans yet to be issued to local residents due to competing priorities for technical service resources. Information packages will be issued to residents as soon as possible to prompt initial discussions and feedback regarding current scope of works.

19/04/2017: Meeting times with Residents being progressed for May.

15/05/2017: Letters went out to residents today to commence dialogue for draft streetscape and viewing on Website. Have requested feedback by 22 June and advised that a site meeting or a meeting at a venue to be decided will follow after assessment of feedback if warranted.

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ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
132	23/8/2016	7.1	Corporate Services	Director Corporate Services

#### ACTION

Cr Curnow asked whether there had been any further action regarding the Tarnagulla community centre and its separation from the Tarnagulla hall. The Director Corporate Services will investigate the matter and provide advice.

#### COMMENTS

31/08/2016: DELWP advise that they are still waiting on plans from Crown Survey Approvals following a recent survey of the land. In the meantime, for insurance purposes DELWP have suggested that a section 17B licence agreement be issued to the Community Centre; however the Hall Committee would need to agree to this. The President of the Hall Committee will be contacted shortly to discuss this option.

27/09/2016: Separate conversations have occurred between Director Corporate Services and: President of the Hall Committee, President of the Community Centre Action Group and Cr Curnow, to discuss the issues. Director Corporate Services has been liaising with DELWP to progress the finalisation of the plans by Crown Survey Approvals. DELWP is still insistent on a s17B licence agreement between the parties to ensure users are covered by insurance. Contact will be made with Barry Rogers, secretary of the Hall Committee, who has been asked to liaise with us on behalf of the Hall Committee while the president is away. A meeting will be scheduled with representatives of interested parties on a date after the council election.

21/10/2016: Barry Rogers has been provided with a draft licence agreement for the Hall Committee to consider prior to the Hall Committee offering it to the Action Group for signing. The finalisation of the plans by Crown Survey Approvals is still underway. Once completed, DELWP will be able to issue a separate management agreement to the Action Group. The Director Corporate Services is currently arranging a time to meet with the Hall Committee or its representative.

10/11/2016: Hall Committee was meeting on 8 November to discuss entering section 17B licence agreement with Community Centre until survey is complete and new management committee is put in place.

**30/11/2016:** Hall Committee have agreed to licence agreement being prepared for Action Group. Hall Committee have advised that Action Group have agreed to enter into licence agreement. DELWP are preparing the agreement for signing by the Action Group.

**16/12/2016**: DELWP is currently preparing a section 17B licence agreement for signing by the Action Group as an interim measure while the plans are being completed by Crown Survey Approvals. Completion of the plans will enable a separate committee of management to be appointed for the Community Centre.

14/2/2016: DELWP has forwarded the section 17B licence agreement to the committee of management for completion. Plans are still being completed by Crown Survey Approvals.

15/3/2017: The Committee of Management is considering the 17B licence agreement. Plans are still being completed by Crown Survey Approvals.

11/4/2017: By letter dated 10 March 2017, Maree Edwards, State Member for Bendigo East contacted the Lily D'Ambrosio, Minister for Energy, Environment and Climate Change seeking assistance to progress the division of the title as soon as possible. A copy of the letter was provided to Councillor Curnow. A letter has also been received from the Loddon Southern Development & Tourism Committee requesting assistance with better access to and utilisation of the Community Centre. DELWP have advised that the existing committee appointment over the Public Hall reserve is due to expire on 31 July 2017. Paperwork for reappointment will be forwarded to the committee in the coming weeks. A report will be prepared for discussion with Council in May.

09/05/2017: A report is being prepared for the May Briefing providing a detailed update on this issue.

02/06/2017: DELWP have been advised that Council do not wish to be the committee of management for the Community Centre however Council is working with the

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community to establish suitable management arrangements.

14/06/2017: DELWP have confirmed receipt of Council's advice that it does not wish to be the committee of management and is working with the community to establish suitable management arrangements.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 13 December 2016	Carolyn Stephenson	Planning Scheme Amendment to Correct Mapping Errors	27/12/2016	16/12/2016	
7.2		Peter Cownley				
2016/39						

# **RESOLUTION 2016/39**

Moved: Cr Colleen Condliffe Seconded: Cr Cheryl McKinnon

#### That Council

- 1. Request authorisation from the Minister for Planning to prepare an amendment to the Loddon Planning Scheme to correct the mapping errors as identified in the attached table.
- 2. Should authorisation be provided, prepare the amendment and place the amendment on exhibition.

**CARRIED** 

30 May 2017 - 12:57 PM - Carolyn Stephenson

Currently on exhibition. Exhibition closes 26th June. Will be reported to July meeting.

16 May 2017 - 1:59 PM - Christine Coombes

Still waiting on Ministerial approval from DELWP. Proposed pbulic exhibition is 25 May 2017.

03 May 2017 - 12:18 PM - Carolyn Stephenson

Still waiting for Ministerial authorisation for exhibition

21 Mar 2017 - 9:38 AM - Carolyn Stephenson

Currently on exhibition, Exhibition closes 26th June, Will be reported to July meeting

Currently on exit	differency of exhibition closes 20th other. Will be reported to only meeting.						
Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed	
New Item	Ordinary Council Meeting 28 February 2017	Indivar Dhakal	FOOTPATHS IN PYRAMID HILL	14/03/2017	10/03/2017	"	
11.3		Peter Cownley					
2017/60							

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Division:
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Officer:

Action Sheets Report

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Date To: 31/12/2018
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#### 11.3 FOOTPATHS IN PYRAMID HILL

#### **RESOLUTION 2017/60**

Moved: Cr Cheryl McKinnon Seconded: Cr Geoff Curnow

Council noted concerns raised by Cr Cheryl McKinnon from members of the Pyramid Hill business community about the ongoing unsafe condition of footpaths. Ian McLauchlan undertook to investigate the matter and report to Council.

CARRIED

15 Jun 2017 - 6:59 PM - Indivar Dhakal

A report has been prepared to present at the June Council meeting seeking approval of budget variation.

11 Apr 2017 - 3:53 PM - Christine Coombes

Action reassigned to Indivar Dhakal by: Christine Coombes

11 Apr 2017 - 2:55 PM - Christine Coombes

Action reassigned to Peter Cownley by: Christine Coombes

20 Mar 2017 - 12:15 PM - Ian McLauchlan

Report on progress of Capital works projects, including footpath renewal works, contained within the 2016-17 Annual Infrastructure Program is being prepared and expected to be presented to Council in April 2017.

Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 26 April 2017	Indivar Dhakal	Load Restriction on Lakeview Street, Boort	10/05/2017	9/05/2017	"
8.4		Peter Cownley				
2017/72						

## **RESOLUTION 2017/72**

Moved: Cr Cheryl McKinnon Seconded: Cr Colleen Condliffe

- 1. That Council resolve in principle to undertake a study for a by-pass route for heavy vehicles in Boort.
- 2. That a project brief be prepared for suitably qualified traffic consultants to undertake the study and the brief be submitted for Council consideration at the Council meeting 27 June 2017.
- 3. That advice be given by public advertisement regarding the current status relating to the use of Lakeview Street pending further consideration of the matter.

CARRIED

15 Jun 2017 - 1:35 PM - Indivar Dhakal

Project brief is being prepared and an information report has been prepared to be presented at June Council meeting outlining the progress.

16 May 2017 - 1:57 PM - Christine Coombes

Item 3 information contained in May Mayoral Column

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_	Committee:	Ordinary Council Meeting	Date To:	31/12/2018	
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Actions completed since last meeting

Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 March 2017	Indivar Dhakal	Demolition of Council Owned Buildings at Dingee and Murphys Creek	11/04/2017	7/04/2017	15/06/2017
8.3		Peter Cownley				
2017/68		,				

#### RESOLUTION 2017/68

Moved: Cr Colleen Condliffe Seconded: Cr Cheryl McKinnon

#### That Council:

- 1. Resolve to demolish the Council owned building at 789 Dingee Road, Dingee (Previously known as the caretaker's residence).
- 2. Resolve to demolish the Council owned building at 3558 Wimmera Highway, Murphys Creek (Murphys Creek Recreation Reserve hall).
- 3. Consider allocating \$33,000 within the 2017-18 budget to facilitate the required demolition works and as necessary, asbestos removal.

**CARRIED** 

15 Jun 2017 - 1:37 PM - Indivar Dhakal Action completed by: Indivar Dhakal

The building has been listed under capital works program to be demolished.

16 May 2017 - 2:03 PM - Christine Coombes

The \$33,000 required is provided in the 2017/18 draft budget.

19 Apr 2017 - 4:47 PM - Christine Coombes

Allocation of \$33,000 is in the bulk allocation for building works of \$400,000 that will be reported to the next Forum.

Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 March 2017	Lynne Habner	Memorandum of Understanding with GWM Water - South West Loddon Pipeline Water Supply Project	11/04/2017	7/04/2017	16/06/2017
8.8 2017/73		Phil Pinyon				

#### **RESOLUTION 2017/73**

Moved: Cr Geoff Curnow Seconded: Cr Cheryl McKinnon

That Council enter into the Memorandum of Understanding between Loddon Shire Council and Grampians Wimmera Mallee Water Corporation for the South West Loddon Pipeline Water Supply Project subject to the CEO finalising the matters requiring resolution as identified.

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**CARRIED** 

16 Jun 2017 - 12:56 PM - Lynne Habner Action completed by: Lynne Habner

Completed. MOU signed by both parties by 16/6/17.

13 Jun 2017 - 2:14 PM - Lynne Habner

GWM has signed this MOÚ and will take to Loddon Shire for CEO signature on 16 June to finalise.

09 May 2017 - 4:47 PM - Lynne Habner

Draft MOU returned to GWM Water with final suggested adjustments from Council officers 9/5/17.

12 Apr 2017 - 11:52 AM - Lynne Habner

Work in progress.

Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 26 April 2017	Indivar Dhakal	Road Management Plan 2017	10/05/2017	9/05/2017	15/06/2017
8.2		Peter Cownley				
2017/69		_				

#### **RESOLUTION 2017/69**

Moved: Cr Cheryl McKinnon Seconded: Cr Geoff Curnow

- 1. That Council, pursuant of Section 54 of the Road Management Act 2004 (the Act), provide public notice on government gazette and local newspaper of its proposal to amend the Loddon Shire Council's Road Management Plan (the Plan).
- 2. That a further report be provided to Council on clause 8.2 of the Road Management Plan to allow consideration to be given to adjusting intervention levels so as to improve the standard of road maintenance and the consequent cost implications.

CARRIED

15 Jun 2017 - 1:32 PM - Indivar Dhakal Action completed by: Indivar Dhakal

The plan has been published on government gazette and on newspaper. A subsequent report has been prepared to present at June Council meeting regarding the review of intervention level. 16 May 2017 - 9:54 AM - Christine Coombes

Phil Pinyon - Road Management Plan exhibited, submissions close 2 June 2017. Report to be presented to June meeting re clause 8.2.

Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 26 April 2017	Indivar Dhakal	Permanent Closure of Nankervills Road, Campbells Forest and Wilkinsons Road, Leaghur	10/05/2017	9/05/2017	15/06/2017
8.3		Peter Cownley				
2017/70						

#### **RESOLUTION 2017/70**

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Outstanding Actions

Division:
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Officer:

Date From: 1/01/2016
Date To: 31/12/2018

Action Sheets Report Printed: Tuesday, 20 June 2017 1:00:23 PM

Moved: Cr Gavan Holt Seconded: Cr Colleen Condliffe

That Council defer a decision on the road closure of Nankervills Road, Campbells Forest to allow a further report to be provided to Council on continued public

access.

**CARRIED** 

15 Jun 2017 - 1:34 PM - Indivar Dhakal Action completed by: Indivar Dhakal

Subsequent report to this report has been prepared to present to the Council in June regarding continued public acess in Nankervills Road. Submission makers have been notified in writing regarding the Council resolution.

16 May 2017 - 1:57 PM - Christine Coombes Report will be presented to the June meeting.

Est. Compl. Type Meeting Officer/Director Subject Emailed Completed New Item Ordinary Council Meeting 26 April 2017 Peter Cownley Kerb and channel on Allen Street, Korong Vale 10/05/2017 9/05/2017 20/06/2017 11.1 Phil Pinyon 2017/86

# 11.1 KERB AND CHANNEL ON ALLEN STREET, KORONG VALE

#### RESOLUTION 2017/86

Moved: Cr Gavan Holt Seconded: Cr Colleen Condliffe

Cr Gavan Holt requested that Council make representations to VicRoads on behalf of the people of Korong Vale concerning the state of the kerb and channel in Allen Street, Korong Vale.

**CARRIED** 

20 Jun 2017 - 12:55 PM - Christine Coombes Action completed by: Christine Coombes

Complete

16 May 2017 - 1:00 PM - Christine Coombes

Request has been sent to Vicroads 16/5/17 requesting that 1.they include 300m K&C replacement in Allen St Korong Vale in their capital works program for 2017/18

2. Letter includes offer that if funds are provided Council will manage the delivery of the works

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Set Ite	em Ordinary Council Meetin	ng 26 April 2017 Indivar Dhakal	Permanent closure of Wilkinsons Road, Leaghur	10/05/2017	11/05/2017	15/06/2017
1		Peter Cownley				

2017/71

#### **RESOLUTION 2017/71**

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	Officer:		
Action Sheets Report		Printed: Tuesda	ay, 20 June 2017 1:00:23 PM

Moved: Cr Geoff Curnow Seconded: Cr Cheryl McKinnon

#### That Council:

1. Resolve closure and subsequent removal from Register of Public Roads of Wilkinsons Road, Leaghur.

2. Resolve that officers inspect properties adjoining Wilkinsons Road and report on matters relating to vegetation removal.

CARRIED

15 Jun 2017 - 1:36 PM - Indivar Dhakal Action completed by: Indivar Dhakal

Submission makers have been notified regarding the Council resolution. The section of the road will be removed from Council register of public roads in the new financial year.

16 May 2017 - 2:05 PM - Christine Coombes

Manager Glenn Harvey attended the site in question on Wilkinsons Road and could not identify any evidence of unathorised vegetation removal - email advice sent to all Councillors 15/5/2017.

Туре	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 23 May 2017	Indivar Dhakal	2017-2018 Annual Infrastructure Program	6/06/2017	1/06/2017	15/06/2017
8.1		Peter Cownley				
2017/92						

#### **RESOLUTION 2017/92**

Moved: Cr Gavan Holt Seconded: Cr Cheryl McKinnon

That Council approve the proposed 2017/18 Annual Infrastructure Program encompassing roads, drainage, townscape services (parks and gardens) and buildings attached.

**CARRIED** 

15 Jun 2017 - 1:31 PM - Indivar Dhakal Action completed by: Indivar Dhakal

Program has been processed and will be submitted to Finance to assign ledger numbers

15 Jun 2017 - 1:22 PM - Indivar Dhakal

The program has been forwarded to the design team and will be forwarded to Finance to assign ledger numbers. Once that's received, it will be forwarded to Operations.

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# 6 MAYORAL REPORT

# 6.1 MAYORAL REPORT

File Number: 02/01/001

Author: Lynne Habner, A/Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

# **RECOMMENDATION**

That Council receive and note the Mayoral Report

# **REPORT**

The Mayor will present a report at the meeting.

Item 6.1 Page 18

# 7 COUNCILLORS' REPORT

# 7.1 COUNCILLORS' REPORTS

File Number: 02/01/001

Author: Lynne Habner, A/Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

# **RECOMMENDATION**

That Council receive and note the Councillors' reports

# **REPORT**

Each Councillor will present a report at the meeting.

Item 7.1 Page 19

# 8 DECISION REPORTS

# 8.1 ADOPTION OF THE 2017/18 BUDGET

File Number: 07/01/001

Author: Deanne Caserta, Manager Financial Services
Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. 2017/18 Budget

# **RECOMMENDATION**

That Council, having advertised the Draft Budget and having received no submissions, adopt the 2017/18 Budget.

# **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

Council was presented with the 2017/18 Draft Budget at a Council Forum on Tuesday 11 April 2017.

Council resolved to advertise the Draft Budget at a Council Meeting on Wednesday 26 April 2017.

# **BACKGROUND**

Advertisements were placed in the Bendigo Advertiser on Saturday 29 April 2017 and Saturday 6 May 2017 and in the Loddon Times on Tuesday 2 May 2017.

The Draft Budget was placed on public display for 28 days from Monday 8 May 2017 until Monday 5 June 2017, in accordance with the requirements of Section 223 of the Local Government Act 1989 (the Act).

During this period, copies of the Draft Budget were made available for public inspection at the Wedderburn and Serpentine Council Offices, at post offices, neighbourhood houses and resource centres across the municipality, and on Council's website.

# ISSUES/DISCUSSION

No submissions were received during the public display period.

However, during the submission period Council was advised of the Victorian Grants Commission intention to pay 50% of the 2017/18 allocation in June 2017 (within the 2016/17 financial year). As a result, changes were required to the 2016/17 Revised and 2017/18 Draft Budget, with the summary results on the following page.

Item 8.1 Page 20

# **Comprehensive Income Statement**

Version 1 Draft Budget

Version 2 Draft Budget - VGC Changes

	Forecast	Budget		Forecast	Budget
	2016/17	2017/18		2016/17	2017/18
Income			Income		
Rates and charges	\$10,105,251	\$10,406,865	Rates and charges	\$10,105,251	\$10,406,865
Statutory fees and fines	\$257,417	\$248,670	Statutory fees and fines	\$257,417	\$248,670
Userfees	\$1,744,874	\$1,432,607	User fees	\$1,744,874	\$1,432,607
Grants - operating	\$9,902,028	\$9,844,316	Grants - operating	\$14,004,302	\$5,830,781
Grants - capital	\$6,192,226	\$3,343,519	Grants - capital	\$6,150,476	\$3,296,530
Contributions - monetary	\$115,331	\$15,000	Contributions - monetary	\$115,331	\$15,000
Net gain/(loss) on disposal of			Net gain/(loss) on disposal of		
property, infrastructure, plant and			property, infrastructure, plant and		
equipment	\$0	\$0	equipment	\$0	\$0
Share of net profits/(losses) of			Share of net profits/(losses) of		
associates and joint ventures	\$0		associates and joint ventures	\$0	\$0
Other income	\$1,424,947	\$1,393,967	Other income	\$1,424,947	\$1,393,967
Total income	\$29,742,074	\$26,684,944	Total income	\$33,802,598	\$22,624,420
Expenses			Expenses		
Employee costs	\$10,212,285	\$10,809,393	Employee costs	\$10,212,285	\$10,809,393
Materials and services	\$10,212,014	\$8,606,761	Materials and services	\$10,212,014	\$8,606,761
Bad and doubtful debts	\$0	\$0	Bad and doubtful debts	\$0	<b>+</b> -
Depreciation and amortisation	\$8,757,634	\$8,976,575	Depreciation and amortisation	\$8,757,634	\$8,976,575
Borrowing costs	\$0	\$0	Borrowing costs	\$0	\$0
Other expenses	\$299,116	\$304,738	Other expenses	\$299,116	\$304,738
Total expenses	\$29,481,049	\$28,697,467	Total expenses	\$29,481,049	\$28,697,467
Surplus/(deficit) for the year	\$261,025	(\$2,012,523)	Surplus/(deficit) for the year	\$4,321,549	(\$6,073,047)
Other comprehensive income			Other comprehensive income		
Net asset revaluation			Net asset revaluation		
increment/(decrement)	\$0	\$0	increment/(decrement)	\$0	\$0
Shares of other comprehensive			Shares of other comprehensive		
income of associates and joint			income of associates and joint		
ventures	\$0	\$0	ventures	\$0	\$0
Total comprehensive result	\$261,025	(\$2,012,523)	Total comprehensive result	\$4,321,549	(\$6,073,047)

Although there have been changes to the document in both years, there has been no overall impact to the cash surplus/(deficit) for each year.

These changes to the 2017/18 Draft Budget will also be reflected in the Strategic Resource Plan in the 2017-2021 Council Plan.

# **COST/BENEFITS**

The benefits to Council and the community are that a consultative budget process complies with the Local Government Act 1989, and allows the community to provide feedback to Council on the budget's content.

The budget provides a measure for accurate planning, and ensures that Council can deliver services and projects included in the document.

# **RISK ANALYSIS**

The risk to Council of not discussing and advertising the annual budget is that it will not comply with requirements under the Local Government Act 1989.

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# **CONSULTATION AND ENGAGEMENT**

The Local Government Act 1989 requires that the Draft Budget be available for public comment from a period of 28 days after Council advertisement. After the lapsing of 28 days all submissions received must be provided to Council when deliberating on adoption of the 2017/18 Budget.

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# LODDON SHIRE COUNCIL

# **BUDGET FOR YEAR ENDED 30 JUNE 2018**





# LODDON SHIRE COUNCIL LODDON BUDGET FOR THE YEAR ENDED 30 JUNE 2018

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# **MAYOR'S INTRODUCTION**

The Councillors and I are pleased to present the 2017/18 Budget to the community. This budget builds on our Council Plan 2017-21 vision of "A prosperous, vibrant and engaged community and focuses on the following five key themes:

- Population;
- Economic prosperity;
- Liveability;
- Sustainability:
- High performance organisation.

The Council Plan 2017-21 (Year 1), sets out our strategic plan to deliver our vision over the full term of the Council. As this is the first year of the current Council term, part of the focus over the next year will be on the planning and design activities required to deliver current commitments.

The budget details the resources required over the next year to fund a large range of services we provide to the community. It also includes details of proposed capital expenditure allocations to improve and renew our Shire's road infrastructure, buildings and operational assets as well as funding for a range of projects.

As Councillors, it is our job to listen to community sentiment and understand your priorities. During and following the Council elections in 2016 we have consistently heard that Council's services are valued by the community, and that Council also needs to be financially responsible. In response, Council has continued an organisation wide approach to identify savings that don't impact on its services, to provide increased value for money to ratepayers. Council will continue to focus on identifying sustainable cost savings that will enable it to deliver on our Council Plan to deliver high quality, responsive and accessible services to the community.

The budget includes a rate increase of 2.0 per cent. This is in line with the Fair Go Rates System which has capped rate increase by Victorian Councils. Council has also identified a number of significant cost and revenue impacts during the budget process which it has had to take into consideration. These include:

- the changes in financial support provided by the Victorian Government within the Home and Community Care area;
- the increasing demand for services from the community and an expectation that at least all services will be maintained at their present standard;
- Council's desire to continue to support Community Planning to drive strategic outcomes from a community level.

Some of the highlights contained in the 2017/18 Budget include:

- full funding of Council's ongoing commitment of community planning of \$750K;
- an increased commitment to investment in information technology;
- strong investment in local road and related infrastructure maintenance;
- \$400K allocation for works associated with the Building Asset Management Plan;
- continued support for the aged services and early years programs;
- capital expenditure program of \$9.36 million;
- no loan repayments with Council remaining debt free;
- continuation of a strong cash position.

This budget was developed through a rigorous process of consultation and review and Council endorses it as financially responsible. I encourage the community to read through this document, in conjunction with the Council Plan 2017-21.

Cr. Neil Beattie Mayor

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# **EXECUTIVE SUMMARY**

Council has prepared a budget for 2017/18 which is aligned to the vision in the Council Plan 2017-21. It seeks to maintain and improve services and infrastructure as well as deliver projects and services that are valued by our community, and do this within rate increases mandated by the State Government.

This budget projects a cash surplus of \$0.207 million for 2017/18, however, it should be noted that the adjusted underlying result is a surplus of \$0.46 million after adjusting for capital grants and contributions (refer Sections 5 and 10.1).

# 1 Key things we are funding

- ongoing delivery of services to the Loddon Shire Council community
- continued investment in capital projects (\$9.36M). This includes roads (\$3.77M); urban and road drainage (\$1.56M); footpaths (\$0.29M); recreational, leisure and community facilities (\$1.12M) and parks, open space and streetscapes (\$0.35M).

# 2 The rate rise

- the average rate will rise be 2.0% in line with the order by the Minister for Local Government on 19 December 2016 under the Fair Go Rates System
- this year is not a revaluation year, therefore, valuations will be as per the General Revaluation dated 1 January 2016 (as amended by supplementary valuations)
- the waste service charges will increase by 10.0% per collection item
- refer to Section 7 for further Rates and Charges details.

## 3 Key statistics

Total revenue is \$22.62 million (2016/17 \$33.80 million)

Total operating expenditure is \$28.70 million (2016/17 \$29.48 million)

Accounting result is \$6.07 million deficit (2016/17 \$4.32 million surplus)

(Refer Income Statement in Section 3)

Note: Based on total income of \$22.62 million which includes capital grants and contributions.

<u>Underlying operating result</u> is \$4.5 million surplus (\$5.48 million deficit in 2016/17)

(Refer Analysis of operating budget in Section 10.1)

Note: Underlying operating result is an important measure of financial sustainability as it excludes income which is to be used for capital.

Cash result is \$0.21 million surplus (\$1.80 million surplus in 2016/17)

(Refer Capital Expenditure Statement in Appendix E)

Note: This is the net funding result after considering the funding requirements to meet reserve transfers.

Capital works program of \$9.36 million (\$17.69 million in 2016/17)

\$3.89 million from Council operations

\$1.58 million from reserves

No borrowings

\$0.16 million from asset sales

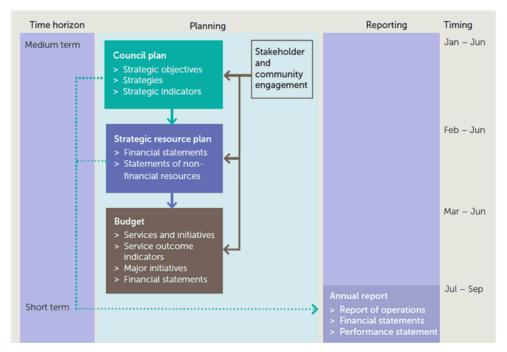
\$3.1 million from external grants.

# 1 LINKAGE TO THE COUNCIL PLAN

This section describes how the Budget links to the achievement of the Council Plan within an overall planning and reporting framework. This framework guides the Council in identifying community needs and aspirations over the long term (Long Term Financial Plan 2017/18 to 2026/27), medium term (Council Plan) and short term (Budget) and then holding itself accountable (Annual Report).

# 1.1 Planning and accountability framework

The Strategic Resource Plan, part of and prepared in conjunction with the Council Plan, is a rolling four year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The Budget is framed within the Strategic Resource Plan, taking into account the services and initiatives which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the planning and accountability framework that applies to local government in Victoria.



Source: Department of Environment, Land, Water and Planning

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Budget process.

# 1. LINKAGE TO THE COUNCIL PLAN (Continued)

# 1.2 Our purpose

Our Vision

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

Our Mission

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

Our Values

#### Leadership

Means acting ethically, dealing with suspected wrongdoing, doing the right thing even in the face of adversity, giving proper advice fearlessly, taking initiative, being innovative and acting strategically.

# Integrity

Means obeying the law, following the intention of policies and procedures, fully disclosing actual or potential conflicts of interest, acting honestly and responsibly and observing organisational values and codes of conduct.

#### Accountability

Means having justifiable reasons for decision and actions, obtaining value for money, continuously improving, keeping proper records, and submitting to scrutiny.

#### Impartiality

Means being fair by being fully informed, considering only relevant matters, and dispassionately assessing without fear, favour or bias.

### Respect

Means being open to feedback and other views, communicating with clarity and sensitivity, giving all relevant information, providing reasons for decisions, collaborating and working effectively in teams, being courteous and being punctual.

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# 1. LINKAGE TO THE COUNCIL PLAN (Continued)

## 1.3 Core business of Council

In preparing the Council Plan, the Council has articulated the scope of its role in:

## 1 - Leadership

Providing vision and leadership in planning for our community's longer term future.

# 2 - Provision of well being services

Cost effectively providing for the basic needs of our communities.

# 3 - Planning for future needs

Anticipating and planning for demographic and economic shifts.

#### 4 - Economic development

Supporting the growth and diversification of our economy, based on areas of competitive advantage.

## 5 - Providing quality infrastructure

Developing and maintaining both built and natural assets appropriate to community priorities.

## 6 - Financial stability

Planning and managing for long-term financial needs and keeping our rate payers informed about the financial situation.

# 7 - Education and life-long learning

Advocating for better youth engagement and life-long learning outcomes.

## 8 - Compliance

Ensuring we are compliant with all legislative reporting requirements.

# 9 - Regulation

Ensuring community compliance with local regulations.

# 10 - Advocacy and partnerships

Collaborating internally and externally to achieve our region's goals and promoting the interests and position of our Council.

# 1.4 Strategic themes

In addition Council has identified five high level strategic themes which are priority activities for the Council over the next four years. These are:

Population - Grow and invigorate Loddon's population

Economic prosperity - Support development of a prosperous and diverse economy

Liveability - Develop attractive, vibrant and well- serviced communities

Sustainability - Provide leadership which contributes to the sustainability of our region

High performance organisation - Implement frameworks which enable sound decision making and support a high performing and customer-focused organisation.

The Budget includes major initiatives that sit under the strategic themes that will be delivered in 2017/18. They are considered high priority projects in attempting to achieve the strategic platform objectives.

# 1. LINKAGE TO THE COUNCIL PLAN (Continued)

# 1.6 Reporting framework

Council has retained its current reporting structure, which includes six Key Direction Areas, as follows:

#### 1 - Economic development and tourism

To promote economic growth through the retention and development of agriculture and business, and the development and promotion of tourism.

# 2 - Leadership

To provide Loddon Shire with strategic direction, representation and advocacy to promote good government, realisation of opportunities and to build confidence, pride and unity within the community.

#### 3 - Works and infrastructure

Infrastructure to be provided in an efficient manner that meets the needs of the community.

# 4 - Good management

Ensure best practice management of human, physical and financial resources.

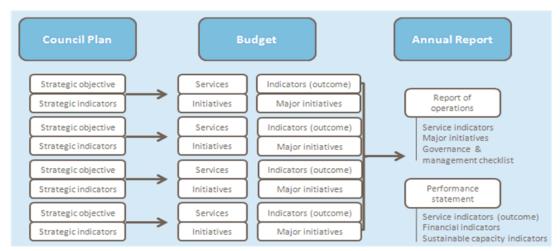
#### 5 - Environment

To promote and enhance the natural and built environment for the enjoyment of future generations.

#### 6 - Community services and recreation

To enhance the quality of life of all ages through the provision of community services and support of community organisations.

This section provides a description of the services and initiatives to be funded in the Budget for the 2017/18 year and how these will contribute to achieving the strategic platforms specified in the Council Plan. It also describes a number of major initiatives and service performance outcome indicators for key areas if Council's operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in the Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Environment, Land, Water and Planning

# 2.1 Strategic themes

The following provides a brief outline of the strategic themes outlined within the Council Plan.

# 2.1.1 Strategic theme 1 - Population

# Objective:

Grow and invigorate Loddon's population

# Key priorities:

- a) population growth and diversity develop a more balanced and sustainable demographic profile
- b) quality childcare services optimise the potential for all residents to pursue employment opportunities and lifestyle choices
- c) infrastructure, amenities and services support community needs with high standard infrastructure, facilities, services and programs
- d) attractive housing policies encourage population growth by improving the ease of transition for new residents
- e) public transport services improve the mobility and accessibility of residents to lifestyle needs and choices.

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# 2.1 Strategic themes (continued)

# 2.1.2 Strategic theme 2 - Economic prosperity

#### Objective:

Support development of a prosperous and diverse economy

#### Key priorities:

- a) tourism realise Loddon's tourism potential by supporting and promoting our natural, historical and cultural assets
- b) economic development encourage economic development by providing support which facilitates business initiatives and growth
- c) water security secure adequate water access to maintain the viability of diverse economic activities
- d) economic infrastructure support the delivery of key public infrastructure that facilitates improved economic returns
- e) business capability facilitate improvement in the business capabilities of Loddon traders and entrepreneurs.

# 2.1.3 Strategic theme 3 - Liveability

#### Obiective:

Develop attractive, vibrant and well-serviced communities

# Key priorities:

- a) township appearance ensure our townships are presented to a high standard
- b) community engagement build relationships and foster community engagement, pride and resilience
- c) lifestyle infrastructure provide quality infrastructure which supports the desired lifestyles of our residents
- d) water security secure adequate water access with supports lifestyle needs and recreational choices.

# 2.1.4 Strategic theme 4 - Sustainability

# Objective:

Provide leadership which contributes to the sustainability of our region

# Key priorities:

- a) economic sustainability ensure the ongoing economic viability of Loddon Shire Council operations
- b) environmental sustainability deliver adequate, efficient and sustainable environment and waste management services
- c) social sustainability Actively promote policies and activities which facilitate community health, harmony and engagement.

# 2.1 Strategic themes (continued)

# 2.1.5 Strategic theme 5 - High performance organisation

#### Objective:

Implement frameworks which enable sound decision making and support a high performing and customerfocused organisation

# Key priorities:

- a) financial management practise responsible and sustainable financial behaviours
- b) quality customer service improve communication with community and customers
- c) IT infrastructure improve internal and external service delivery
- d) leadership and representation deliver results in line with the direction of Council
- e) organisational development develop the necessary culture and capabilities to achieve Council's strategic and operational objectives
- f) compliance and reporting meet our legislative requirements and improve internal efficiencies.

# 2.2 Major initiatives

This section provides a description of the individual key activities and initiatives to be funded in the Budget for 2017/18.

# 2.2.1 Strategic theme 1

# Key priority

Advocate for the provision of quality facilities and services which attract and retain families.

# Major initiative

Implement the Donaldson Park Master Plan.

# 2.2.2 Strategic theme 2

# Key priority

Develop a comprehensive, cohesive and compelling story which positions and promotes Loddon Shire as 'Victoria's Natural Playground'.

## Major initiative

Complete a review of the Tourism Strategy.

# 2.2.2 Strategic theme 3

## Key priority

Improve character and quality of townships.

# Major initiative

Implement streetscape improvements in key townships.

# 2.2.4 Strategic theme 4

# Key priority

Promote multi-purpose facility sharing opportunities which meet community needs.

# Major initiative

Review the Small Towns Policy.

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# 2.2 Major initiatives (continued)

2.2.6 Strategic theme 5

# Key priority

Implement the software purchases and upgrades as identified within the IT strategy.

# Major initiative

Replace phone system.

# 2.3 Service performance outcome indicators

These service performance outcome indicators are those prescribed in accordance with the Regulations and are reported within Council's Performance Statement.

Indicator	Performance measure	Computation
	Governance	
Satisfaction	Satisfaction with Council Decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community	Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community
	Home and community care	
Participation	Participation in HACC Service (Percentage of the municipal target population that receive a HACC service)	[Number of people who received a HACC service / Municipal target population for HACC services] x100
Participation	Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)	[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100
	Maternal and child health	
Participation	Participation in the MCH service (percentage of children enrolled who participate in the MCH service	[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100
Participation	Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)	[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100

# 2.3 Service performance outcome indicators

Performance measure	Computation
Active library members (Percentage of the municipal population that are active library members)	[Number of active library members / municipal population] x100
	ls
visits to aquatic facilities per head of municipal population)	Number of visits to aquatic facilities / Municipal population
Statutory planning	
Council planning decisions upheld at VCAT (percentage of planning application decisions subject to review by VCAT and that were not set aside)	[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100
Waste collection	•
Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100
Roads	
Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads
Animal management	•
Animal management prosecutions (Number of successful animal management prosecutions)	Number of successful animal management prosecutions
rood safety	[Number of suition of suition
Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are followed up by Council)	[Number of critical non- compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100
	Active library members (Percentage of the municipal population that are active library members)  Aquatic facilities  Utilisation of aquatic facilities (The number of visits to aquatic facilities per head of municipal population)  Statutory planning  Council planning decisions upheld at VCAT (percentage of planning application decisions subject to review by VCAT and that were not set aside)  Waste collection  Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)  Roads  Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)  Animal management  Animal management  Animal management prosecutions (Number of successful animal management prosecutions)  Food safety  Critical and major non-compliance notifications (Percentage of critical and major non-compliance outcome notifications that are

# 2.4 Services

Section 127(2)(b) and (c) of the Act required the budget to contain a description of the services funded in the budget. This is in further detail below:

110. ECO DEV & TOURISM STRATEGIES  111. ECONOMIC DEVELOPMENT 121. TOURISM 122. TOURISM INITIATIVES 123. CARAVAN PARKS 125. LODDON DISCOVERY TOURS 131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$208,011 \$206,784 \$212,341 \$93,273 \$230,745 \$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$35,000) \$0 \$0 \$0 \$0 \$0 (\$870,032) (\$23,752) \$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491) \$0	\$243,011 \$206,784 \$212,341 \$93,273 \$1,100,776 \$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
STRATEGIES  111. ECONOMIC DEVELOPMENT  121. TOURISM  122. TOURISM INITIATIVES  123. CARAVAN PARKS  125. LODDON DISCOVERY TOURS  131. PROMOTIONAL INITIATIVES  132. INDUSTRIAL SITES  141. CONTRIBUTIONS  142. ECONOMIC DEVELOPMENT  151. BUILDING CONTROL  161. COUNCIL RESIDENCES  181. STANDPIPES & TRUCKWASHES  191. ACQUISITION & DISPOSAL  211. COUNCILLOR COSTS  212. EXECUTIVE  221. LOCAL LAWS  230. DEVELOPMENT SERVICES  232. COMMUNITY LEADERSHIP  251. RECORDS MANAGEMENT  281. MUN EMERGENCY MAN  311. STAFF ONCOSTS  320. TECHNICAL SERVICES  321. PLANT OPERATING  322. FLEET	\$206,784 \$212,341 \$93,273 \$230,745 \$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 \$0 \$0 \$0 (\$870,032) (\$23,752) \$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491)	\$206,784 \$212,341 \$93,273 \$1,100,776 \$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
121. TOURISM 122. TOURISM INITIATIVES 123. CARAVAN PARKS 125. LODDON DISCOVERY TOURS 131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$206,784 \$212,341 \$93,273 \$230,745 \$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 \$0 \$0 \$0 (\$870,032) (\$23,752) \$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491)	\$206,784 \$212,341 \$93,273 \$1,100,776 \$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
121. TOURISM 122. TOURISM INITIATIVES 123. CARAVAN PARKS 125. LODDON DISCOVERY TOURS 131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$212,341 \$93,273 \$230,745 \$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$870,032) (\$23,752) \$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491)	\$212,341 \$93,273 \$1,100,776 \$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
122. TOURISM INITIATIVES 123. CARAVAN PARKS 125. LODDON DISCOVERY TOURS 131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$93,273 \$230,745 \$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$870,032) (\$23,752) \$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491)	\$93,273 \$1,100,776 \$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
123. CARAVAN PARKS 125. LODDON DISCOVERY TOURS 131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$230,745 \$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$870,032)  (\$23,752)  \$0  (\$12,240)  \$0  (\$18,544)  (\$120,959)  (\$2,500)  (\$43,525)  (\$300,000)  \$0  \$0  (\$929)  \$0  (\$50,491)  \$0  (\$53,444)	\$1,100,776 \$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
125. LODDON DISCOVERY TOURS  131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$0 \$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$23,752)     \$0     (\$12,240)     \$0     (\$18,544)     (\$120,959)     (\$2,500)      (\$43,525)     (\$300,000)     \$0     (\$929)     \$0     (\$50,491)     \$0	\$23,752 \$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
TOURS  131. PROMOTIONAL INITIATIVES  132. INDUSTRIAL SITES  141. CONTRIBUTIONS  142. ECONOMIC DEVELOPMENT  151. BUILDING CONTROL  161. COUNCIL RESIDENCES  181. STANDPIPES & TRUCKWASHES  191. ACQUISITION & DISPOSAL  211. COUNCILLOR COSTS  212. EXECUTIVE  221. LOCAL LAWS  230. DEVELOPMENT SERVICES  232. COMMUNITY LEADERSHIP  251. RECORDS MANAGEMENT  281. MUN EMERGENCY MAN  311. STAFF ONCOSTS  320. TECHNICAL SERVICES  321. PLANT OPERATING  322. FLEET	\$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
131. PROMOTIONAL INITIATIVES 132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$10,000 (\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$12,240) \$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$10,000 \$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
132. INDUSTRIAL SITES 141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	(\$3,580) \$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$12,240)	\$8,660 \$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
141. CONTRIBUTIONS 142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$4,400 (\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 (\$929) \$0 (\$929) \$0 (\$50,491)	\$4,400 \$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
142. ECONOMIC DEVELOPMENT 151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	(\$10,791) \$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$18,544) (\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$7,753 \$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
151. BUILDING CONTROL 161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$12,659 \$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$120,959) (\$2,500) (\$43,525) (\$300,000) \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$133,618 \$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
161. COUNCIL RESIDENCES 181. STANDPIPES & TRUCKWASHES 191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$11,720 (\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$2,500) (\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$14,220 \$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
181. STANDPIPES & TRUCKWASHES  191. ACQUISITION & DISPOSAL  211. COUNCILLOR COSTS  212. EXECUTIVE  221. LOCAL LAWS  230. DEVELOPMENT SERVICES  232. COMMUNITY LEADERSHIP  251. RECORDS MANAGEMENT  281. MUN EMERGENCY MAN  311. STAFF ONCOSTS  320. TECHNICAL SERVICES  321. PLANT OPERATING  322. FLEET	(\$1,000) (\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$43,525) (\$300,000) \$0 \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$42,525 \$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
TRUCKWASHES  191. ACQUISITION & DISPOSAL  211. COUNCILLOR COSTS  212. EXECUTIVE  221. LOCAL LAWS  230. DEVELOPMENT SERVICES  232. COMMUNITY LEADERSHIP  251. RECORDS MANAGEMENT  281. MUN EMERGENCY MAN  311. STAFF ONCOSTS  320. TECHNICAL SERVICES  321. PLANT OPERATING  322. FLEET	(\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$300,000) \$0 \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
191. ACQUISITION & DISPOSAL 211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	(\$300,000) \$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$300,000) \$0 \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$0 \$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
211. COUNCILLOR COSTS 212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$361,755 \$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 \$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$361,755 \$360,856 \$142,735 \$151,971 \$67,491 \$99,054
212. EXECUTIVE 221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$360,856 \$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$929) \$0 (\$50,491) \$0 (\$53,444)	\$360,856 \$142,735 \$151,971 \$67,491 \$99,054
221. LOCAL LAWS 230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$141,805 \$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	(\$929) \$0 (\$50,491) \$0 (\$53,444)	\$142,735 \$151,971 \$67,491 \$99,054
230. DEVELOPMENT SERVICES 232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$151,971 \$17,000 \$99,054 \$7,500 (\$222,585)	\$0 (\$50,491) \$0 (\$53,444)	\$151,971 \$67,491 \$99,054
232. COMMUNITY LEADERSHIP 251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$17,000 \$99,054 \$7,500 (\$222,585)	(\$50,491) \$0 (\$53,444)	\$67,491 \$99,054
251. RECORDS MANAGEMENT 281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$99,054 \$7,500 (\$222,585)	\$0 (\$53,444)	\$99,054
281. MUN EMERGENCY MAN 311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	\$7,500 (\$222,585)	(\$53,444)	
311. STAFF ONCOSTS 320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET	(\$222,585)		\$60,944
320. TECHNICAL SERVICES 321. PLANT OPERATING 322. FLEET		// EZE EZE\	
321. PLANT OPERATING 322. FLEET		(\$1,575,575)	\$1,352,990
322. FLEET	\$674,552	\$0	\$674,552
	(\$2,155,741)	(\$3,994,259)	\$1,838,518
331 LOCAL ROADS MAINT	(\$287,077)	(\$504,000)	\$216,923
33 230/ IE 110/ IBO 11/41141	\$5,413,334	\$0	\$5,413,334
333. RESEALS	\$1,224,000	\$0	\$1,224,000
339. ROADS TO RECOVERY	(\$1,763,197)	(\$1,763,197)	\$0
341. MAIN RDS ROUTINE			
PAVEMENT MAINT	(\$155,181)	(\$710,647)	\$555,466
349. LOCAL RD AMENITY			
PROGRAM	\$37,125	\$0	\$37,125
350. LOCAL ROAD SAFETY			
PROGRAM	\$302,280	\$0	\$302,280
351. LOCAL RD CONSTRUCTION	\$1,246,240	\$0	\$1,246,240
352. LOCAL RD GRAVEL			
RESHEETS	\$346,912	\$0	\$346,912
353. LOCAL RD SHOULDER			
SHEETS	\$339,895	\$0	\$339,895
354. LOCAL			
BRIDGES/CULVERTS	\$251,000	\$0	\$251,000
356. TOWNSHIP/STREETS IMP	\$293,755	\$0	\$293,755
371. URBAN DRAINAGE WORKS	\$458,000	\$0	\$458,000
381. GRAVEL PITS	\$279,091	(\$123,039)	\$402,130
383. DEPOTS	\$308,403	(\$153,000)	\$461,403
384. ROAD OPENINGS ETC	(\$1,996)	(\$9,715)	\$7,719
385. TRAFFIC CONTROL	\$31,500	\$0	\$31,500



# 2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

## 2.4 Services (continued)

Activity	Net cost of activity	Income	Expenditure
386. PRIVATE WORKS	(\$3,842)	(\$37,781)	\$33,939
391. ACQUISITION & DISPOSAL	\$748,434	(\$155,666)	\$904,100
410. GOOD MANAGEMENT			
STRATEGIES	\$351,500	\$0	\$351,500
411. RATES INCOME	(\$9,126,787)	(\$9,126,787)	\$0
421. VGC INCOME	(\$4,060,524)	(\$4,060,524)	\$0
431. INTEREST INCOME	(\$378,000)	(\$378,000)	\$0
432. OTHER INCOME	(\$9,312)	(\$14,607)	\$5,294
434. INFORMATION	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,	
TECHNOLOGY	\$712,042	\$0	\$712,042
435. PRINTING & STATIONERY	\$34,000	\$0	\$34,000
436. ADMINISTRATION	\$634,209	(\$56,229)	\$690,439
437. INSURANCE	\$218,493	(\$9,420)	\$227,913
440. FINANCE	\$651,886	\$0	\$651,886
441. CORPORATE SERVICES	\$689,447	\$0	\$689,447
442. OPERATIONS	\$818,781	\$0	\$818,781
443. OCC HEALTH & SAFETY	\$30,200	\$0	\$30,200
444. ORGANISATIONAL	, ,	·	
DEVELOPMENT	\$319,227	\$0	\$319,227
450. BUILDING MAINTENANCE	\$83,626	\$0	\$83,626
451. WEDDERBURN OFFICE	\$87,129	\$0	\$87,129
452. SERPENTINE OFFICE	\$52,670	(\$1,300)	\$53,970
453. BRIC	\$6,206	\$0	\$6,206
454. TELEPHONE CHARGES	\$30,000	\$0	\$30,000
461. RESERVE TRANSFERS	(\$4,374,696)	(\$6,557,088)	\$2,182,392
462. LONG SERVICE LEAVE	,, ,	, , , , , ,	
PROV	\$248,753	\$0	\$248,753
471. SUBSCRIPTIONS,			
DONATIONS, & MEMBERSHIPS	\$55,934	\$0	\$55,934
491. ACQUISITION & DISPOSAL	\$270,000	\$0	\$270,000
511. TIPS	\$531,506	(\$106,195)	\$637,701
512. GARBAGE COLLECTION	(\$554,388)	(\$1,280,078)	\$725,690
532. TOWN PLANNING	\$94,462	(\$50,000)	\$144,462
541. HERITAGE & CULTURE	\$2,000	\$0	\$2,000
561. FIRE PROTECTION	\$17,573	(\$21,407)	\$38,980
582. ENVIRONMENT	(\$15,000)	(\$50,000)	\$35,000
592. CONSTRUCTION/IMPROVE	\$416,667	(\$833,333)	\$1,250,000
610. COMM SERVICES & REC			
STRATEGIES	\$451,877	(\$230,000)	\$681,877
611. INFANT WELFARE			
CENTRES	\$99,697	(\$133,700)	\$233,397
614. PRE-SCHOOL			
MAINTENANCE	\$32,229	\$0	\$32,229
615. EDUCATION	\$74,725	(\$28,885)	\$103,610
616. BOORT PRE-SCHOOL	\$0	(\$110,966)	\$110,966
617. DINGEE PRE-SCHOOL	(\$0)	(\$124,506)	\$124,506
618. INGLEWOOD PRE-SCHOOL	(\$0)	(\$103,932)	\$103,932
619. WEDDERBURN PRE-			
SCHOOL	(\$0)	(\$113,531)	\$113,531
620. DISABILITY ACCESS			****
PROGRAMS	\$107,133	\$0	\$107,133
621. HEALTH CONTROL	\$109,202	(\$40,754)	\$149,956



# 2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

## 2.4 Services (continued)

Activity	Net cost of activity	Income	Expenditure
622. PYRAMID HILL PRE-	,		
SCHOOL	\$0	(\$104,129)	\$104,129
623. OTHER HEALTH	\$5,000	\$0	\$5,000
624. MUN PUBLIC HEALTH		-	. ,
WELLBEING	(\$240)	(\$240)	\$0
625. OCCASIONAL CARE	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	,	·
PROGRAM	(\$31,539)	(\$48,406)	\$16,867
631. HACC SERVICES	\$96,089	(\$978,043)	\$1,074,132
632. COMMUNITY SERVICES	\$266,079	(\$37,209)	\$303,288
633. SENIOR CITIZENS			
CENTRES	\$17,109	(\$62,048)	\$79,157
634. ELDERLY PERSONS UNITS	(\$7,727)	(\$63,399)	\$55,672
635. HACC ONCOSTS	(\$7,185)	(\$209,571)	\$202,387
636. EXTERNALLY BROKERED			
SERVICES	(\$17,338)	(\$118,438)	\$101,100
637. LSC PACKAGED CARE			
PROGRAM	(\$13,110)	(\$135,780)	\$122,670
641. RECREATION &			
COMMUNITY DEVELOPMENT	\$351,716	\$0	\$351,716
642. RECREATION RESERVES	\$171,056	\$0	\$171,056
643. SWIMMING POOLS	\$471,741	\$0	\$471,741
644. BEACHES	\$45,390	\$0	\$45,390
645. TOWNSCAPE SERVICES	\$948,635	\$0	\$948,635
649. OTHER RECREATION	\$20,000	\$0	\$20,000
650. MAJOR EVENTS GRANTS	\$20,000	\$0	\$20,000
651. COMMUNITY GRANTS	\$200,000	\$0	\$200,000
652. REGIONAL LIBRARY	\$203,491	\$0	\$203,491
653. PUBLIC HALLS	\$46,303	\$0	\$46,303
655. YOUTH INITIATIVES	\$6,000	(\$53,000)	\$59,000
661. DOMESTIC ANIMALS	\$45,066	(\$44,759)	\$89,824
662. LIVESTOCK	\$36,986	(\$234)	\$37,221
670. COMMUNITY PLAN	<b>400,000</b>	(+== :)	<b>\$31,</b>
STRATEGY	\$500,000	\$0	\$500,000
671. BOORT COMMUNITY PLANS		\$0	\$50,000
676. WEDDERBURN	700,000	**	<b>V</b> 22,222
COMMUNITY PLANS	\$50,000	\$0	\$50,000
677. INGLEWOOD COMMUNITY			, ,
PLANS	\$50,000	\$0	\$50,000
678. TERRICK COMMUNITY			
PLANS	\$50,000	\$0	\$50,000
679. TARNAGULLA COMMUNITY			
PLANS	\$50,000	\$0	\$50,000
681. COMMUNITY PROTECTION	\$16,029	(\$9,602)	\$25,632
682. OTHER COMMUNITY	\$13,856	(\$5,000)	\$18,856
691. ACQUISITION & DISPOSAL	\$15,000	\$0	\$15,000
692. CONSTRUCTION/IMPROVE	\$35,000	\$0	\$35,000
998. (SURPLUS)/DEFICIT C/F	(\$1,802,528)	(\$1,802,528)	\$0
Total	(\$207,248)	(\$37,661,921)	\$37,454,672

# 2 SERVICES, INITIATIVES AND SERVICE PERFORMANCE INDICATORS (Continued)

#### 2.5 Performance Statement

The service performance indicators details in the preceding pages will be reported on in the Performance Statement which is prepared at the end of the year as required by Section 132 of the Act and included in the 2017/18 Annual Report. The Performance Statement will also include reporting on prescribed indicators of financial performance (outlined in Section 8) and sustainable capacity, which are not included in this budget report. The prescribed performance indicators contained in the Performance Statement are audited each year by the Victorian Auditor General who issues an audit opinion on the Performance Statement. The major initiatives detailed in the preceding pages will be reported in the Annual Report in the form of a statement of progress in the Report of Operations.

### 2.6 Reconciliation with budgeted operating result

Activity	Net cost of activity	Income	Expenditure
Economic development and			
tourism	\$674,562	(\$1,426,551)	\$2,101,113
Leadership	\$1,139,940	(\$104,864)	\$1,244,804
Works and Infrastructure	\$7,364,902	(\$9,026,879)	\$16,391,781
Good management	(\$12,655,215)	(\$20,203,955)	\$7,548,740
Environment	\$492,820	(\$2,341,013)	\$2,833,833
Community services and			
recreation	\$4,578,270	(\$2,756,131)	\$7,334,401
Deficit before funding sources	\$1,595,280	(\$35,859,393)	\$37,454,672
Carried forward surplus	(\$1,802,528)	(\$1,802,528)	\$0
Total funding sources	(\$1,802,528)	(\$1,802,528)	\$0
Surplus for the year	(\$207,248)	(\$37,661,921)	\$37,454,672

### 3 BUDGETED FINANCIAL STATEMENTS

This section presents information in regards to the Financial Statements and Statement of Human Resources. The budget information for the years 2018/19 to 2020/21 has been extracted from the Strategic Resource Plan.

This section includes the following financial statements in accordance with the Local Government Act 1989 and the Local Government Model Financial Report:

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources
- 3.7 Statement of Reserves

## 3.1 COMPREHENSIVE INCOME STATEMENT FOR THE FOUR YEARS ENDED 30 JUNE 2021

	Forecast	Budget	Stratogic E	Resource Plan P	rojections
	2016/17	2017/18	2018/19	2019/20	2020/21
	2010/17	2017/16	2010/19	2019/20	2020/21
Income					
Rates and charges	\$10,105,251	\$10,406,865	\$10,537,935	\$10,767,370	\$11,002,049
Statutory fees and fines	\$257,417	\$248,670	\$254,887	\$261,259	\$267,790
User fees	\$1,744,874	\$1,432,607	\$1,213,297	\$1,246,296	\$1,280,391
Grants - operating	\$14,004,302	\$5,830,781	\$9,830,312	\$10,025,832	\$10,225,262
Grants - capital	\$6,150,476	\$3,296,530	\$7,134,608	\$2,733,422	\$2,496,756
Contributions - monetary	\$115,331	\$15,000	\$384,000	\$100,000	\$108,000
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	\$0	\$0	\$0	\$0	\$0
Share of net profits/(losses) of	Ψο	<b>\$</b> 0	ΨΟ	ΨΟ	<u> </u>
associates and joint ventures	\$0	so	\$0	\$0	\$0
Other income	\$1,424,947	\$1,393,967	\$1,434,965	\$1,443,995	\$1,453,211
Total income	\$33,802,598	\$22,624,420	\$30,790,004	\$26,578,174	\$26,833,459
	, , , , , , , , , , , , , , , , , , ,	,,,	<b>43333333</b>	,,,,	,,,
Expenses					
Employee costs	\$10,212,285	\$10,809,393	\$11,135,429	\$11,587,133	\$12,050,383
Materials and services	\$10,212,014	\$8,606,761	\$7,773,026	\$7,849,834	\$8,309,711
Bad and doubtful debts	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	\$8,757,634	\$8,976,575	\$9,200,989	\$9,431,017	\$9,666,790
Borrowing costs	\$0	\$0	\$0	\$0	\$0
Other expenses	\$299,116	\$304,738	\$310,473	\$316,322	\$322,289
Total expenses	\$29,481,049	\$28,697,467	\$28,419,917	\$29,184,306	\$30,349,173
Surplus/(deficit) for the year	\$4,321,549	(\$6,073,047)	\$2,370,087	(\$2,606,132)	(\$3,515,714)
Other comprehensive income	<u> </u>			1	
Net asset revaluation	<del>                                     </del>			-	
increment/(decrement)	\$0	\$0	\$0	\$0	\$0
Shares of other comprehensive income of associates and joint ventures	\$0	\$0	\$0	\$0	\$0
Total comprehensive result	7.7	7 -	Ŧ-	+-	
rotal comprehensive result	\$4,321,549	(\$6,073,047)	\$2,370,087	(\$2,606,132)	(\$3,515,714)



# **3 BUDGETED FINANCIAL STATEMENTS (Continued)**

## 3.2 BALANCE SHEET FOR THE FOUR YEARS ENDED 30 JUNE 2021

	Forecast		Strategic Resource Plan			
	Actual	Budget		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21	
Assets						
Current assets						
Cash and cash equivalents	\$14,496,633	\$9,005,797	\$6,255,484	\$4,394,899	\$1,218,284	
Trade and other receivables	\$732,553	\$511,609	\$587,101	\$502,684	\$507,605	
Other financial assets	\$0	\$0	\$0	\$0	\$0	
Inventories	\$62,523	\$59,397	\$56,427	\$53,606	\$50,926	
Non-current assets classified as						
held for sale	\$190,356	\$190,356	\$190,356	\$190,356	\$190,356	
Total current assets	\$15,482,065	\$9,767,159	\$7,089,368	\$5,141,545	\$1,967,171	
Non-current assets						
Trade and other receivables	\$87,000	\$0	\$0	\$0	\$0	
Investments in associates and joint						
ventures	\$362,225	\$362,225	\$362,225	\$362,225	\$362,225	
Property, infrastructure, plant and						
equipment	\$320,537,638	\$330,056,407	\$345,217,039	\$355,162,013	\$365,745,441	
Intangible assets	\$1,654,362	\$1,654,362	\$1,654,362	\$1,654,362	\$1,654,362	
Total non-current assets	\$322,641,225	\$332,072,994	\$347,233,626	\$357,178,600	\$367,762,028	
Total assets	\$338,123,290	\$341,840,153	\$354,322,994	\$362,320,145	\$369,729,199	
Liabilities						
Current liabilities						
Trade and other payables	\$339,721	\$292,895	\$272,191	\$275,995	\$291,291	
Trust funds and deposits	\$263,239	\$250,077	\$237,573	\$225,695	\$214,410	
Provisions	\$2,064,708	\$1,999,895	\$1,932,291	\$1,861,983	\$1,788,863	
Interest bearing loans and						
borrowings	\$0	\$0	\$0	\$0	\$0	
Total current liabilities	\$2,667,668	\$2,542,867	\$2,442,055	\$2,363,673	\$2,294,564	
Non-current liabilities						
Provisions	\$2,605,475	\$2,898,347	\$3,204,510	\$3,523,953	\$3,857,259	
Interest bearing loans and						
borrowings	\$0	\$0	\$0	\$0	\$0	
Total non-current liabilities	\$2,605,475	\$2,898,347	\$3,204,510	\$3,523,953	\$3,857,259	
Total liabilities	\$5,273,143	\$5,441,214	\$5,646,565	\$5,887,626	\$6,151,823	
NET ASSETS	\$332,850,147	\$336,398,939	\$348,676,429	\$356,432,519	\$363.577.376	
	+30 <u>2,</u> 000,147	+100,000,000	\$5.10,07.0,4 <u>2</u> 0	1100,102,010	1100,011,010	
Equity						
Accumulated surplus	\$104,969,130	\$103,270,779	\$104,631,429	\$101,597,035	\$98,593,222	
Asset revaluation reserve	\$217,766,528	\$227,388,368	\$237,295,771	\$247,657,993	\$258,318,564	
Other reserves	\$10,114,488	\$5,739,792	\$6,749,229	\$7,177,491	\$6,665,590	
TOTAL EQUITY	\$332,850,146	\$336,398,939	\$348,676,429	\$356,432,519		



# **3 BUDGETED FINANCIAL STATEMENTS (Continued)**

## 3.3 STATEMENT OF CHANGES IN EQUITY FOR THE FOUR YEARS ENDED 30 JUNE 2021

2018	Total	Accumulated surplus	Revaluation reserve	Other reserves
Balance at beginning of the	Total	Surpius	reserve	reserves
financial year	\$332,850,146	\$104,969,130	\$217,766,528	\$10,114,488
Surplus/ (deficit) for the year	(\$6,073,047)	(\$6,073,047)	\$0	\$0
Net asset revaluation increment / (decrement)	\$9,621,840	\$0	\$9,621,840	\$0
Transfer to other reserves	\$0	(\$2,182,392)	\$0	\$2,182,392
Transfer from other reserves	\$0	\$6,557,088	\$0	(\$6,557,088)
Balance at end of financial year	\$336,398,939	\$103,270,779	\$227,388,368	\$5,739,792

		Accumulated		Other
2019	Total	surplus	reserve	reserves
Balance at beginning of the				
financial year	\$336,398,939	\$103,270,779	\$227,388,368	\$5,739,792
Surplus/ (deficit) for the year	\$2,370,087	\$2,370,087	\$0	\$0
Net asset revaluation increment /	£0.007.403	¢0	<b>\$0,007,400</b>	¢0
(decrement)	\$9,907,403		\$9,907,403	\$0
Transfer to other reserves	\$0	(\$2,405,871)	\$0	\$2,405,871
Transfer from other reserves	\$0	\$1,396,434	\$0	(\$1,396,434)
Balance at end of financial year	\$348,676,429	\$104,631,429	\$237,295,771	\$6,749,229

2020	Total	Accumulated surplus	Revaluation reserve	Other reserves
Balance at beginning of the financial year	\$348,676,429	\$104,631,429	\$237,295,771	\$6,749,229
Surplus/ (deficit) for the year	(\$2,606,132)	\$2,606,132	\$0	\$0
Net asset revaluation increment / (decrement)	\$10,362,222	\$0	\$10,362,222	\$0
Transfer to other reserves	\$0	(\$2,031,303)	\$0	\$2,031,303
Transfer from other reserves	\$0	\$1,603,041	\$0	(\$1,603,041)
Balance at end of financial year	\$356,432,519	\$106,809,299	\$247,657,993	\$7,177,491

		Accumulated	Revaluation	Other
2021	Total	surplus	reserve	reserves
Balance at beginning of the				
financial year	\$356,432,519	\$106,809,299	\$247,657,993	\$7,177,491
Surplus/ (deficit) for the year	(\$3,515,714)	(\$3,515,714)	\$0	\$0
Net asset revaluation increment / (decrement)	\$10,660,571	\$0	\$10,660,571	\$0
Transfer to other reserves	\$0	(\$1,986,437)	\$0	\$1,986,437
Transfer from other reserves	\$0	\$2,498,338	\$0	(\$2,498,338)
Balance at end of financial year	\$363,577,376	\$103,805,486	\$258,318,564	\$6,665,590



# **3 BUDGETED FINANCIAL STATEMENTS (Continued)**

## 3.4 STATEMENT OF CASH FLOWS FOR THE FOUR YEARS ENDED 30 JUNE 2021

	Forecast		Strategic Resource Plan		
	Actual	Budget	<b>5</b> .	Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Cash flows from operating activiti		2011110	2010/10	2010/20	
odon nowo nom operating detiviti	l				
Receipts					
Rates and charges	\$10,108,261	\$10,585,996	\$10,394,599	\$10,809,043	\$11,015,627
Statutory fees and fines	\$408,553	\$275,938	\$243,736	\$274,926	\$272,654
User fees	\$1,667,621	\$1,561,584	\$1,164,441	\$1,309,210	\$1,303,785
Grants - operating	\$14,290,291	\$5,899,468	\$10,026,919	\$10,226,349	\$10,429,767
Grants - capital	\$6,723,111	\$3,410,389	\$7,277,300	\$2,788,090	\$2,546,691
Contributions - monetary	\$117,638	\$15,300	\$391,680	\$102,000	\$110,160
Interest received	\$497,078	\$378,000	\$378,759	\$380,653	\$382,557
Trust funds and deposits taken	\$0	\$0	\$0	\$0	\$0
Other receipts	\$1,153,419	\$1,036,285	\$1,077,329	\$1,084,608	\$1,092,066
Net GST refund/payment	(\$145,017)	(\$100,428)	(\$132,926)	(\$116,043)	(\$117,027)
Operating receipts	\$34,820,955	\$23,062,532	\$30,821,837	\$26,858,836	\$27,036,280
Payments					
Employee costs	(\$10,165,275)	(\$10,619,581)	(\$10,935,882)	(\$11,377,790)	(\$11,830,785)
Materials and services	(\$10,253,154)	(\$8,827,383)	(\$7,946,073)	(\$7,999,662)	(\$8,458,889)
Trust funds and deposits repaid	(\$13,855)	(\$13,162)	(\$12,504)	(\$11,878)	(\$11,285)
Other payments	(\$299,662)	(\$304,738)	(\$310,473)	(\$316,322)	(\$322,289)
Operating payments	(\$20,731,946)	(\$19,764,864)	(\$19,204,932)	(\$19,705,652)	(\$20,623,248)
3,1-3,	(,==,,==,,==,,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(, , , , , , , , , , , , , , , , , , ,	(, , , , , , , , , , , , , , , , , , ,	(,,,,,
Net cash provided by/(used in)					
operating activities	\$14,089,009	\$3,297,668	\$11,616,905	\$7,153,184	\$6,413,032
Cash flows from investing activities	es				
Payments for property,					
infrastructure, plant and equipment	(\$17,368,087)	(\$8,873,504)	(\$14,454,218)	(\$9,013,769)	(\$9,589,647)
Proceeds from sales of property,				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
infrastructure, plant and equipment	\$0	\$0	\$0	\$0	\$0
Decrease in term deposits	\$1,750,000	\$0	\$0	\$0	\$0
Payments of loans and advances	\$69,000	\$79,000	\$87,000	\$0	\$0
Net cash provided by/(used in)					
1					
investing activities	(\$15,543,087)	(\$8,788,504)	(\$14,367,218)	(\$9,013,769)	(\$9,589,647)
investing activities	(\$15,543,087)	(\$8,788,504)	(\$14,367,218)	(\$9,013,769)	(\$9,589,647)
		(\$8,788,504)	(\$14,367,218)	(\$9,013,769)	(\$9,589,647)
Cash flows from financing activiti		(\$8,788,504) \$0	(\$14,367,218) \$0	<b>(\$9,013,769)</b> \$0	(\$9,589,647) \$0
Cash flows from financing activiti	es				\$0
Cash flows from financing activiti Finance costs	<b>es</b> \$0	\$0	\$0	\$0	
Cash flows from financing activiti Finance costs Proceeds from borrowings	<b>es</b> \$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings	<b>es</b> \$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in)	<b>es</b> \$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in)	<b>es</b> \$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities	<b>es</b> \$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash	es \$0 \$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0 \$0	\$0 \$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the year	\$0 \$0 \$0 \$0 \$0 \$0 \$1,454,078	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0 \$0	\$0 \$0 \$0
Cash flows from financing activiti Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at the	\$0 \$0 \$0 \$0 \$0 \$0 \$1,454,078	\$0 \$0 \$0 \$0 (\$5,490,836)	\$0 \$0 \$0 \$0 \$0 (\$2,750,313)	\$0 \$0 \$0 \$0 (\$1,860,585)	\$0 \$0 \$0 \$0 \$0 (\$3,176,615)



# **3 BUDGETED FINANCIAL STATEMENTS (Continued)**

## 3.5 STATEMENT OF CAPITAL WORKS FOR THE FOUR YEARS ENDED 30 JUNE 2021

	Forecast		Strategic Resource Plan		
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Capital works areas					
Carried forward works from					
previous years	\$6,143,370	\$645,500	\$0	\$0	\$0
Land and buildings	\$1,035,325	\$793,500	\$410,000	\$410,000	\$1,660,000
Office furniture and equipment	\$253,353	\$317,363	\$92,101	\$92,154	\$92,208
Plant and equipment	\$1,763,077	\$844,100	\$834,100	\$1,251,681	\$1,620,275
Footpaths	\$497,467	\$293,755	\$249,699	\$261,057	\$278,185
Roadworks	\$7,153,362	\$3,767,452	\$3,470,988	\$3,268,521	\$3,307,913
Urban and road drainage	\$254,650	\$1,558,000	\$5,250,000	\$350,000	\$350,000
Recreation, leisure and community					
facilities	\$187,380	\$790,000	\$3,163,000	\$420,000	\$1,045,000
Parks, open space and					
streetscapes	\$404,600	\$354,500	\$1,215,000	\$3,270,000	\$1,630,000
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total capital works	\$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581
Represented by:					
New asset expenditure	\$2,086,777	\$1,051,100	\$846,201	\$1,263,835	\$1,632,483
Asset renewal expenditure	\$4,727,261	\$3,488,562	\$2,474,904	\$2,327,273	\$2,451,617
Asset expansion expenditure		\$4,469,008	\$5,815,000	\$2,920,000	\$2,431,017
Asset upgrade expenditure	\$7,048,293 \$3,830,253	\$4,469,006	\$5,548,783	\$2,812,305	\$3,769,481
Total capital works expenditure	\$3,630,233 \$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
Expenditure type					
Labour	\$269,940	\$316,989	\$273,461	\$267,294	\$269,751
Oncost	\$190,995	\$183,966	\$144,400	\$141,155	\$142,449
Plant	\$585,619	\$639,733	\$577,317	\$561,064	\$564,845
Creditors	\$6,765,690	\$4,231,651	\$4,576,604	\$3,406,205	\$4,300,556
Contractors	\$9,880,340	\$3,991,831	\$9,113,106	\$4,947,695	\$4,705,980
Total capital works expenditure	\$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581

## 3 BUDGETED FINANCIAL STATEMENTS (Continued)

# 3.6 STATEMENT OF HUMAN RESOURCES FOR THE FOUR YEARS ENDED 30 JUNE 2021

	Forecast Actual	Budget	Strategic Resource Plan Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21
Staff expenditure					
Employee labour - operating	\$9,942,345	\$10,492,404	\$10,861,968	\$11,319,839	\$11,780,632
Employee labour - capital	\$269,940	\$316,989	\$273,461	\$267,294	\$269,751
Total staff expenditure*	\$10,212,285	\$10,809,393	\$11,135,429	\$11,587,133	\$12,050,383
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	135.09	135.09	135.09	135.09	135.09
Total staff numbers EFT	135.09	135.09	135.09	135.09	135.09

<sup>\*</sup> Excludes employee oncost

A summary of human resources expenditure categories according to the organisation structure of Council is included below:

Department	Budget 2017/18	Permanent Full Time	Permanent Part Time
Department Staff cost	2017/10	ruii Time	rait fille
Economic development and			
tourism	\$569,861	\$331,298	\$238,563
Leadership	\$367,876	\$272,262	\$95,614
Works and infrastructure	\$3,024,421	\$3,024,421	\$0
Good management	\$2,794,073	\$2,010,192	\$783,881
Environment	\$342,799	\$251,634	\$91,165
Community services and recreation	\$3,393,374	\$1,240,596	\$2,152,778
Total permanent staff			
expenditure	\$10,492,404	\$7,130,403	\$3,362,001
Casuals and other expenditure	\$0		
Capitalised labour costs	\$316,989		
Total expenditure	\$10,809,393		

A summary of the number of equivalent (FTE) Council staff in relation to the above expenditure is included below:

Department	Budget 2017/18	Permanent Full Time	Permanent Part Time
Staff EFT			
Economic development and			
tourism	5.63	3.00	2.63
Leadership	4.23	3.00	1.23
Works and infrastructure	42.00	42.00	0.00
Good management	28.95	19.00	9.95
Environment	4.26	3.00	1.26
Community services and recreation	45.02	15.00	30.02
Total permanent staff EFT	130.09	85.00	45.09
Casuals and other	0.00		
Capitalised labour	5.00		
Total EFT	135.09		

<sup>\*\*</sup> Equivalent Full Time



# **3 BUDGETED FINANCIAL STATEMENTS (Continued)**

## 3.7 STATEMENT OF RESERVES FOR THE FOUR YEARS ENDED 30 JUNE 2021

	Forecast		Strategic Resource Plan			
	Actual	Budget		Projections		
	2016/17	2017/18	2018/19	2019/20	2020/21	
Discretionary						
Land and buildings reserve	\$283,400	\$618,400	\$653,400	\$653,400	\$203,400	
Professional development reserve	\$27,919	\$35,919	\$43,919	\$51,919	\$59,919	
Unspent grants reserve	\$4,060,524	\$0	\$0	\$0	\$0	
Capital expenditure reserve	\$0	\$0	\$0	\$0	\$0	
Rates reserve	\$0	\$0	\$0	\$0	\$0	
Information technology reserve	\$1,113,000	\$955,000	\$1,014,000	\$1,073,000	\$1,132,000	
Valuations reserve	\$202,914	\$57,914	\$19,914	\$114,914	\$76,914	
Units reserve	\$72,955	\$80,682	\$88,195	\$95,472	\$102,491	
Economic development reserve	\$178,180	\$118,180	\$203,180	\$288,180	\$233,180	
Skinner's flat reserve	\$12,908	\$12,908	\$12,908	\$12,908	\$12,908	
Community planning reserve	\$0	\$0	\$0	\$0	\$0	
Plant replacement reserve	\$610,518	\$912,078	\$1,234,888	\$1,270,109	\$1,020,856	
Fleet replacement reserve	\$513,120	\$543,126	\$558,132	\$582,276	\$672,382	
GSP restoration reserve	\$786,698	\$507,607	\$989,676	\$1,071,159	\$1,154,215	
Urban drainage reserve	\$316,127	\$108,127	\$108,127	\$108,127	\$108,127	
Landfill rehabilitation reserve	\$274,047	\$308,417	\$375,657	\$375,657	\$409,277	
Lake Boort water reserve	\$17,815	\$17,815	\$17,815	\$17,815	\$17,815	
Reserves improvement reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Caravan park development reserve	\$246,567	\$15,823	\$15,242	\$14,759	\$14,310	
Superannuation liability reserve	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	
Unspent contributions reserve	\$0	\$0	\$0	\$0	\$0	
War memorial reserve	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	
Heritage loan scheme reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Major projects reserve	\$44,796	\$44,796	\$44,796	\$44,796	\$44,796	
Unsightly premises enforcement						
provision reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
Swimming pool major projects						
reserve	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000	
Total discretionary reserves	\$10,114,488	\$5,739,792	\$6,782,849	\$7,177,491	\$6,665,590	



## **4 FINANCIAL PERFORMANCE INDICATORS**

			Actual	Forecast Actual	Budget	Stratogic I	Resource Plan P	Projections	Trend
Indicator	Measure	Notes	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	+/0/-
Operating position									
Adjusted underlying	Adjusted underlying surplus (deficit) /								
result	Adjusted underlying revenue								
		1	-37.73%	9.67%	-36.16%	-2.08%	-36.11%	-15.65%	+/-
Liquidity									
Working capital	Current assets / Current liabilities	2	641.06%	580.36%	384.10%	290.30%	217.52%	85.73%	-
Unrestricted cash	Unrestricted cash / Current liabilities								
			281.60%	85.74%	42.64%	-114.52%	-217.46%	-344.01%	-
Obligations									
Loan and	Loans and borrowings / Rate revenue								
borrowings		3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0
Loan and	Interest and principal repayments on								
borrowings	interest bearing loans and borrowings								
	/ Rate revenue		1.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0
Indebtedness	Non-current liabilities / Own source								
	revenue		17.58%	19.25%	21.50%	23.84%	25.69%	27.55%	0
Asset renewal	Asset renewal expenses / Asset	.							_
	depreciation	4	24.12%	53.98%	38.86%	26.90%	24.68%	25.36%	0
Stability									
Rates concentration	Rates revenue / Adjusted underlying	_							_
	revenue	5	50.58%	30.96%	49.38%	37.85%	50.22%	41.93%	0
Rates effort	Rate revenue / CIV of rateable								
	properties in the municipality	$\vdash$	0.56%	0.58%	0.60%	0.60%	0.61%	0.62%	0
Efficiency	<b>1</b>								
Expenditure level	Total expenses / No. of property		00.440	00.004	00.700	00.070	<b>***</b>	00.000	
D	assessments		\$3,442	\$3,824	\$3,709	\$3,673	\$3,772	\$3,923	0
Revenue level	Residential rate revenue / No. of		0011	0007	0000	0070	ф.	04.645	0
\\/ -   -   -   -   -   -   -   -   -   -	residential property assessments		\$941	\$937	\$960	\$972	\$993	\$1,015	0
Workforce turnover	No. of permanent staff resignations								
	and terminations / Average no. of permanent staff for the financial year								
	permanent stan for the linancial year		12.75%	7.40%	7.400/	7.400/	7.40%	7 400/	0
	1	$\Box$	12.75%	7.40%	7.40%	7.40%	7.40%	7.40%	0

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## 4 FINANCIAL PERFORMANCE INDICATORS (Continued)

#### Key to forecast trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

#### Notes to indicators

- 1 Adjusted underlying result An indicator of the sustainable operating result required to enable Council to continue provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.
- 2 Working capital The proportion of current liabilities represented by current assets. Working capital is forecast to decrease in future years as cash and cash equivalents decrease.
- 3 Debt compared to rates Council has repaid its final loan liability in 2015/16.
- 4 Asset renewal This percentage indicates the extent of Council's renewal of assets against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates that Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.
- 5 Rates concentration Reflects the extent of reliance on rate revenues to fund all of Council's on-going services. Trend indicates that Council will become more reliant on rate revenue compared to all other revenue sources.

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## **5 OTHER BUDGET INFORMATION**

This section presents other budget related information required by the Regulations.

This section includes the following statements and reports:

- 5.1 Grants operating
- 5.2 Grants capital
- 5.3 Statement of borrowings

### 5.1 Grants - operating (\$0.52 million decrease)

Operating Grants include all monies received from State and Federal sources for the purposes of funding the delivery of Council's services to ratepayers. Overall the level of operating grants is projected to decrease by 58% or \$8.17 million in 2017/18 mainly due to 50% upfront payment of the Victoria Grants Commission 2017/18 allocation. Significant grant funding sources are summarised below:

	\$0	\$46,989	\$46,989
Flood prevention	\$29,750	\$0	(\$29,750)
Streetscapes	\$12,000	\$0	(\$12,000)
Pre-schools	\$52,126	\$0	(\$52,126)
Strategies and plans	\$0	\$30,000	\$30,000
Non-recurrent State Government			
Total recurrent grants	\$13,631,439	\$5,753,792	-\$7,877,647
Youth initiatives	\$53,000	\$53,000	\$0
Tobacco reform	\$3,465	\$4,392	\$927
Senior citizens	\$48,823	\$49,748	\$925
Pre-schools	\$435,412	\$518,703	\$83,291
Fire protection	\$0	\$5,980	\$5,980
Weed and pest management	\$50,000	\$50,000	\$0
Maternal and child health	\$133,701	\$133,700	(\$1)
HACC services	\$809,474	\$821,913	\$12,439
Fire Services Property Levy	\$40,421	\$41,229	\$808
Drum Muster	\$6,393	\$5,000	(\$1,393)
School crossings	\$9,414	\$9,602	\$188
Tourism promotion	\$19,000	\$0	(\$19,000)
Recurrent - State Government	ψ0,024,401	Ψ2,007,337	(ψ+,010,024)
Victoria Grants Commission - iocal roads  Victoria Grants Commission - general	\$6,824,481	\$2,304,957	(\$4,519,524)
Victoria Grants Commission - local roads	\$5,197,855	\$1,755,567	(\$3,442,288)
Recurrent - Commonwealth Government	2010/17	2017/10	variance
Operating grants	Forecast 2016/17	Budget 2017/18	Variance

## 5 OTHER BUDGET INFORMATION (Continued)

## 5.2 Grants - capital (\$2.85 million decrease)

Capital Grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Capital grants are projected to decrease by 86.6% or \$2.85 million in 2017/18. Significant grant funding sources are summarised below:

	Forecast	Budget	
Grant funding types	2016/17	2017/18	Variance
Recurrent - Commonwealth Government			
Roads to Recovery	\$5,099,198	\$1,763,197	(\$3,336,001)
Recurrent - State Government			
Nil	\$0	\$0	\$0
Total - recurrent capital grants	\$5,099,198	\$1,763,197	(\$3,336,001)
Non-recurrent - Commonwealth Government			
Nil	\$0	\$0	\$0
Non-recurrent - State Government			
Rivers and foreshores	\$120,000	\$0	(\$120,000)
Tip and landfill works	\$140,000	\$0	(\$140,000)
Community centres	\$100,000	\$0	(\$100,000)
Flood prevention	\$0	\$833,333	\$833,333
Caravan parks	\$0	\$500,000	\$500,000
Swimming pools	\$8,538	\$200,000	\$191,462
Recreation	\$132,740	\$0	(\$132,740)
Streetscape projects	\$550,000	\$0	(\$550,000)
Total - non-recurrent capital grants	\$1,051,278	\$1,533,333	\$482,055
Total - capital grants	\$6,150,476	\$3,296,530	(\$2,853,946)

The major decreases relates to \$3.34 million for a one off increase in the Roads to Recovery program in 2016/17.

#### 5.3 Statement of borrowings

The table below shows information on borrowings specifically required by the Regulations.

	Forecast	Budget
Borrowings	2016/17	2017/18
Total amount borrowed as at 30 June of the prior year	\$131,145	\$0
Total amount to be borrowed	\$0	\$0
Total amount projected to be redeemed	(\$131,145)	\$0
Total amount proposed to be borrowed as at 30 June	\$0	\$0

## **6 DETAILED LIST OF CAPITAL WORKS**

This section presents a listing of the capital works projects that will be undertaken for the 2017/18 year.

The capital works projects are grouped by class and include the following:

- new works for 2017/18
- works carried forward from the 2016/17 year.

## 6.1 New works by asset expenditure type

		Asset expenditure types				
Capital works area	Project cost	New	Renewal	Upgrade	Expansion	
Property						
Land	\$0	\$0	\$0	\$0	\$0	
Land improvements	\$0	\$0	\$0	\$0	\$0	
Total land	\$0	\$0	\$0	\$0	\$0	
Buildings	\$30,000	\$0	\$0	\$30,000	\$0	
Building improvements	\$763,500	\$0	\$763,500	\$0	\$0	
Total buildings	\$793,500	\$0	\$763,500	\$30,000	\$0	
Total property	\$793,500	\$0	\$763,500	\$30,000	\$0	
Plant and equipment						
Plant, machinery and equipment	\$844,100	\$844,100	\$0	\$0	\$0	
Computers and						
telecommunications	\$317,363	\$2,000	\$90,000	\$225,363	\$0	
Fixtures fittings and furniture	\$0	\$0	\$0	\$0	\$0	
Total plant and equipment	\$1,161,463	\$846,100	\$90,000	\$225,363	\$0	
Infrastructure						
Roads	\$3,516,452	\$0	\$1,930,807	\$1,585,645	\$0	
Bridges	\$251,000	\$0	\$251,000	\$0	\$0	
Footpaths	\$293,755	\$0	\$293,755	\$0	\$0	
Drainage	\$1,558,000	\$0	\$0	\$1,558,000	\$0	
Recreation leisure and						
community facilities	\$790,000	\$40,000	\$0	\$750,000	\$0	
Parks, open space and						
streetscapes	\$354,500	\$0	\$104,500	\$250,000	\$0	
Other infrastructure	\$0	\$0	\$0	\$0	\$0	
Total infrastructure	\$6,763,707	\$40,000	\$2,580,062	\$4,143,645	\$0	
Total new works	\$8,718,670	\$886,100	\$3,433,562	\$4,399,008	\$0	



# **6 DETAILED LIST OF CAPITAL WORKS (Continued)**

## 6.2 New works by funding source

		Funding sources				
Capital works area	Project cost	Grants	Reserves	Council funded	Sale of assets	
Property						
Land	\$0	\$0	\$0	\$0	\$0	
Land improvements	\$0	\$0	\$0	\$0	\$0	
Total land	\$0	\$0	\$0	\$0	\$0	
Buildings	\$30,000	\$0	\$0	\$30,000	\$0	
Building improvements	\$763,500	\$0	\$0	\$763,500	\$0	
Total buildings	\$793,500	\$0	\$0	\$793,500	\$0	
Total property	\$793,500	\$0	\$0	\$793,500	\$0	
Plant and equipment						
Plant, machinery and equipment	\$844,100	\$0	\$668,434	\$20,000	\$155,666	
Computers and						
telecommunications	\$317,363	\$0	\$312,000	\$5,363	\$0	
Fixtures fittings and furniture	\$0	\$0	\$0	\$0	\$0	
Total plant and equipment	\$1,161,463	\$0	\$980,434	\$25,363	\$155,666	
Infrastructure						
Roads	\$3,516,452	\$1,611,197	\$0	\$1,905,255	\$0	
Bridges	\$251,000	\$152,000	\$0	\$99,000	\$0	
Footpaths	\$293,755	\$0	\$0	\$293,755	\$0	
Drainage	\$1,558,000	\$833,333	\$308,000	\$416,667	\$0	
Recreation leisure and						
community facilities	\$790,000	\$500,000	\$290,000	\$0	\$0	
Parks, open space and						
streetscapes	\$354,500	\$0	\$0	\$354,500	\$0	
Other infrastructure	\$0	\$0	\$0	\$0	\$0	
Total infrastructure	\$6,763,707	\$3,096,530	\$598,000	\$3,069,177	\$0	
Total new works	\$8,718,670	\$3,096,530	\$1,578,434	\$3,888,040	\$155,666	



# **6 DETAILED LIST OF CAPITAL WORKS (Continued)**

## 6.3 Works carried forward from the 2016/17 year by asset expenditure type

		Asset expenditure types			
Capital works area	Project cost	New	Renewal	Upgrade	Expansion
Property					
Land	\$0	\$0	\$0	\$0	\$0
Land improvements	\$45,000	\$5,000	\$40,000	\$0	\$0
Total land	\$45,000	\$5,000	\$40,000	\$0	\$0
Buildings	\$41,500	\$0	\$0	\$0	\$41,500
Building improvements	\$225,000	\$160,000	\$15,000	\$50,000	\$0
Total buildings	\$266,500	\$160,000	\$15,000	\$50,000	\$41,500
Total property	\$311,500	\$165,000	\$55,000	\$50,000	\$41,500
Plant and equipment					
Plant, machinery and equipment	\$0	\$0	\$0	\$0	\$0
Computers and					
telecommunications	\$0	\$0	\$0	\$0	\$0
Fixtures fittings and furniture	\$0	\$0	\$0	\$0	\$0
Total plant and equipment	\$0	\$0	\$0	\$0	\$0
Infrastructure					
Roads	\$0	\$0	\$0	\$0	\$0
Bridges	\$0	\$0	\$0	\$0	\$0
Footpaths	\$0	\$0	\$0	\$0	\$0
Drainage	\$0	\$0	\$0	\$0	\$0
Recreation leisure and					
community facilities	\$334,000	\$0	\$0	\$20,000	\$314,000
Parks, open space and					
streetscapes	\$0	\$0	\$0	\$0	\$0
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total infrastructure	\$334,000	\$0	\$0	\$20,000	\$314,000
Total carried forward works	\$645,500	\$165,000	\$55,000	\$70,000	\$355,500



# **6 DETAILED LIST OF CAPITAL WORKS (Continued)**

## 6.3 Works carried forward from the 2016/17 year by funding source

		Funding sources			
Capital works area	Project cost	Grants	Reserves	Council funded	Sale of assets
Property					
Land	\$0	\$0	\$0	\$0	\$0
Land improvements	\$45,000	\$0	\$40,000	\$5,000	\$0
Total land	\$45,000	\$0	\$40,000	\$5,000	\$0
Buildings	\$41,500	\$0	\$41,500	\$0	\$0
Building improvements	\$225,000	\$0	\$210,000	\$15,000	\$0
Total buildings	\$266,500	\$0	\$251,500	\$15,000	\$0
Total property	\$311,500	\$0	\$291,500	\$20,000	\$0
Plant and equipment					
Plant, machinery and equipment	\$0	\$0	\$0	\$0	\$0
Computers and					
telecommunications	\$0	\$0	\$0	\$0	\$0
Fixtures fittings and furniture	\$0	\$0	\$0	\$0	\$0
Total plant and equipment	\$0	\$0	\$0	\$0	\$0
Infrastructure					
Roads	\$0	\$0	\$0	\$0	\$0
Bridges	\$0	\$0	\$0	\$0	\$0
Footpaths	\$0	\$0	\$0	\$0	\$0
Drainage	\$0	\$0	\$0	\$0	\$0
Recreation leisure and					
community facilities	\$334,000	\$200,000	\$15,000	\$119,000	\$0
Parks, open space and					
streetscapes	\$0	\$0	\$0	\$0	\$0
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total infrastructure	\$334,000	\$200,000	\$15,000	\$119,000	\$0
Total carried forward works	\$645,500	\$200,000	\$306,500	\$139,000	\$0

### **7 RATES AND CHARGES**

This section presents information about rates and charges which the Act and the Regulations require to be disclosed in Council's annual budget.

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 39.0% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process. The State Government have introduced the *Fair Go Rates System (FGRS)* which sets out the maximum amount councils may increase rates in a year. For 2017/18 the FGRS cap has been set at 2.0%. The cap applies to general rates and municipal charges and is calculated on the basis of Council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Victorian community.

In order to achieve Council's objectives while maintaining service levels and a strong capital expenditure program, the average general rate and the municipal charge will increase by 2.0% in line with the rate cap. The kerbside and recycling collection charges will increase by 10.0% due to increases in the cost of landfill operations and the continuation of Council's decision for this activity to remain cost neutral . This will raise total rates and charges for 2017/18 of \$10.41 million.

7.1.1 The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

	2016/17	2017/18	
Type or class of land	cents/\$CIV	cents/\$CIV	Change
General	0.4892	0.4977	1.7%
Rural	0.4355	0.4431	1.7%

7.1.2 The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

	2016/17	2017/18	
Type or class of land	\$	\$	Change
General	2,491,942	2,558,205	2.7%
Rural	5,307,433	-,,	
Total amount to be raised by rates	7,799,375	7,966,759	2.1%

7.1.3 The number of assessments in relation to each type or class of land, and the total number of assessments, compared with the previous financial year

	2016/17	2017/18	
Type or class of land	number	number	Change
General	4,146	4,167	0.5%
Rural	3,563	3,570	0.2%
Total number of assessments	7,709	7,737	0.4%

#### 7.1.4 The basis of valuation

Basis of valuation is the Capital Improved Value (CIV).

## 7 RATES AND CHARGES (Continued)

7.1.5 The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

	2016/17	2017/18	
Type or class of land	\$	\$	Change
General	509,344,700	514,019,000	0.9%
Rural	1,218,750,500	1,220,740,500	0.2%
Total value of land	1,728,095,200	1,734,759,500	0.4%

7.1.6 The municipal charge under Section 159 of the Act compared with the previous financial year

Type of charge	Per rateable property 2016/17 \$	property	
Municipal	203	207	2.0%

7.1.7 The estimated total amount to be raised by municipal charges compared with the previous financial year

	2016/17	2017/18	
Type of charge	\$	\$	Change
Municipal	1,132,537	1,160,028	2.4%

7.1.8 The rate or unit amount to be levied for each type or service rate or charge under Section 162 of the Act compared with the previous financial year

Type of charge	Per rateable property 2016/17 \$	Per rateable	
Garbage collection 140 litre	236	260	10.2%
Garbage collection 240 litre	320	352	10.0%
Kerbside recycling 240 litre	89	98	10.1%
Total	645	710	10.1%

7.1.9 The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

	2016/17	2017/18	
Type of charge	\$	\$	Change
Garbage charge	851,652	943,252	10.8%
Kerbside recycling charge	299,752	336,826	
Total	1,151,404	1,280,078	11.2%

7.1.10 The estimated total amount to be raised by all rates and charges compared with the previous financial year

	2016/17 \$	2017/18 \$	Change
General rates	7,799,375	7,966,759	
Municipal charge	1,132,537	1,160,028	2.4%
Garbage and kerbside recycling charge	1,151,404	1,280,078	11.2%
Total rates and charges	10,083,316	10,406,865	3.2%

## 7 RATES AND CHARGES (Continued)

7.1.11 Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- the making of supplementary valuations
- the variation of returned levels of value (e.g. valuation objections)
- changes in use of land such that rateable land becomes non-rateable land and visa versa
- changes in use of land such that general rateable land becomes rural rateable land and vice versa.

#### 7.2 Differential rates

#### 7.2.1 Rates to be levied

The existing rating structure comprises one differential rate (rural properties) and a rate for general properties (residential and commercial). These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act.

The rate and amount of rates payable in relation to land in each category of differential are:

- a general rate of 0.4977 cents in the dollar of CIV for all rateable general properties
- a rural rate of 0.4431 cents in the dollar of CIV for all rateable rural properties.

Each differential rate will be determined by multiplying the Capital Improved Value of the rateable land by the relevant cents in the dollar indicated above.

Council's rating strategy since 2002/03 was targeted at a rate distribution of 70:30 for Rural (70) and Urban (30) properties. From 2014/15 Council has defined a differential rate split of 11%, with rural rates having a rate in the dollar of 89% of the general rate. Council considers this as a fair allocation of rates across property types.

Under the Cultural and Recreation Lands Act 1963, provision is made for a Council to grant a rating concession to any "recreational lands" which meet the test of being "rateable land" under the Local Government Act 1989. Council has exempted all rateable recreation land from the payment of rates.

#### 7.3 Fair Go Rates system compliance

Council is full compliant with the State Government's Fair Go Rates System.

Base average rates (2016/17)	\$ 1,156.50
Maximum rate increase (as set by the State Government)	2.00%
Capped average rates (2017/18)	\$ 1,179.63
Maximum general rates and municipal charges revenue	\$ 9,126,787
Budgeted general rates and municipal charges revenue	9,126,787

## **BUDGET ANALYSIS**

The following reports provide detailed analysis to support and explain the budget reports in the previous section.

This section includes the following analysis and information:

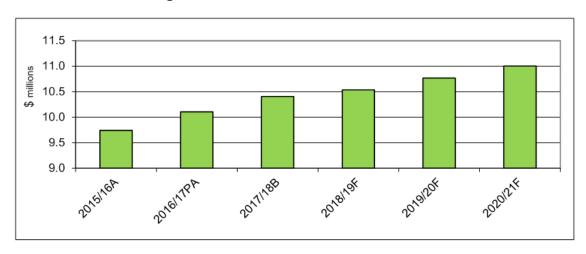
- 8 Summary of financial position
- 9 Budget influences
- 10 Analysis of operating budget
- 11 Analysis of budgeted cash position
- 12 Analysis of capital budget
- 13 Analysis of budgeted financial position
- 14 Strategic resource plan
- 15 Summary of other strategies
- 16 Rating strategy

### 8 SUMMARY OF FINANCIAL POSITION

Council has prepared a budget for the 2017/18 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay. Key budget information is provided below about the rate increase, operating result, services, cash and investments, capital works, financial position, financial sustainability and strategic objectives of Council.

The graphs presented below show trends over a number of financial years. The years are marked with letters to indicate actual results (A), projected actuals for the current year (PA), budgets (B) and strategic resource plan estimates (F).

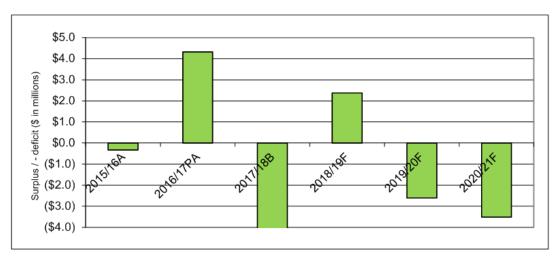
#### 8.1 Total rates and charges



It is proposed that general rates increase by 2.0% for the 2017/18 year, raising total rates by \$0.29 million. This will result in an increase in total revenue from rates and service charges of 3.2%, due to an increase in garbage and kerbside recycling clients and rates. This rate increase is in line with the rate cap set by the Minister for Local Government. (The rate increase for the 2016/17 year was 2.5%). Refer to Sections 7 and 10 for more information.

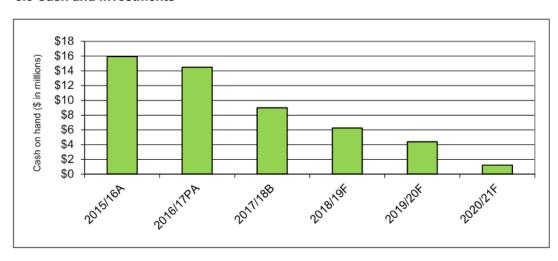
## 8 SUMMARY OF FINANCIAL POSITION (Continued)

### 8.2 Operating result



The expected operating result for the 2017/18 year is a **deficit** of \$6.07 million compared to a surplus of \$4.32 million in 2016/17. The change in operating result is due mainly to capital projects where works are not yet complete but grants have been received in advance and the Victoria Grants Commission 50% upfront payment of 2017/18 income in 2016/17.

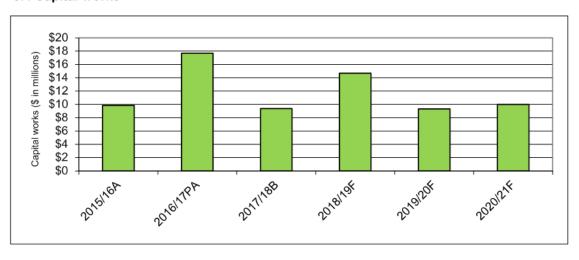
#### 8.3 Cash and investments



Cash and investments is expected to decrease by \$5.49 million during the year to \$9.01 million as at June 2018. This is due mainly to the carried forward component of the 2016/17 capital works program and a number of major building projects. Refer also to Section 4 for the Statement of Cash Flows and Section 11 for an analysis of the cash position.

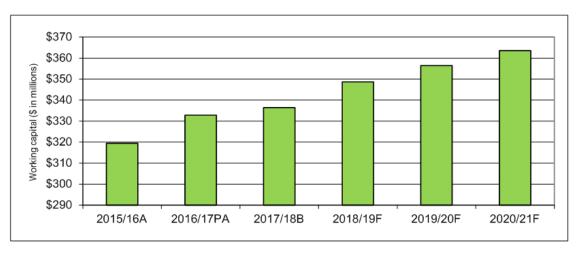
## 8 SUMMARY OF FINANCIAL POSITION (Continued)

### 8.4 Capital works



The capital works program for the 2016/17 year is projected to be \$17.69 million while the capital works program for 2017/18 is expected to be \$9.36 million. Both the 2016/17 and 2017/18 years include capital works carried forward from the year before. In 2017/18, of the capital funding required, \$3.89 million will come from Council operations, \$3.1 million from external grants and contributions, \$0.16 million from the sale of assets, and the balance of \$2.22 million from reserves.

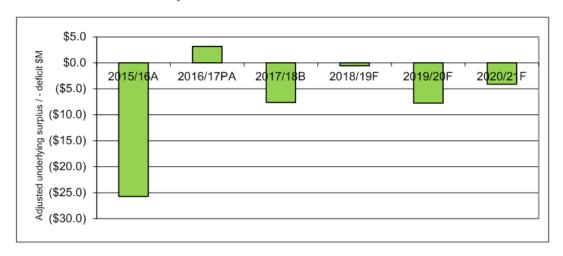
### 8.5 Financial position



Net assets (the net worth of Council) is expected to increase by \$3.55 million to \$336.4 million during the 2017/18 financial year. Net current assets (current assets less current liabilities, otherwise known as working capital) is expected to decrease by \$5.59 million to \$7.22 million. Net current assets outlines Council's ability to meet its commitments in the short term.

# **8 SUMMARY OF FINANCIAL POSITION (Continued)**

## 8.6 Financial sustainability



The underlying surplus/(deficit) is calculated by deducting capital grants and contributions and the net gain or loss on disposal of assets from the operating surplus/(deficit). By taking these items from the operating surplus/(deficit) those items which recur normally every year are isolated from those items which can occur in some years and not others.

Council's underlying deficit is budgeted to be \$7.62 million in 2017/18.

### 9 BUDGET INFLUENCES

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

#### 9.1 Snapshot of Loddon Shire Council

Loddon Shire Council is located in Central Victoria approximately 40 minutes drive from the regional centre of Bendigo. The municipality covers an area of 6,700 square kilometres making it the seventh largest local government area in Victoria. The Council operates its main administrative office in the township of Wedderburn and conducts Council Meetings from its Community Services Office in Serpentine. The Council also provides Maternal and Child Health, Waste Management, Road Maintenance and Home Care services throughout the municipality in the townships of Pyramid Hill, Boort, Inglewood, Tarnagulla, Bridgewater, Newbridge and Mitiamo.

#### Population

The municipality services a population of approximately 7,283 residents (estimated resident population 2015). Loddon is a rural municipality which is made up of fifteen small rural communities. Unlike many other local government areas, Loddon does not have a regional centre. Census data indicates that Loddon's population is ageing and has also been in steady decline in the past, although this decline is now slowing.

#### Ageing population

After the 2011 census was completed, an analysis was undertaken to assist in the development of the Loddon Aged and Disability Strategy Plan. The document highlights the following items:

- 1) People aged 50 and over account for 50.3% of Loddon's total population
- 2) This is expected to increase to 51.3% in the year 2021
- 3) People aged 50 years and over increased from 39% of the population in 2001 to 50.3% in 2011
- 4) Of the total population aged over 50, 35% are aged 50-59, 32% are 60-69, 20% are 70-79, 12% are 80-89 and 2% are 90-99.

#### Births

Statistics provided by the Council's Maternal and Child Health service recorded 59 births in Loddon from 1 April 2016 to 31 March 2017. It is anticipated that this number will remain steady in 2017/18.

#### Workforce

The Council has a workforce of 216 employees equating to an Effective Full Time (EFT) workforce of 135.09. The workforce is divided into three major categories with staff operating under the administrative, works and community services departments.

## 9 BUDGET INFLUENCES (Continued)

#### 9.2 External influences

In preparing the 2017/18 Budget, a number of external influences have been taken into consideration, because they are likely to impact significantly on the services delivered by Council in the period. These include:

- Consumer Price Index (CPI) increases on goods and services of 1.4% through the year to the September quarter 2016 (ABS release 24 October 2016). State-wide CPI forecast to be 2.0% for the 2017/18 year (Victorian Budget Papers 2016/17)
- the removal of the "pausing" of any increase to Victorian Grants Commission (VGC) funding for the Financial Assistance Grant and Local Roads Funding that existed in 2015/16 and 2016/17
- 50% upfront payment of the VGC funding for 2017/18 received late in 2016/17
- the continuation by the State Government of rate capping linked to inflation, commencing in the 2016/17 financial year
- ongoing commitment from the Federal Government to the Roads to Recovery Program
- cost shifting occurs where Local Government provides a service to the community on behalf of the State and Federal Government. Over time the funds received by local governments do not increase in line with real costs increases. Examples of services that are subject to Cost Shifting include school crossing supervision, library services and home and community care for aged residents. In all these services the level of payment received by Council from the State Government does not reflect the real cost of providing the service to the community
- Councils across Australia raise approximately 3.5% of the total taxation collected by all levels of Government in Australia. In addition Councils are entrusted with the maintenance of more than 30% of all the Australian public assets including roads, bridges, parks, footpaths and public buildings. This means that a large proportion of Council's income must be allocated to the maintenance and replacement of these valuable public assets in order to ensure the quality of public infrastructure is maintained at satisfactory levels
- the Fire Services Property Levy will continue to be collected by Council on behalf of the State Government.

#### 9.3 Internal influences

As well as external influences, there were also a number of internal influences arising from the 2016/17 year which have had a significant impact on the preparation of the 2017/18 Budget. These include:

- near completion of a restructure of the indoor management staff that have shown productivity improvements in service delivery in 2016/17 and should provide further improvements in 2017/18
- a 3.0% increase to salaries and wages effective the first pay period after 1 August 2017. Council's Enterprise Bargaining Agreement came into effect on 21 May 2014 and will expire during 2017/18 with a new EBA proposed prior to December 2017
- a 1.0% increase to salaries and wages is included, which relates to normal banding increases
- no loan repayments or further borrowings proposed in 2017/18
- funding for Community Planning with a \$50K allocation to each of the five wards, and \$500K for the strategic fund
- Council's decision to increase waste and recycling charges to 10% to ensure a full cost recovery of the service
- a considerable amount of work that has been undertaken in calculating historical costs over the past 5 years, and where appropriate, this indexation has been applied to the 2016/17 Budget.

## 9 BUDGET INFLUENCES (Continued)

### 9.4 Budget principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. Responsible Officers were then asked to present their budgets to the Management Executive Group prior to being approved for inclusion into the budget. The principles used to define this budget are as follows:

- existing fees and charges to be increase in line with CPI or market levels
- grants to be based on confirmed funding levels
- service levels to be maintained at the 2016/17 levels
- an ongoing commitment to the Community Planning process with an allocation of \$750K in addition to the provision of staff members to assist community planning groups to deliver these projects
- real savings in expenditure and increases in revenue identified in 2016/17 to be preserved
- new initiatives or employee proposals to be justified through the Project Management Framework.

#### 9.5 Long term strategies

The Budget includes consideration of a number of long term strategies and contextual information to assist Council to prepare the Budget in a proper financial management context. These include a Strategic Resource Plan (Section 14), Rating Information (Section 15) and Summary of Other Strategies (Section 16) including borrowings, discretionary reserves, infrastructure and service delivery.



### 10 ANALYSIS OF OPERATING BUDGET

This section analyses the operating budget including expected income and expenses of the Council for the 2017/18 year.

#### 10.1 Budgeted income statement

		Forecast	Budget	
Details	Ref	2016/17	2017/18	Variance
Total income	10.2	(\$33,802,598)	(\$22,624,420)	\$11,178,178
Total expenditure	10.3	\$29,481,049	\$28,697,467	(\$783,582)
Surplus (deficit) for the year		(\$4,321,549)	\$6,073,047	\$10,394,596
Grants - capital non-recurrent	5.1	(\$1,051,278)	(\$1,533,333)	(\$482,055)
Capital contributions	10.2.4	(\$115,331)	(\$15,000)	\$100,331
Adjusted underlying surplus (deficit	:)	(\$5,488,158)	\$4,524,714	\$10,012,872

#### 10.1.1 Adjusted underlying surplus (\$10.01 million increase)

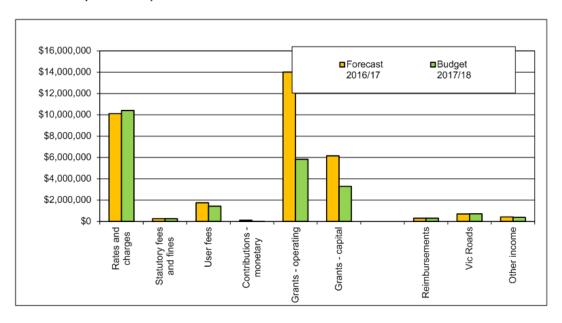
The adjusted underlying result is the net surplus or deficit for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It is a measure of financial sustainability and Council's ability to achieve its service delivery objectives as it is not impacted by capital income items which can often mask the operating result. The underlying result for the 2017/18 year is a surplus of \$4.52 million which is a increase of \$10.01 million from the 2016/17 year. In calculating the adjusted underlying result, Council has excluded grants received for capital purposes which are non-recurrent and capital contributions from other sources. Contributions of non-monetary assets are excluded as the value of assets assumed by Council is dependent on the level of development activity each year.

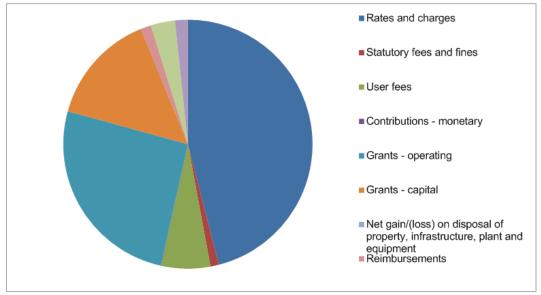
#### 10.2 Income

		Forecast	Budget	
Income types	Ref	2016/17	2017/18	Variance
Rates and charges	10.2.1	\$10,105,251	\$10,406,865	\$301,614
Statutory fees and fines	10.2.2	\$257,417	\$248,670	(\$8,747)
User fees	10.2.3	\$1,744,874	\$1,432,607	(\$312,267)
Contributions - monetary	10.2.4	\$115,331	\$15,000	(\$100,331)
Grants - operating	5.1.1	\$14,004,302	\$5,830,781	(\$8,173,521)
Grants - capital	5.1.2	\$6,150,476	\$3,296,530	(\$2,853,946)
Net gain/(loss) on disposal of property, infrastructure, plant and				
	40.05		Φ0	00
equipment	10.2.5	\$0	\$0	\$0
Reimbursements	10.2.6	\$296,718	\$305,320	\$8,602
Vic Roads	10.2.7	\$700,063	\$710,647	\$10,584
Other income	10.2.8	\$428,166	\$378,000	(\$50,166)
Total income		\$33,802,598	\$22,624,420	(\$11,178,178)

## 10 ANALYSIS OF OPERATING BUDGET (Continued)

### 10.2 Income (continued)





10.2.1 Rates and charges (\$0.30 million increase)

It is proposed that income raised by all rates and charges be increased by 2.0% or \$0.30 million over the 2016/17 to \$10.41 million. This includes general rates, municipal charge, kerbside and recycling collection charges.

## 10 ANALYSIS OF OPERATING BUDGET (Continued)

#### 10.2 Income (continued)

10.2.2 Statutory fees and fines (\$0.01 million decrease)

Statutory fees relate mainly to fees and fines levied in accordance with legislation and include Public Health and Wellbeing Act 2008 registrations, Planning and Environment Act 1987 registrations, Building Act 1993 registrations, the Country Fire Authority Act 1958 registrations, and Domestic (Feral and Nuisance) Animals Act 1994 registrations. Increases in statutory fees are made in accordance with legislative requirements.

Statutory fees are forecast to decrease by 3.5% or \$0.01 million compared to 2016/17.

10.2.3 User fees (\$0.31million decrease)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include home and community care services, caravan park fees, gravel pit fees and royalties, Loddon Discovery Tour fees, rental from Council owned properties, and private works. A detailed listing of statutory fees and Council charges is available on Council's web site and can also be inspected at Council's customer service centre. In setting the budget, the key principle for determining the level of user charges has been to ensure that increases do not exceed CPI increases or market levels. Council has many varied sources of user charges.

User charges are projected to decrease by 21.8% or \$0.31 million from 2016/17. Due to a change in the operations of the home and community care packages, where now Council only receives funds for costs incurred, there is projected to be a reduction of \$230K in 2017/18. Other reductions include caravan park income of \$121K. Overall amongst other areas, Council plans to increase user charges for all areas by 2.0% in line with expected inflationary trends over the budget period to maintain parity between user charges and the costs of service delivery.

10.2.4 Contributions - monetary (\$0.01 million decrease)

Contributions relate to monies paid by community groups and external parties towards capital and recurrent related projects.

Contributions are budgeted to decrease slightly from 2016/17 to 2017/18.

10.2.5 Net gain/(loss) on disposal of property, infrastructure, plant and equipment (no change)

Net gain/(loss) on disposal of Council assets relates mainly to the planned cyclical replacement of part of the plant and vehicle fleet.

Although it is difficult to predict the result of these transactions, historically Council has made little or no profit on sale of plant, so no budget has been made in the 2017/18 year for a gain or loss on sale.

10.2.6 Reimbursements (\$0.009 million increase)

Reimbursements include diesel fuel rebates from the Taxation Office, insurance rebates, Workcover reimbursements, and training reimbursements. Reimbursements are projected to increase by \$9K to almost \$0.31 million in 2017/18.

## 10 ANALYSIS OF OPERATING BUDGET (Continued)

### 10.2 Income (continued)

#### 10.2.7 Vic Roads (\$0.011 million increase)

Council's contract with Vic Roads includes an "as of right" amount for routine maintenance works. Income from Vic Roads is projected to increase by 1.5% or \$11K in 2017/18 in line with expected CPI for this income source. This will be offset by an increase in expenditure in this area.

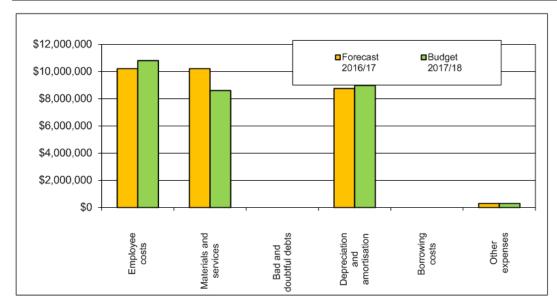
## 10.2.8 Other income (\$0.05 million decrease)

Other income relates to a range of items such as interest revenue on investments and rate arrears.

Other income is forecast to decrease by 13.3% or \$0.05 million compared to 2016/17. This is mainly due to a forecast reduction in Council's available cash reserves during 2017/18 to fund major infrastructure projects. Interest on unpaid rates is forecast to remain the same as 2016/17.

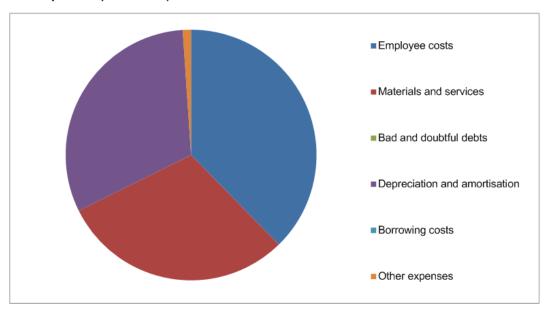
### 10.3 Expenses

Expense types	Ref	Forecast 2016/17		
Employee costs	10.3.1	\$10,212,285	\$10,809,393	\$597,108
Materials and services	10.3.2	\$10,212,014	\$8,606,761	(\$1,605,253)
Bad and doubtful debts	10.3.3	\$0	\$0	\$0
Depreciation and amortisation	10.3.4	\$8,757,634	\$8,976,575	\$218,941
Borrowing costs	10.3.5	\$0	\$0	\$0
Other expenses	10.3.6	\$299,116	\$304,738	\$5,622
Total expenses		\$29,481,049	\$28,697,467	(\$783,582)



## 10 ANALYSIS OF OPERATING BUDGET (Continued)

### 10.3 Expenses (continued)



#### 10.3.1 Employee costs (\$0.6 million increase)

Employee costs include all labour related expenditure such as wages and salaries and on-costs such as allowances, leave entitlements, employee superannuation, rostered days off, Workcover premium and Fringe Benefits Tax for all salaries and wages. Salaries and wages that relate to capital works are not included in operating expenditure but is included in the tables below for full transparency.

Employee costs are projected to increase by approximately 5.5% or \$597K from 2016/17 to 2017/18.

The impact on total operating salaries and wages in relation to the Enterprise Bargaining Agreement (EBA) and increase in banding have been built into the 2017/18 Budget including the expected EBA increase of 3.0%, effective August 2017. In 2016/17 there has been a continuation in Council's superannuation contribution of 9.5% in line with legislation.

A summary of the planned human resources expenditure categorised according to the organisational structure of Council is included below and includes both capital and operating components:

Department	Budget 2017/18 \$		Permanent part time
Economic development and tourism	\$569,861	\$331,298	\$238,563
Leadership	\$367,876	\$272,262	\$95,614
Works and infrastructure	\$3,341,410	\$3,341,410	\$0
Good management	\$2,794,073	\$2,010,192	\$783,881
Environment	\$342,799	\$251,634	\$91,165
Community services and recreation	\$3,393,374	\$1,240,596	\$2,152,778
Total	\$10,809,393	\$7,447,392	\$3,362,001

## 10 ANALYSIS OF OPERATING BUDGET (Continued)

### 10.3 Expenses (continued)

#### 10.3.1 Employee costs (continued)

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

	Budget	Permanent full	Permanent part
Department	FTE	time	time
Economic development and tourism	5.63	3.00	2.63
Leadership	4.23	3.00	1.23
Works and infrastructure	47.00	47.00	0.00
Good management	28.95	19.00	9.95
Environment	4.26	3.00	1.26
Community services and recreation	45.02	15.00	30.02
Total	135.09	90.00	45.09

#### 10.3.2 Materials, services and contracts (\$1.61 million decrease)

Materials, services and contracts include the purchase of consumables, payments to contractors for the provision of services and utility costs. Materials, services and contracts are forecast to decrease by 18.7% or \$1.61 million compared to 2016/17. They relate to operating expenditure only, and do not include the purchase of goods, services, or consumables, or payments to contractors for capital works projects.

The decrease is largely due reductions in the carry over amounts for packaged care services of \$304K, reduction in spending for the weed and pest program of \$194K and completion of the Serpentine Pavilion works of \$1.0M. Projected increases are expected in the gravel and sand pit crushing works of \$369K and introduction of a urban drainage strategy of \$150K.

### 10.3.3 Bad and doubtful debts (\$ nil movement)

Bad and doubtful debts is projected to have no movement from 2016/17 to 2017/18.

#### 10.3.4 Depreciation and amortisation (\$0.22 million increase)

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property, plant and equipment including infrastructure assets such as roads and drains. The increase of 2.44% or \$0.22 million for 2017/18 is due mainly to the completion of the 2016/17 capital works program and the full year effect of depreciation on the 2017/18 program. Refer to Section 6 for a more detailed analysis of Council's capital works program for the 2017/18 year.

#### 10.3.5 Borrowing costs (no movement)

Council currently has no borrowings and has not included borrowings in the 2017/18 Budget.

#### 10.3.6 Other expenses (\$0.01 million increase)

Other expenses include councillors' costs, auditors' remuneration and other minor expenses.

Other expenses are forecast to increase by 1.8% or \$0.01 million compared to 2016/17.

### 11 ANALYSIS OF BUDGETED CASH POSITION

This section of the report analyses the expected cash flows from the operating, investing and financing activities of Council for the 2017/18 year. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

**Operating activities** - Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.

**Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property and equipment.

**Financing activities** - Refers to cash generated or used in the financing of Council functions and include borrowings from financial institutions and advancing of repayable loans to other organisations. These activities include repayment of the principle component of loan repayments for the year.

### 11.1 Budgeted cash flow statement

		Forecast actual	Budget	Variance
	Ref	2016/17	2017/18	variance
Cash flows from operating activities	11.1.1	2010/1/	2011/10	
Receipts				
Rates and charges		\$10,108,261	\$10,585,996	\$477,735
Statutory fees and fines		\$408,553	\$275,938	(\$132,615)
User fees		\$1,667,621	\$1,561,584	(\$106,037)
Grants - operating		\$14,290,291	\$5,899,468	(\$8,390,823)
Grants - capital		\$6,723,111	\$3,410,389	(\$3,312,722)
Contributions - monetary		\$117,638	\$15,300	(\$102,338)
Interest received		\$497,078	\$378,000	(\$119,078)
Trust funds and deposits		\$0	\$0	\$0
Other receipts		\$1,153,419	\$1,036,285	(\$117,134)
Net GST refund / payment		(\$145,017)	(\$100,428)	\$44,589
Operating receipts		\$34,820,955	\$23,062,532	(\$11,758,423)
Payments				
Employee costs		(\$10,165,275)	(\$10,619,581)	(\$454,306)
Materials and services (including GST)		(\$10,253,154)	(\$8,827,383)	\$1,425,771
Trust funds and deposits repaid		(\$13,855)	(\$13,162)	\$693
Other payments		(\$299,662)	(\$304,738)	(\$5,076)
Operating payments		(\$20,731,946)	(\$19,764,864)	\$967,082
Net cash provided by operating activities		\$14,089,009	\$3,297,668	(\$10,791,341)
Cash flows from investing activities	11.1.2			
Payments for property, infrastructure, plant and				
equipment		(\$17,368,087)	(\$8,873,504)	\$8,494,583
Proceeds from sales of property, infrastructure, plant				
and equipment		\$0	\$0	\$0
Decrease in term deposits		\$1,750,000	\$0	(\$1,750,000)
Proceeds from sale of investments		0	0	\$0
Loans and advances made		\$6,000	6000	\$0
Repayment of loans and advances		\$69,000	\$79,000	\$10,000
Net cash provided by/(used in) investing				
activities		(\$15,543,087)	(\$8,788,504)	\$6,754,583

## 11 ANALYSIS OF BUDGETED CASH POSITION (Continued)

### 11.1 Budgeted cash flow statement (continued)

	Ref	Forecast actual 2016/17	Budget 2017/18	Variance
Cash flows from financing activities	11.1.3			
Proceeds from borrowing		\$0	\$0	\$0
Repayment of borrowings		\$0	\$0	\$0
Interest expense		\$0	\$0	\$0
Net cash provided by / (used in) financing				
activities		\$0	\$0	\$0
Net increase / (decrease) in cash and cash				
equivalents		(\$1,454,078)	(\$5,490,836)	(\$4,036,758)
Cash and cash equivalents at the beginning of the				
year		\$15,950,711	\$14,496,633	(\$1,454,078)
Cash and cash equivalents at the end of the year		\$14,496,633	\$9,005,797	(\$5,490,836)

#### 11.1.1 Operating activities (\$10.79 million decrease)

The decrease in cash flows from operating activities is due mainly to a \$8.4 million decrease in operating grants and \$3.3 million in capital grants, which is partially offset by a \$0.47 million increase in rates and charges, which is in line with the increase in rates of 2.0% and garbage related charges of 10.0%.

### 11.1.2 Investing activities (\$6.75 million decrease)

The large decrease in payments for investing activities represents a decrease in capital works expenditure disclosed in Section 10 of this budget report. Term deposits are also expected to decrease by \$1.75 million.

### 11.1.3 Financing activities (\$0.0 movement)

Council's borrowings were fully extinguished in the 2015/16 financial year. No new are borrowings are budgeted in 2017/18.

### 11.1.4 Cash and cash equivalents at the end of the year (\$5.49 million decrease)

Overall, total cash and investments is forecast to decrease by \$5.49 million to \$9.0 million as at 30 June 2018, although the cash position will be determined by a number of factors including collection of outstanding amounts during the year, payment cycle for Council's creditors and movement in trust funds.

## 11 ANALYSIS OF BUDGETED CASH POSITION (Continued)

#### 11.2 Restricted and unrestricted cash and investments

Cash and cash equivalents held by Council are restricted in part, and not fully available for Council's operations. The budgeted cash flow statement above indicates that Council is estimating at 30 June 2017 it will have unrestricted cash and investments of \$1.03 million, which has been restricted as shown in the following table.

Total cash and investments	Ref	Forecast actual 2016/17 \$14,496,633	Budget 2017/18 \$9,005,797	Variance (\$5,490,836)
Intended allocation assets		, , , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Long service leave	11.2.1	(\$1,831,723)	(\$1,931,723)	(\$100,000)
Discretionary reserves	11.2.2		(\$5,739,792)	\$4,374,696
Restricted allocation assets				
Trust funds and deposits		(\$263,239)	(\$250,077)	\$13,162
Unrestricted cash adjusted for discretionary		(, , , , , , , , , , , , , , , , , , ,	(, , , , , , , , , , , , , , , , , , ,	
reserves	11.2.3	\$2,287,183	\$1,084,205	(\$1,202,978)

#### 11.2.1 Long service leave (\$0.1 million increase)

Council has continued to treat funds set aside for employees long service leave as restricted cash. The increase in the variance is due to increased years of service by employees and increases in wage rates through the enterprise bargaining agreement.

#### 11.2.2 Discretionary reserves (\$0.31 million decrease)

These funds are shown as a discretionary reserve as, although not restricted by a statutory purpose, Council has made decision regarding the future use of these funds and unless there is a Council resolution these funds should be used for those earmarked purposes. The decisions about future use of these funds has been reflected in Council's Strategic Resource Plan and any changes in future use of the funds will be made in the context of the future funding requirements set out in the plan.

## 11.2.3 Unrestricted cash and investments (\$1.37 million decrease)

These funds are free of all specific Council commitments and represent funds available to meet daily cash flow requirements, unexpected short term needs and any budget commitments which will be expended in the following year such as grants and contributions. Council regards these funds as the minimum necessary to ensure that it can meet its commitments as and when they fall due without borrowing further funds.

## 12 ANALYSIS OF CAPITAL BUDGET

This section analyses the planned capital works expenditure budget for the 2017/18 year and the sources of funding for the capital budget. Further detail on the capital works program can be found in Section 6.

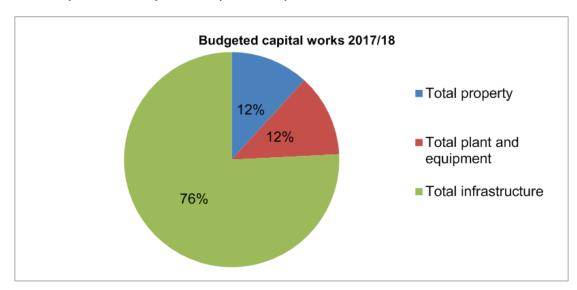
## 12.1 Capital works expenditure

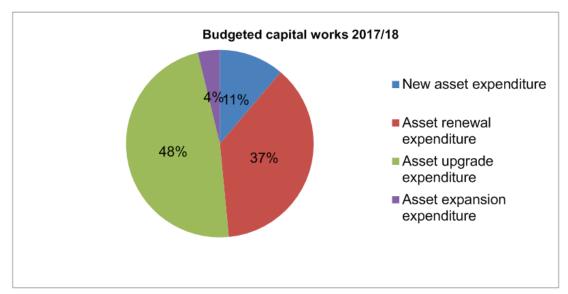
Capital works area	Ref	Forecast actual 2016/17	Budget 2017/18 \$	Variance \$
Works carried forward	12.1.1			
Property				
Land		\$0	\$0	\$0
Land improvements		\$95,630	\$45,000	(\$50,630)
Total land		\$95,630	\$45,000	(\$50,630)
Buildings		\$635,750	\$41,500	(\$594,250)
Building improvements		\$75,000	\$225,000	\$150,000
Total buildings		\$710,750	\$266,500	(\$444,250)
Total property		\$806,380	\$311,500	(\$494,880)
Plant and equipment				
Plant, machinery and equipment		\$0	\$0	\$0
Computers and telecommunications		\$0	\$0	\$0
Fixtures fittings and furniture		\$0	\$0	\$0
Total plant and equipment		\$0	\$0	\$0
Infrastructure				
Roads		\$940,205	\$0	(\$940,205)
Bridges		\$0	\$0	\$0
Footpaths		\$302,079	\$0	(\$302,079)
Drainage		\$426,961	\$0	(\$426,961)
Recreation leisure and community facilities		\$785,056	\$334,000	(\$451,056)
Parks, open space and streetscapes		\$2,882,689	\$0	(\$2,882,689)
Other infrastructure		\$0	\$0	\$0
Total infrastructure		\$5,336,990	\$334,000	(\$5,002,990)
Total works carried forward		\$6,143,370	\$645,500	(\$5,497,870)

# 12.1 Capital works expenditure (continued)

		Forecast actual 2016/17	Budget 2017/18	Variance
Capital works area	Ref	\$	\$	\$
New works				
Property	12.1.2			
Land		\$0	\$0	\$0
Land improvements		\$20,000	\$0	(\$20,000)
Total land		\$20,000	\$0	(\$20,000)
Buildings		\$345,000	\$30,000	(\$315,000)
Building improvements		\$670,325	\$763,500	\$93,175
Total buildings		\$1,015,325	\$793,500	(\$221,825)
Total property		\$1,035,325	\$793,500	(\$241,825)
Plant and equipment	12.1.3			
Plant, machinery and equipment		\$1,763,077	\$844,100	(\$918,977)
Computers and telecommunications		\$253,353	\$317,363	\$64,010
Fixtures fittings and furniture		\$0	\$0	\$0
Total plant and equipment		\$2,016,430	\$1,161,463	(\$854,967)
Infrastructure	12.1.4			
Roads		\$6,661,152	\$3,516,452	(\$3,144,700)
Bridges		\$492,210	\$251,000	(\$241,210)
Footpaths		\$497,467	\$293,755	(\$203,712)
Drainage		\$254,650	\$1,558,000	\$1,303,350
Recreation leisure and community facilities		\$187,380	\$790,000	\$602,620
Parks, open space and streetscapes		\$404,600	\$354,500	(\$50,100)
Other infrastructure		\$0	\$0	\$0
Total infrastructure		\$8,497,459	\$6,763,707	(\$1,733,752)
Total new works		\$11,549,214	\$8,718,670	(\$2,830,544)
		,		
Total capital works expenditure		\$17,692,584	\$9,364,170	(\$8,328,414)
Represented by:		П		
New asset expenditure	12.1.5	\$2,086,777	\$1,051,100	(\$1,035,677)
Asset renewal expenditure	12.1.5	\$4,727,261	\$3,488,562	(\$1,238,699)
Asset upgrade expenditure	12.1.5	\$7,048,293	\$4,469,008	(\$2,579,285)
Asset expansion expenditure	12.1.5	\$3,830,253	\$355,500	(\$3,474,753)
Total capital works expenditure		\$17,692,584	\$9,364,170	(\$8,328,414)

#### 12.1 Capital works expenditure (continued)





## 12.1.1 Carried forward works (\$0.65 million)

At the end of each financial year there are projects which are either incomplete of not commenced due to factors including planning issues, weather delays and extended consultation. For the 2016/17 year it is forecast that \$0.65 million of capital works will be incomplete and be carried forward into the 2017/18 year. The more significant projects include the swimming pool solar project of \$0.3 million and various depot works valued at a further \$0.3 million.

#### 12.1 Capital works expenditure (continued)

#### 12.1.2 Property (\$0.79 million)

The property class comprises buildings and building improvements including community facilities, municipal offices, sports facilities and pavilions.

For the 2017/18 year, \$0.79 million will be expenses on building and building improvement projects. The more significant projects include strategic fund works of \$0.5 million and an allocation for various Building Asset Management Plan works totalling \$0.27 million.

#### 12.1.3 Plant and equipment (\$1.16 million)

Plant and equipment includes plant, machinery and equipment along with computers and telecommunications.

For the 2017/18 year, \$1.16 million will be expensed on plant, equipment and other projects. The more significant projects include ongoing cyclical replacement of plant and vehicle fleet of \$0.82 million.

#### 12.1.4 Infrastructure (\$6.76 million)

Infrastructure includes roads, bridges, footpaths and cycleways, drainage, recreation, leisure and community facilities, parks, open space and streetscapes, off street car parks and other structures.

For the 2017/18 year, \$3.77 million will be expended on road projects. The more significant projects include local road construction of \$1.6 million, local road reseals of \$1.22 million and local road resheet program of \$0.35 million.

\$0.31 million will be expended on drainage projects.

\$1.25 million will be expended on flood mitigation drainage works at Boort (\$0.5 million) and Pyramid Hill \$0.75 million).

\$0.35 million will be expended on parks, open space and streetscapes and includes the allocation of \$0.1 million for the parks and gardens strategy.

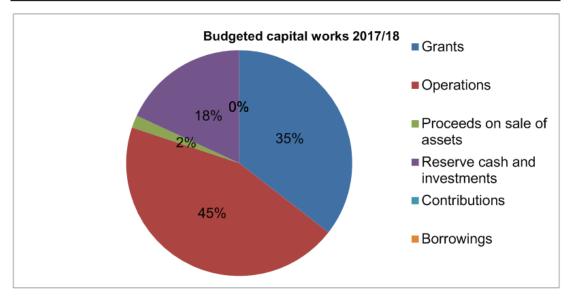
\$0.79 million will be expended on recreation, leisure and community facilities. The projects include various caravan park works of \$0.79 million.

12.1.5 Asset renewal (\$3.5 million), new assets (\$1.1 million), upgrade (\$4.7 million) and expansion (\$0.4 million)

A distinction is made between expenditure on new assets, asset renewal, upgrade and expansion. Expenditure on asset renewal is expenditure on an existing asset, or on replacing an existing asset that returns the service of the asset to its original capability. Expenditure on new assets does not have any element of expansion or upgrade of existing assets but will result in an additional burden for future operation, maintenance and capital renewal.

## 12.2 Funding sources

Sources of funding	Ref	Forecast actual 2016/17		
Works carried forward				
Current year funding				
Grants		\$1,640,865	\$200,000	(\$1,440,865)
Contributions		\$0	\$0	\$0
Borrowings		\$0	\$0	\$0
Council cash				
- operations		\$702,760	\$139,000	(\$563,760)
- proceeds on sale of assets		\$0	\$0	\$0
- reserve cash and investments		\$3,799,745	\$306,500	(\$3,493,245)
Total works carried forward	12.2.1	\$6,143,370	\$645,500	(\$5,497,870)
New works				
Current year funding				
Grants	12.2.2	\$3,085,634	\$3,096,530	\$10,896
Contributions		\$0	\$0	\$0
Borrowings		\$0	\$0	\$0
Council cash				
- operations	12.2.3	\$5,846,994	\$3,888,040	(\$1,958,954)
- proceeds on sale of assets	12.2.4	\$0	\$155,666	\$155,666
- reserve cash and investments	12.2.5	\$2,616,586	\$1,578,434	
Total new works		\$11,549,214	\$8,718,670	
Total funding sources		\$17,692,584		



## 12.2.1 Carried forward works (\$0.65 million)

At the end of each financial year there are projects which are either incomplete of not commenced due to factors including planning issues, weather delays and extended consultation.

#### 12.2 Funding sources (continued)

12.2.2 Grants (\$3.1 million)

Capital grants include all monies received from State and Federal sources for the purposes of funding the capital works program. Significant grants are budgeted to be received for various Roads to Recovery projects of \$1.76 million.

12.2.3 Council cash - operations (\$3.89 million)

Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast the \$3.89 million will be generated from operations to fund the 2017/18 capital works program.

12.2.4 Council cash - proceeds from sale of assets (\$0.16 million)

Proceeds from sale of assets include motor vehicles and other plant in accordance with Council's replacement program of \$0.16 million.

12.2.5 Council cash - reserve cash and investments (\$1.58 million)

Council has significant cash reserves, which it is currently using to fund its annual capital works program. The reserves include monies set aside for specific purposes such as plant and fleet replacement, caravan park infrastructure and information technology upgrades. Council also has grants and contributions that have been received in advance and are set aside in an unspent grants reserve.

## 13 ANALYSIS OF BUDGETED FINANCIAL POSITION

This section analyses the movements in assets, liabilities and equity between 2016/17 and 2017/18. It also considers a number of key performance indicators.

## 13.1 Budgeted balance sheet

	Forecast actual	Budget	
	2016/17	2017/18	Variance
Assets			
Current assets 13.1.1			
Cash and cash equivalents	\$14,496,633	\$9,005,797	(\$5,490,836)
Trade and other receivables	\$732,553	\$511,609	(\$220,944)
Financial assets	\$0	\$0	\$0
Inventories	\$62,523	\$59,397	(\$3,126)
Non current assets held for resale	\$190,356	\$190,356	\$0
Total current assets	\$15,482,065	\$9,767,159	(\$5,714,906)
Non-current assets 13.1.1			
Trade and other receivables	\$87,000	\$0	(\$87,000)
Investments in associates and joint ventures	\$362,225	\$362,225	\$0
Property, infrastructure, plant and equipment	\$320,537,638	\$330,056,407	\$9,518,769
Intangible assets	\$1,654,362	\$1,654,362	\$0
Total non-current assets	\$322,641,225	\$332,072,994	\$9,431,769
Total assets	\$338,123,290	\$341,840,153	\$3,716,863
Liabilities			
Current liabilities 13.1.2			
Trade and other payables	\$339,721	\$292,895	(\$46,826)
Trust funds and deposits	\$263,239	\$250,077	(\$13,162)
Provisions	\$0	\$0	\$0
Employee benefit	\$2,064,708	\$1,999,895	(\$64,813)
Interest bearing loans and borrowings	\$0	\$0	\$0
Total current liabilities	\$2,667,668	\$2,542,867	(\$124,801)
Non-current liabilities 13.1.2			
Provisions 13.1.2	\$1,968,604	\$2,067,034	\$98,430
Employee benefit	\$636,871	\$831,313	\$194,442
Interest bearing loans and borrowings	\$0	\$0	\$0
Total non-current liabilities	\$2,605,475	\$2,898,347	\$292,872
	\$2,000,470	<b>\$2,000,0</b> 41	<b>\$252,572</b>
Total liabilities	\$5,273,143	\$5,441,214	\$168,071
Net assets	\$332,850,147	\$336,398,939	\$3,548,792
Familia			
Equity	\$404.000.400	¢402.070.770	(\$4.000.0E4)
Accumulated surplus	\$104,969,130	\$103,270,779	(\$1,698,351)
Asset revaluation reserve Other reserves	\$217,766,528 \$10,114,488	\$227,388,368 \$5,739,792	\$9,621,840
			(\$4,374,696)
Total equity	\$332,850,146	\$336,398,939	\$3,548,793

# 13 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

#### 13.1 Budgeted balance sheet (continued)

13.1.1 Current assets (\$5.71 million decrease) and non-current assets (\$9.43 million increase)

Cash and cash equivalents include cash and investments such as cash held in the bank and in petty cash and the value of investments in deposits or other highly liquid investments with short term maturities of three months or less. These balances are projected to decrease by \$5.5 million during the year mainly due the 50% upfront payment of the Victoria Grants Commission funding along with the requirement to fund the capital works program during the year.

Trade and other receivables are monies owed to Council by ratepayers and others. Short term debtors are not expected to change significantly in the budget. Long term debtors (non-current) relating to loans to community organisations will decrease slightly in accordance with agreed repayment terms.

Other assets includes items such as prepayments for expenses that Council has paid in advance of service delivery, inventories or stocks held for sale or consumption in Council's services and other revenues due to be received in the next 12 months.

Property, infrastructure, plant and equipment is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. The \$9.52 million increase in this balance is attributable to the net result of the capital works program (\$17.69 million in 2016/17 and \$9.36 million in 2017/18), depreciation of assets (\$8.76 million in 2016/17 and \$8.98 million in 2017/18) and the income through sale of property, plant and equipment (\$0.32 million in 2016/17 and \$0.49 million in 2017/18).

Investments in associates and joint ventures represents Council's equity in the North Central Regional Goldfields Library. The change in equity has been inconsistent in the past with some years increasing and other years decreasing, so for budgeting purposes, the equity has not been changed. Non-current assets held for resale is land and/or buildings that Council can confidently state will be sold within a short period of time.

13.1.2 Current liabilities (\$0.12 million decrease and non-current liabilities (\$0.29 million increase)

Trade and other payables are those to whom Council owes money as at 30 June. These liabilities are budgeted to reduce by \$0.13million in 2017/18 levels due to a reduction in material and services costs.

Employee benefit include accrued long service leave, annual leave and rostered days off owing to employees. These employee entitlements are expected to decrease by \$0.06 million (current liability) and increase by \$0.19 million (non current liability) due to increases in employee service years and enterprise bargaining increases.

Interest bearing loans and borrowings are borrowings of Council. The Council has repaid the balance of all loans in the 2015/16 financial year.

# 13 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

#### 13.1 Budgeted balance sheet (continued)

#### 13.1.3 Working capital (\$5.59 million decrease)

Working capital is the excess of current assets above current liabilities. The calculation recognises that although Council has current assets, some of those assets are committed to the future settlement of liabilities and therefore are not available for discretionary spending.

Some of Council's cash assets are restricted in that they are required by legislation to be held in reserve for specific purposes or are held to fund carry forward capital works from the previous financial year.

	Forecast actual	Budget	
	2016/17	2017/18	Variance
Current assets	\$15,482,065	\$9,767,159	\$5,714,906
Current liabilities	\$2,667,668	\$2,542,867	\$124,801
Working capital	\$12,814,397	\$7,224,292	\$5,590,105
Intended allocation assets			
- Discretionary reserves	(\$10,114,488)	(\$5,739,792)	(\$4,374,696)
- Long service leave	(\$1,831,723)	(\$1,931,723)	\$100,000
Restricted allocation assets			
- Trust funds and deposits	(\$263,239)	(\$250,077)	(\$13,162)
Unrestricted working capital	\$604,947	(\$697,300)	\$1,302,247

In addition to the restricted assets above, Council is also projected to hold \$5.74 million in discretionary reserves at 30 June 2018. Although not restricted by a statutory purpose, Council has made decisions regarding the future use of these funds and unless there is a Council resolution, these funds are to be used for those earmarked purposes.

## 13.1.4 Equity (\$3.55 million increase)

Total equity always equals net assets and is made up of the following components:

- asset revaluation reserve which represents the difference between the previously recorded value of assets and their current valuations
- other reserves that are funds that Council wishes to separately identify as being set aside to meet a specific purpose in the future and to which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council to be separately disclosed
- accumulated surplus which is the value of all net assets less reserves that have accumulated over time. \$1.7 million of the \$3.55 million increase in accumulated surplus results directly from the surplus for the year. An amount of \$4.37 million net is budgeted to be transferred from other reserves to accumulated surplus. This reflects the usage of Council's reserves to partly fund the capital works program and other specified projects. This is a transfer between equity balances and does no impact on the total balance of equity.

# 13 ANALYSIS OF BUDGETED FINANCIAL POSITION (Continued)

## 13.2 Key assumptions

In preparing the Budgeted Balance Sheet for the Year Ended 30 June 2018 it was necessary to make a number of assumptions about assets, liabilities, and equity balances. The key assumptions are as follows:

- Council will not collect all of its revenue in one financial year due to the time lag between invoices and payments, and these will be received in the next financial year
- Council will not collect all of its rate revenue in each financial year (2% is budgeted to remain outstanding)
- Council will collect all monies from interest received and reimbursements in the one financial year
- Council will not pay all of its expenditure in one financial year due to the time lag between invoices and payments and the remaining invoices will be paid in the next financial year
- all capital works and carried forward projects will be completed in the financial year
- reserve transfers will be undertaken in line with Council's Reserves Policy
- Council's interest free loans owed by external parties will be repaid in accordance with existing repayment schedules
- where applicable the Long Term Financial Plan forecasts have been stated
- no attempt has been made to forecast the movement in water rights and library equity.

#### 14 STRATEGIC RESOURCE PLAN

This section includes an extract from the adopted Strategic Resource Plan (SRP) to provide information on the long term financial projects of the Council.

## 14.1 Plan development

The Act requires a SRP to be prepared describing both financial and non-financial resources (including human resources) for at least the next four financial years to achieve the strategic objectives in the Council Plan. In preparing the SRP, Council must take into account all other plans and strategies in regard to the services and initiatives which commit financial and non-financial resources for the period of the SRP.

Council has prepared a Strategic Resource Plan for the four years 2017/18 to 2020/21 as part of its ongoing financial planning to assist in adopting a budget within a longer term framework. The SRP takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms for the next four years.

The key objective, which underlines the development of the Plan, is financial sustainability in the medium to long term, whilst still achieving Council's strategic objectives as specified in the Council Plan. The key financial objectives, which underpin the Strategic Resource Plan, are:

- maintain existing service levels
- achieve a balanced budget on a cash basis
- the continuation of rate capping which was implemented in the 2016/17 financial year
- maintain a capital expenditure program appropriate to cash flows
- include Asset Management Plans and all strategies adopted by Council
- full funding of Council's ongoing commitment to community planning of \$750K
- an increased commitment to investment in information technology.

In preparing the SRP, Council has also been mindful of the need to comply with the following Principles of Sound Financial Management as contained in the Act:

- prudently manage financial risks relating to debt, assets and liabilities
- provide reasonable stability in the level of rate burden
- consider the financial effects of Council decision on future generations
- provide full, accurate and timely disclosure of financial information.

The SRP is updated annually through a rigorous process of consultation with Councillors and staff followed by a detailed sensitivity analysis to achieve the key financial objectives.

## 14 STRATEGIC RESOURCE PLAN (Continued)

#### 14.2 Financial resources

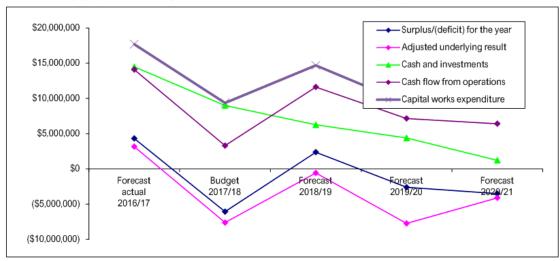
The following table summaries the key financial results for the next four years as set out in the SRP for years 2017/18 to 2020/21. Section 3 includes a more detailed analysis of the financial resources to be used over the four year period.

Indicator	Forecast actual 2016/17	Budget 2017/18				Trend
Surplus/(deficit) for the year	\$4,321,549	(\$6,073,047)	\$2,370,087	(\$2,606,132)	(\$3,515,714)	0
Adjusted underlying result	\$3,154,940	(\$7,621,380)	(\$578,912)	(\$7,742,799)	(\$4,107,047)	0
Cash and investments	\$14,496,633	\$9,005,797	\$6,255,484	\$4,394,899	\$1,218,284	-
Cash flow from operations	\$14,089,009	\$3,297,668	\$11,616,905	\$7,153,184	\$6,413,032	-
Capital works expenditure	\$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581	0

#### Key to forecast trend:

- + Forecasts improvement in Council's financial performance / financial position indicator
- O Forecasts that Council's financial performance / financial position indicator will be steady
- Forecasts deterioration in Council's financial performance / financial position indicator

The following graph shows the general financial indicators over the four year period:



The key outcomes of the SPR are as follows:

- Adjusted underlying result: An indicator of the sustainable operating result required to enable Council to provide core services and meet its objectives. Improvement in financial performance is expected over the period, although continued losses means reliance on Council's cash reserves or increased debt to maintain services.
- Rating levels (Section 15): Modest rate increases are forecast over the four years in line with the State Governments imposed rate capping schedule
- Borrowing strategy (Section 16): There are no forecast borrowings in the four year period.

## 15 RATING INFORMATION

This section contains information on Council's past and foreshadowed rating levels along with Council's rating structure and the impact of changes in property valuations. This section should be read in conjunction with Council's Rating Strategy which is available on Council's website.

#### 15.1 Rating context

In developing the Strategic Resource Plan (referred to in Section 14), rates and charges were identified as an important source of revenue, accounting for over one third of the total revenue received by Council annually. Planning for future rate increases has been an important component of the Strategic Resource Plan process. The level of required rates and charges was considered in context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the Loddon community.

Council no longer has discretion over general rates and municipal charges, so the increase in rates for 2016/17 and 2018/19 is in line with the State Government's imposed rate cap of 2.5% and 2.0%. The increase in rates and charges for 2015/16 was in line with Council's previous rating strategy and long term financial plan.

#### 15.2 Current year rates and charges

The following table sets out future proposed increases in revenue from rates and charges and the total rates to be raised, based on forecast financial position of Council as at 30 June 2018.

Year	General rate increase %	Municipal charge increase %		Recycling charge increase %	Total rates raised \$
2015/16	5.5	5.5	7.0	7.0	9,701,598
2016/17	2.5	2.5	2.5	2.5	10,406,865
2017/18	2.0	2.0	10.0	10.0	10,537,935
2018/19	2.0	2.0	2.0	2.0	10,767,370
2019/20	2.0	2.0	2.0	2.0	11,002,049
2020/21	2.0	2.0	2.0	2.0	267,790

## 15.3 Rating structure

Council has established a rating structure, which is comprised of three elements. These are:

- property values, which form the central basis of rating under the Local Government Act 1989
- a 'user pays' component to reflect usage of certain services provided by Council
- a fixed municipal charge per property to cover some of the administrative costs of Council.

Striking a proper balance between these elements provides equity in the distribution of rate burden across residents.

Council makes a further distinction within the property value component of rates based on the purpose for which the property is used, that is, whether the property is used for general purposes (includes residential and commercial) or rural purposes.

Having reviewed the various valuation bases for determining the property value component of rates, since 2002 Council has determined to apply a Capital Improved Value (CIV) basis on the grounds that it provides the most equitable distribution of rates across the municipality. There are currently no plans to change that basis, but Council does review its rating structure every four years.

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## 15 RATING INFORMATION

#### 15.3 Rating structure (continued)

The existing rating structure comprises one differential rate (rural properties) and a rate for general properties (residential and commercial). These rates are structured in accordance with the requirements of Section 161 "Differential Rates" of the Local Government Act.

Under the Cultural and Recreation Lands Act 1963, provision is made for a Council to levy the rate for recreational lands at 'such amount as the municipal council thinks reasonable having regard to the services provided by the municipal council in relation to such lands and having regard to the benefit to the community derived from such recreational lands'. Council has exempted all rateable recreation land from the payment of rates.

Council has reaffirmed its intention to maintain the existing rating relativities. Council also has a municipal charge, garbage charge and a kerbside recycling collection charge as allowed under the Act.

The following table summaries the rates to be determined for the 2017/18 year. A more detailed analysis of the rates to be raised is contained in Section 7 'Statutory Disclosures'.

Rate type	How applied	2016/17	2017/18	Total raised \$000's	Change
General rates	Cents in \$ of CIV	0.4892	0.4977	\$2,558	1.73%
Rural rates	Cents in \$ of CIV	0.4355	0.4431	\$5,409	1.73%
Municipal charge	\$ per property	\$203	\$207	\$1,160	1.97%
Kerbside collection charge 140 litre	\$ per property	\$236	\$260	\$943	10.17%
Recycling charge 240 litre	\$ per property	\$89	\$98	\$337	10.11%

Council has adopted a formal Rating Strategy that contains expanded information on Council's rating structure and the reasons behind its choices in applying the rating mechanism it has used.

## 15.4 General revaluation of properties

During the 2015/16 year, a revaluation of all properties within the municipality was carried out and applied from 1 July 2016 for the 2016/17 and 2017/18 financial years. The outcome of the 2016 general revaluation was a moderate change in property valuations throughout the municipality.

## **15 RATING INFORMATION**

## 15.4 General revaluation of properties (continued)

The following table shows the valuations of urban and rural properties over the past eight years:

Financial year	General	Rural	Total		
2008/09	\$370,868,473	\$1,023,552,048	\$1,394,420,521		
% Split	26.6%	73.4%	100.0%		
2009/10	\$373,422,273	\$1,007,723,048	\$1,381,145,321		
% Split	27.0%	73.0%	100.0%		
2010/11	\$386,838,400	\$1,087,616,600	\$1,474,455,000		
% Split	26.2%	73.8%	100.0%		
2011/12	\$388,588,300	\$1,075,905,600	\$1,464,493,900		
% Split	26.5%	73.5%	100.0%		
2012/13	\$415,445,900	\$1,107,773,700	\$1,523,219,600		
% Split	27.3%	72.7%	100.0%		
2013/14	\$418,602,400	\$1,102,582,700	\$1,521,185,100		
% Split	27.5%	72.5%	100.0%		
2014/15	\$445,725,800	\$1,157,562,000	\$1,603,287,800		
% Split	27.8%	72.2%	100.0%		
2015/16	\$454,898,700	\$1,159,608,000	\$1,614,506,700		
% Split	28.2%	71.8%	100.0%		
2016/17	\$509,344,700	\$1,218,750,500	\$1,728,095,200		
% Split	29.5%	70.5%	100.0%		
2017/18	\$514,019,000	\$1,220,740,500	\$1,734,759,500		
% Split	29.6%	70.4%	100.0%		
The change in va	luation from 2016/1	7 to 2017/18 is:			
·	0.92%	0.16%	0.39%		

## 15.5 Split of rates between rural and general

In 2015/16, Council set a rate differential between rural and urban properties. Rural properties have a rate in the dollar 11% less than urban properties. This has been continued into the 2017/18 rating year.

Type of property	2017/18	2016/17
General	1.00	1.00
Rural	0.89	0.89

#### 16 SUMMARY OF OTHER STRATEGIES

This section sets out summaries of the strategies that have been developed and incorporated into the Strategic Resource Plan including borrowings, infrastructure and service delivery.

#### 16.1 Borrowings

In developing the Strategic Resource Plan (SRP) (see Section 14), borrowings was identified as an important funding source for capital works programs. In the past Council has borrowed to finance large projects and since then has been in a phase of debt reduction. This has resulted in a reduction in debt servicing costs, but has meant that cash and investment reserves have been used as an alternate funding source to maintain robust capital works programs.

In general, Council has adopted a policy to remain debt free except for situations where funding was required to deliver significant capital projects. The Council has elected to not borrow any further funds at this time.

In 2015/16 final loan payments were made for this project which finalises all of Council's borrowings.

For the 2017/18 year, Council has decided not to take out any new borrowings to fund the capital works program.

The table below shows information on borrowings specifically required by the Regulations.

Borrowings	Forecast Actual 2016/17	Budget 2017/18
Total amount borrowed as at 30 June of the prior year	\$0	\$0
Total amount to be borrowed	\$0	\$0
Total amount projected to be redeemed	\$0	\$0
Total amount proposed to be borrowed as at 30 June	\$0	\$0

## 16.2 Reserves

Council undertakes Reserves budgeting in order to provide for future expenditure while reducing the impact of purchases on the current year budget.

The following reserves are currently in use by Council:

#### Land and buildings reserve

The Land and Buildings Reserve is used to fund the acquisition of land and buildings. Funds received from the sale of Council owned land and buildings are transferred to the reserve.

#### Professional development reserve

The Professional Development Reserve is used to fund professional development undertaken by executive officers of Council. An annual allocation is provided to each officer and that amount is transferred to the reserve annually, while the cost of professional development undertaken during the year is transferred from the reserve.

#### Unspent grants reserve

The Unspent Grants Reserve has been established for situations where Council has received funding via an external party and those funds remain unspent at the end of the financial year.

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## 16.2 Reserves (continued)

#### Capital expenditure reserve

The Capital Expenditure Reserve is used to set aside funds that have been budgeted for capital works projects in one financial year but will not be fully expended by the end of that year. The funds will be transferred to the reserve in the budget year, and transferred from the reserve in the following financial year, or in the year that the funds are expended for the specific project.

#### Rates reserve

The Rates Reserve has been established to offset the effect of unbundling of water rights from Council valuations from 1 July 2007, and the subsequent effect that this will have on Council's ability to raise rates on the affected properties in the 2009/10 and future rating periods.

#### Information technology reserve

The Information Technology Reserve is used to set aside monies for the purchase of information technology assets. The reserve outlines the annual cost of information technology for Council and the amounts required to be set aside in reserve for future asset purchases.

#### Valuations reserve

The Valuations Reserve is used to fund the cost of Council's bi-annual valuations for rating purposes. Council transfers from the reserve the net cost of valuations and transfers to the reserve an annual allocation to ensure the reserve remains high enough to fund future revaluations.

#### Units reserve

The Units Reserve is used to fund the purchase or improvement of Council owned elderly persons' units. The surplus generated from rental income is transferred to the reserve annually. The cost of major improvements is transferred from the reserve annually.

#### Economic development reserve

The Economic Development Reserve is used to set aside funds to assist with economic development initiatives that Council wishes to financially support. Council transfers to the reserve a set amount determined during the budget process and transfers from the reserve the cost of economic development initiatives within the year.

#### Skinners Flat water reserve

The Skinners Flat Water Reserve is used to fund major repairs and capital works at the Skinners Flat Water Supply. The surplus on operations of the water supply is transferred to reserve annually and the cost of major repairs and capital works is transferred from the reserve.

#### Community planning reserve

The Community Planning Reserve has been established for situations where projects are budgeted in one year but for various reasons are unable to be delivered and are therefore deferred until the following year.

## Plant replacement reserve

The Plant Replacement Reserve is used to fund plant purchases. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of plant purchases for the year.

#### Fleet replacement reserve

The Fleet Replacement Reserve is used to fund the replacement of office vehicles. Council transfers to the reserve a fixed amount annually and transfers from the reserve the net cost of fleet purchases for the year.

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## 16.2 Reserves (continued)

#### GSP reserve

The GSP Reserve is used to fund the restoration of gravel and sand pits used by Council for the extraction of gravel. The budgeted surplus on operations of the pits is transferred to the reserve annually and the cost of restoration of the pits is transferred from the reserve.

#### Urban drainage reserve

The Urban Drainage Reserve is used to fund urban drainage works in the towns within the Shire. Council transfers to the reserve annually a budgeted amount, and transfers from the reserve the cost of urban drainage works for the year.

#### Landfill rehabilitation reserve

The Landfill Rehabilitation Reserve has been established to assist with the cost of rehabilitating Council's landfills. Council transfers to the reserve annually \$10 per kerbside collection levy (or a prorata amount for a pro-rata collection). Council transfers from the reserve the cost of landfill rehabilitation.

## Reserves improvement reserve

The Reserves Improvement Reserve is an allocation of funds used to provide interest free loans to community groups. Usually there are no transfers to or from this reserve.

#### Lake Boort water reserve

The Lake Boort Water Reserve was established with funds generated from sale of water allocations not required for immediate use in Little Lake Boort. The reserve is used to purchase replacement water at an appropriate time, or may be used for other purposes specific to Lake Boort.

#### Caravan park development reserve

The Caravan Park Development Reserve has been established to assist with funding major projects at Council's caravan parks. Council transfers to the reserve annually the surplus on operations of its caravan parks, and transfers from the reserve the cost of major projects undertaken at Council's caravan parks during the year.

#### Unfunded superannuation liability reserve

The Unfunded Superannuation Liability Reserve is used to repay any potential unfunded superannuation liability arising from the LAS Defined Benefits Plan Scheme. Council transfers to the reserve amounts allocated in the budget, and transfers from the reserve payments made to Vision Super Pty. Ltd. for the unfunded superannuation liability.

#### Unspent contributions reserve

The Unspent Contributions Reserve is used to set aside contributions received for a specific purpose in one financial year that will not be expended until a later financial year. The funds will be transferred to the reserve in the year the funds are received, and transferred from the reserve in the year that the funds are expended for that purpose.

## War memorial reserve

The War Memorial Reserve is used to fund the cost of maintaining and renewing war memorials across the Shire. Council transfers funds to the reserve as required and transfers the cost of works to war memorials from reserve.

## Heritage loan scheme reserve

The Heritage Loan Scheme Reserve is used to provide land owners of properties located in significance heritage precincts, heritage registered buildings or structures of local heritage significance, with loans to enable repair and maintenance of those buildings with the aims of quality appearance and public safety.

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## 16.2 Reserves (continued)

#### Major projects reserve

The Major Projects Reserve is used to assist with the funding of major projects identified by Council. Council transfers funds to the reserve annually an amount determined during the budget process as sufficient to fund the major projects program and transfers the funds required to finance major works undertaken at Council's discretion.

#### Unsightly premises enforcement provision reserve

The Unsightly Premises Enforcement Provision Reserve is used to provide funds to assist with the enforcement and rectification works on determined unsightly premises with costs recouped via legal or other action.

#### Swimming pool major projects reserve

The Swimming Pool Major Projects Reserve is used to fund unplanned major repairs and capital works at the various swimming pool sites across the Shire.

#### 16.2.1 Transfers to and from reserves

The following is a summary of the projected reserves position for the year ended 30 June 2017:

	2016/17 reserves - as per projected actuals							s
Name of reserve		Balance at		Transfers to		Transfers from		Balance at
	1	July 2016		reserves	reserves		30 June 2017	
Land and buildings reserve	\$	303,400	\$	-	\$	20,000	\$	283,400
Professional development reserve	\$	19,919	\$	8,000	\$	-	\$	27,919
Unspent grants reserve	\$	5,225,729	\$	4,060,524	\$	5,225,729	\$	4,060,524
Capital expenditure reserve	\$	3,037,963	\$	-	\$	3,037,963	\$	-
Rates reserve	\$	229,206	\$	-	\$	229,206	\$	-
Information technology reserve	\$	977,623	\$	485,000	\$	349,623	\$	1,113,000
Valuation reserve	\$	122,967	\$	94,947	\$	15,000	\$	202,914
Units reserve	\$	64,994	\$	7,961	\$	-	\$	72,955
Economic development reserve	\$	163,180	\$	100,000	\$	85,000	\$	178,180
Skinner's Flat reserve	\$	12,908	\$	-	\$	-	\$	12,908
Community planning reserve	\$	476,514	\$	-	\$	476,514	\$	-
Plant replacement reserve	\$	1,075,344	\$	850,000	\$	1,314,826	\$	610,518
Fleet replacement reserve	\$	427,424	\$	291,000	\$	205,304	\$	513,120
GSP restoration reserve	\$	719,738	\$	93,771	\$	26,811	\$	786,698
Urban drainage reserve	\$	528,588	\$	254,650	\$	467,111	\$	316,127
Landfill rehabilitation reserve	\$	263,527	\$	33,620	\$	23,100	\$	274,047
Lake Boort water reserve	\$	17,815	\$	-	\$	-	\$	17,815
Reserves improvement reserve	\$	100,000	\$	-	\$	-	\$	100,000
Caravan park development reserve	\$	85,982	\$	196,739	\$	36,154	\$	246,567
Superannuation liability reserve	\$	1,000,000	\$	-	\$	-	\$	1,000,000
Unspent contributions reserve	\$	-	\$	-	\$	-	\$	-
War memorial reserve	\$	3,000	\$	-	\$	-	\$	3,000
Heritage loan scheme	\$	72,610	\$	27,390	\$	-	\$	100,000
Major projects reserve	\$	95,752	\$	-	\$	50,956	\$	44,796
Unsightly premises enforcement provision	l				l			
reserve	\$	-	\$	100,000	\$	-	\$	100,000
Swimming pool major projects reserve	\$	-	\$	50,000	\$	-	\$	50,000
TOTAL	\$	15,024,183	\$	6,653,602	\$	11,563,297	\$	10,114,488

## 16.2.1 Transfers to and from reserves (continued)

The following is a summary of the budgeted reserves position for the year ended 30 June 2018:

	2017/18 reserves								
Name of reserve	Balance at			Transfers to		Transfers from		Balance at	
Indilie of reserve		1 July 2017		reserves	reserves		30 June 2018		
Land and buildings reserve	\$	283,400	\$	335,000	\$	-	\$	618,400	
Professional development reserve	\$	27,919	\$	8,000	\$	-	\$	35,919	
Unspent grants reserve	\$	4,060,524	\$	-	\$	4,060,524	\$	-	
Capital expenditure reserve	\$	-	\$	-	\$	-	\$	-	
Rates reserve	\$	-	\$	-	\$	-	\$	-	
Information technology reserve	\$	1,113,000	\$	185,000	\$	343,000	\$	955,000	
Valuation reserve	\$	202,914	\$	15,000	\$	160,000	\$	57,914	
Units reserve	\$	72,955	\$	7,727	\$	-	\$	80,682	
Economic development reserve	\$	178,180	\$	100,000	\$	160,000	\$	118,180	
Skinner's Flat reserve	\$	12,908	\$	-	\$	-	\$	12,908	
Community planning reserve	\$	-	\$	-	\$	-	\$	-	
Plant replacement reserve	\$	610,518	\$	850,000	\$	548,440	\$	912,078	
Fleet replacement reserve	\$	513,120	\$	150,000	\$	119,994	\$	543,126	
GSP restoration reserve	\$	786,698	\$	123,039	\$	402,130	\$	507,607	
Urban drainage reserve	\$	316,127	\$	250,000	\$	458,000	\$	108,127	
Landfill rehabilitation reserve	\$	274,047	\$	34,370	\$	-	\$	308,417	
Lake Boort water reserve	\$	17,815	\$	-	\$	-	\$	17,815	
Reserves improvement reserve	\$	100,000	\$	-	\$	-	\$	100,000	
Caravan park development reserve	\$	246,567	\$	74,256	\$	305,000	\$	15,823	
Superannuation liability reserve	\$	1,000,000	\$	-	\$	-	\$	1,000,000	
Unspent contributions reserve	\$	-	\$	-	\$	-	\$	-	
War memorial reserve	\$	3,000	\$	-	\$	-	\$	3,000	
Heritage loan scheme	\$	100,000	\$	-	\$	-	\$	100,000	
Major projects reserve	\$	44,796	\$	-	\$	-	\$	44,796	
Unsightly premises enforcement provision	l		l						
reserve	\$	100,000	\$	-	\$	-	\$	100,000	
Swimming pool major projects reserve	\$	50,000	\$	50,000	\$	-	\$	100,000	
TOTAL	\$	10,114,488	\$	2,182,392	\$	6,557,088	\$	5,739,792	

By including the above transfers from reserves it is expected that reserve levels remain steady during 2017/18, leaving a balance of \$5.74 million in the reserves account.

#### 10.2.2 Details of reserves

The following schedule provides details of each of the reserve transfers for 2017/18:

Land and buildings reserve			
Opening balance			\$283,400
ADD transfer to reserve			
Tresise Street Serpentine house sales	Activity 191	\$300,000	
Ridge Street Wedderburn land sale	Activity 110	\$35,000	\$335,000
LESS transfer from reserve			
Nil	N/A		\$0
Closing balance			\$618,400

## 16.2.1 Transfers to and from reserves (continued)

Duefeccional development recome			
Professional development reserve			<b>#07.040</b>
Opening balance			\$27,919
ADD transfer to reserve			
Annual allocation	Activity 461	\$8,000	\$8,000
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$35,919
			<b>,</b>
		· · ·	
Unspent grants reserve			
Opening balance			\$4,060,524
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
VGC 50% upfront payment returned to			
surplus	N/A	(\$4,060,524)	(\$4,060,524)
Closing balance	"""	(ψ1,000,024)	\$0
Closing balance		}	Φ0
L			
Capital expenditure reserve			
Opening balance			\$0
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve	1 11/1	40	**
Nil	N/A	\$0	\$0
1	IN/A	Ψ0	\$0
Closing balance		}	20
L			
Rates reserve			
Opening balance			\$0
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve		1	, ,
Nil	N/A	\$0	\$0
	IN/A	40	\$0
Closing balance		}	Φ0
Information technology reserve			
Opening balance			\$1,113,000
ADD transfer to reserve			
Annual allocations for major purchases	Activity 461	\$185,000	\$185,000
LESS transfer from reserve	1.3, 1.3.	<del>+ 100,000</del>	Ţ.00,000
Server Replacement	Activity 434	(\$50,000)	l
	1 -		l
IT strategy implementation	Activity 434	(\$220,000)	l
Software licenses	Activity 434	(\$31,000)	l
Minor Information technology			
expenditure	Activity 434 and 491	(\$42,000)	(\$343,000)
Closing balance			\$955,000
		ן ו	
	-		

## 16.2.1 Transfers to and from reserves (continued)

Valuation reserve			
Opening balance			\$202,914
ADD transfer to reserve			Ψ202,014
Income from sale of data	Activity 436	\$15,000	\$15,000
LESS transfer from reserve	7.6	<b>V.0,000</b>	ψ.ο,οοο
Expenditure for 2015/16	Activity 436	(\$160,000)	(\$160,000)
Closing balance		(4.55,555)	\$57,914
		1 1	φοιγοιι
Units reserve			
Opening balance			\$72,955
ADD transfer to reserve			
Surplus for 2015/16	Activity 634	\$7,727	\$7,727
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$80,682
Economic development reserve	1		
Opening balance			\$178,180
ADD transfer to reserve			Ψ170,100
Yearly allocation	Activity 461	\$100,000	\$100,000
LESS transfer from reserve	Houvily 401	Ψ100,000	Ψ100,000
Scar trees campaign	Activity 110	(\$60,000)	
Project scoping	Activity 110	(\$15,000)	
Agribusiness Forum	Activity 131	(\$10,000)	
Economic development strategy	Activity 131	(\$75,000)	(\$160,000)
Closing balance	7.6	(4.0,000)	\$118,180
		1 1	ψ110,100
Skinner's flat reserve			
Opening balance			\$12,908
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$12,908
Community planning receive	1		
Community planning reserve Opening balance			\$0
ADD transfer to reserve			Φ0
Nil	N/A	\$0	\$0
LESS transfer from reserve	19/75	\$0	Φυ
Nil	N/A	\$0	\$0
Closing balance	13//	\$0	\$0
Closing balance			\$0

## 16.2.1 Transfers to and from reserves (continued)

Tel 4			
Plant replacement reserve			
Opening balance			\$610,518
ADD transfer to reserve			
Annual allocation to reserve	Activity 461	\$850,000	\$850,000
LESS transfer from reserve			
Net cost of plant replacement	Activity 391	(\$548,440)	(\$548,440)
Closing balance			\$912,078
		l 1	, , , , ,
	'		
Fleet replacement reserve			
Opening balance			\$513,120
ADD transfer to reserve			*****
Annual allocation to reserve	Activity 461	\$150,000	\$150,000
LESS transfer from reserve	7 totavity 40 i	Ψ100,000	Ψ100,000
Net cost of fleet replacement	Activity 391	(\$119,994)	(\$110.004)
· ·	Activity 591	(\$119,994)	(\$119,994)
Closing balance			\$543,126
GSP restoration reserve	1		
Opening balance			\$786,698
ADD transfer to reserve			\$700,090
	A attacks 200	¢402.020	£400.000
Income from gravel pits	Activity 380	\$123,039	\$123,039
LESS transfer from reserve		(0.400.400)	(0.400.400)
Expenditure from gravel pits	Activity 380	(\$402,130)	(\$402,130)
Closing balance		L	\$507,607
Urban drainage reserve			
Opening balance			\$316,127
ADD transfer to reserve			
Annual allocation	Activity 461	\$250,000	\$250,000
LESS transfer from reserve			
Drainage program	Activity 371	(\$458,000)	(\$458,000)
Closing balance			\$108,127
		l i	
Landfill rehabilitation reserve			
Opening balance			\$274,047
ADD transfer to reserve			
Kerbside collection	Activity 512	\$34,370	\$34,370
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$308,417
		1 1	, ,
	<u> </u>		
Reserves improvement reserve			
Opening balance			\$100,000
ADD transfer to reserve			l
Nil	N/A	\$0	\$0
LESS transfer from reserve		7-	[ ]
Nil	N/A	\$0	\$0
Closing balance		"	\$100,000
1	1	1 -	ψ.00,000
1	1		

## 16.2.1 Transfers to and from reserves (continued)

Talabana di sata sata sata sata sata sata sata sat			
Lake Boort water reserve			0.17.0.15
Opening balance			\$17,815
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$17,815
			, ,
	1		
Caravan park development reserve	T		
Opening balance			\$246,567
ADD transfer to reserve			\$240,507
	A stirite : 400	Φ74.0F0	Φ <b>7</b> 4.050
Surplus of caravan park operations	Activity 123	\$74,256	\$74,256
LESS transfer from reserve			
Capital works program	Activity 123	(\$250,000)	
Purchase mowers	Activity 123	(\$40,000)	(\$40,000)
Wedderburn entrance works	Activity 123	(\$15,000)	(\$265,000)
Closing balance			\$15,823
	•		
Superannuation liability reserve			
Opening balance			\$1,000,000
ADD transfer to reserve			4 .,000,000
Allocation for 2014/15	N/A	\$0	\$0
LESS transfer from reserve	1977	Ψ0	ΨΟ
Nil	N/A	\$0	\$0
I	IN/A	Φ0	·
Closing balance			\$1,000,000
Unspent contributions reserve			
Opening balance			\$0
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$0
		[ i	*-
1	1	-	
War memorial reserve	I		
Opening balance	1		\$3,000
ADD transfer to reserve	1		Ψ3,000
Nil	N/A		<b>#</b> 0
	N/A	\$0	\$0
LESS transfer from reserve	I		
Nil	N/A	\$0	\$0
Closing balance	1		\$3,000
	•	•	

## 16.2.1 Transfers to and from reserves (continued)

Major projects reserve			
Opening balance			\$44,796
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$44,796
Unsightly premises enforcement	t provision reserve		
Opening balance			\$100,000
ADD transfer to reserve			
Nil	N/A	\$0	\$0
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$100,000
Swimming pool major projects r	eserve		
Opening balance	1		\$50,000
ADD transfer to reserve			****
Annual allocation to reserve	Activity 461	\$50,000	\$50,000
LESS transfer from reserve			
Nil	N/A	\$0	\$0
Closing balance			\$100,000
]			

## **APPENDIX A - FEES AND CHARGES SCHEDULE**

Council's fees and charges schedule contains the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and service provided during the 2017/18 year.

This document is located on Council's website and was adopted by Council on 28 March 2017.

## APPENDIX B - BUDGET PROCESSES

This section lists the budget processes to be undertaken in order to adopt the Budget in accordance with the *Local Government Act 1989* (the Act) and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

Under the Act, Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about rates and charges that Council intends to levy as well as a range of other information required by the Regulations which support the Act.

The 2017/18 Budget, which is included in this report, is for the year 1 July 2017 to 30 June 2018 and is prepared in accordance with the Act and Regulations. The Budget includes financial statements being a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and a Statement of Capital Works. These statements have been prepared for the year ended 30 June 2018 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Australian Accounting Standards and the Local Government Model Accounts. The budget also includes information about the rates and charges to be levied, the capital works program to be undertaken, the human resources required, and other financial information which Council requires in order to make an informed decision about the adoption of the Budget.

A 'proposed' budget is prepared in accordance with the Act and submitted to Council in April for approval 'in principle'. Council is then required to give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices and on its website. Council also provides copies of the proposed budget at post offices and neighbourhood houses/community resource centres within the municipality. A person has the right to make a submission on any proposal contained in the Budget and any submission must be considered before adoption of the budget by Council.

With the introduction of the State Government's rate capping legislation in 2015, Councils are now unable to determine the level of rate increase and instead must use a maximum rate increase determined by the Minister for Local Government which is announced in December for application in the following year.

If Council wishes to seek a rate increase above the maximum allowable it must submit a rate variation submission to the Essential Services Commission (ESC). The ESC will determine whether the rate increase variation submission has been successful by 31 May. In many cases this will require Council to undertake 'public notice' on two separate proposed budgets simultaneously, i.e. the Minister's maximum rate increase and the Council's required rate increase.

The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. The budget is required to be adopted by 30 June and a copy submitted to the Minister within 28 days after adoption. The key dates for the budget process are summarised below:

Dec - Minister for Local Government announces maximum rate increase
Dec - Officers update Council's long term financial projections
Jan/Feb - Council to advise ESC if it intends to make a rate variation submission
April - Proposed budget distributed to Councillors
April - Council meets to consider the proposed budget
April - Council resolves to advertise the proposed budget
April - Council advertises "Draft Budget"
April and May - Proposed budget available for public inspection and comment
June - Council meets to consider public submissions and adopt the budget
June - Council gives public notice that the budget has been adopted
July - Council provides a copy of the 2017/18 Budget to the Minister

## APPENDIX C - CAPITAL WORKS PROGRAM

This appendix presents a listing of the capital works projects that will be undertaken for the 2017/18 financial year.

## C1. Capital works by key direction area

The following table shows capital expenditure by key direction area, as per the Council Plan, and shows how the capital works have been funded.

	External funding			lr			
Project	Grants and contrib.	Sale of assets	Loan funds	Reserves	Working capital	Operating activities	Total funding sources
Economic developm							
Caravan park improvements	\$500,000			\$250,000			\$750,000
Wedderburn Caravan Park entrance				\$15,000			\$15,000
Caravan park equipment				\$40,000			\$40,000
Council properties fencing						\$5,000	\$5,000
Works and infrastruc	ture						
Local roads reseals						\$1,224,000	\$1,224,000
Local road construction	\$1,548,520					\$37,125	\$1,585,645
Local road resheets	\$62,677					\$284,235	\$346,912
Local road shoulder sheets						\$339,895	\$339,895
Local bridges and culverts	\$152,000					\$99,000	\$251,000
Township street improvements						\$293,755	\$293,755
Urban drainage				\$308,000			\$308,000
Depot wash point				\$110,000			\$110,000
Depot automated gates				\$50,000			\$50,000
Pyramid Hill wash point				\$50,000			\$50,000
Workshop expansion				\$41,500			\$41,500
Reseal Wedderburn Depot				\$40,000			\$40,000
Boundary entrance signage park and locality						\$20,000	
Fleet replacement		\$68,606		\$119,994			\$188,600
Plant replacement		\$87,060		\$548,440			\$635,500
Minor plant and equipment						\$20,000	\$20,000



# **APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

## C1. Capital works by key direction area (continued)

	External funding		Ir				
Project	Grants and contrib.	Sale of assets	Loan funds	Reserves	Working capital	Operating activities	Total funding sources
Good management							
Server replacement				\$50,000			\$50,000
Asset Edge devices				\$2,000			\$2,000
PC replacement				\$30,000			\$30,000
Photocopier /							
scanner				\$10,000			\$10,000
IT Strategy implementation				\$220,000			\$220,000
Building Asset Management Plan allocation						\$263,500	
Building safety audit						\$15,000	\$15,000
Environment						\$15,000	\$15,000
Flood mitigation							
works - Boort	\$333,333					\$166,667	\$500,000
Flood mitigation							
works - Pyramid Hill	\$500,000					\$250,000	\$750,000
Community services	and recreation	on					
Parks and gardens strategy						\$104,500	\$104,500
Community planning strategic fund						\$500,000	\$500,000
Swimming pool solar power	\$200,000					\$114,000	\$314,000
Wedderburn kinder capital						\$5,363	\$5,363
Upgrade public toilets						\$30,000	\$30,000
Community planning allocations						\$250,000	\$250,000
Trails signage						\$5,000	\$5,000
Total	\$3,296,530	\$155,666	\$0	\$1,884,934	\$0	\$4,027,040	\$9,364,170

# **APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

## C2. Capital expenditure by classification

This table shows the projects by classification, and shows whether the works are for asset renewal or provide Council with new assets.

	Asset		Asset	Asset	Carried	
Project	renewal	New asset	upgrade	expansion	forward	Total project
Land and buildings						
Council properties fencing					\$5,000	\$5,000
Depot wash point					\$110,000	\$110,000
Pyramid Hill depot wash point					\$50,000	\$50,000
Depot automated gates					\$50,000	\$50,000
Workshop extension					\$41,500	\$41,500
Reseal Wedderburn Depot					\$40,000	\$40,000
Building asset management plan	\$263,500					\$263,500
Building safety audit					\$15,000	\$15,000
Strategic fund	\$500,000					\$500,000
Upgrade public toilets			\$30,000			\$30,000
Total land and buildings	\$763,500	\$0	\$30,000	\$0	\$311,500	\$1,105,000
Furniture and equipment						
Server replacement	\$50,000					\$50,000
PC replacement	\$30,000					\$30,000
Photocopier / scanner	\$10,000					\$10,000
Asset Edge devices		\$2,000				\$2,000
IT Strategy implementation			\$220,000			\$220,000
Wedderburn kinder capital			\$5,363			\$5,363
Total furniture and equipment	\$90,000	\$2,000	\$225,363	\$0	\$0	\$317,363
Plant and equipment						
Minor plant and equipment		\$20,000				\$20,000
Fleet replacement		\$188,600				\$188,600
Plant replacement		\$635,500				\$635,500
Total plant and equipment	\$0	\$844,100	\$0	\$0	\$0	\$844,100
Footpaths						
Township street improvements	\$293,755					\$293,755
Total footpaths	\$293,755	\$0	\$0	\$0	\$0	\$293,755
Roadworks						
Local road reseals	L 64 004 000					¢4 004 000
	\$1,224,000		£4 F0F 04F			\$1,224,000
Local road construction  Local road resheets	\$346,912		\$1,585,645			\$1,585,645 \$346,912
Local road shoulder sheets	\$339,895					\$339,895
Local bridges and culverts	\$251,000					\$251,000
Boundary entrance signage parks and locality	\$20,000					\$20,000
Total roadworks	\$2,181,807	\$0	\$1,585,645	\$0	\$0	\$3,767,452

# **APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

## C2. Capital expenditure by classification (continued)

Project	Asset renewal	New asset	Asset upgrade	Asset expansion	Carried forward	Total project
Urban and road drainage	Terrewar	New asset	upgraue	ехранзіон	lorwaru	Total project
Urban drainage program			\$308,000			\$308,000
Flood mitigation works Boort			\$500,000			\$500,000
Flood mitigation works Pyramid Hill			\$750,000			\$750,000
Total urban and road drainage	\$0	\$0	\$1,558,000	\$0	\$0	\$1,558,000
Recreation, leisure and commun	ity facilities					
Caravan park improvements			\$750,000			\$750,000
Wedderburn Caravan Park						
entrance					\$15,000	\$15,000
Caravan park equipment	\$40,000					\$40,000
Swimming pool solar power					\$314,000	\$314,000
Trails signage					\$5,000	\$5,000
Total recreation, leisure and community facilities	\$40,000	\$0	\$750,000	\$0	\$334,000	\$1,124,000
Parks, open space and streetsca	pes					
Parks and gardens strategy	\$104,500					\$104,500
Community planning allocations			\$250,000			\$250,000
Total parks, open space and						
streetscapes	\$104,500	\$0	\$250,000	\$0	\$0	\$354,500
Total	\$3,473,562	\$846,100	\$4,399,008	\$0	\$645,500	\$9,364,170

## C3. Capital funding in detail

## C3.1 Grants and contributions

Program	Type or source of grant or contribution	Amount
Caravan park improvements	Regional Development Victoria	\$500,000
Local road construction	Roads to Recovery	\$1,548,520
Local road resheets	Roads to Recovery	\$62,677
Local bridges and culverts	Roads to Recovery	\$152,000
Flood mitigation works - Boort	Natural Disaster Recovery Grants	\$166,667
Flood mitigation works - Pyramid Hill	Natural Disaster Recovery Grants	\$250,000
Flood mitigation works - Boort	Department Environment and Primary Industries	\$166,666
Flood mitigation works - Pyramid Hill	Department Environment and Primary Industries	\$250,000
Swimming pool solar power	Sustainability Victoria	\$200,000
Total		\$3,296,530

# **LODDON SHIRE COUNCIL** LODDON BUDGET FOR THE YEAR ENDED 30 JUNE 2018

# **APPENDIX C - CAPITAL WORKS PROGRAM (Continued)**

## C3. Capital funding in detail (continued)

#### C3.2 Sale of assets

Key direction area	Asset classification	Amount
Works and infrastructure	Fleet/Plant	\$155,666
Total		\$155,666

## C3.3 Loans

Key direction area	Source of income and project	Amount
Nil		\$0

#### C3.4 Reserves

Program	Type of reserve	Amount
Caravan Park improvements	Caravan park reserve	\$250,000
Caravan park equipment	Caravan park reserve	\$40,000
Wedderburn Caravan Park entrance	Caravan park reserve	\$15,000
Depot wash point	Capital expenditure reserve	\$110,000
Pyramid Hill wash point	Capital expenditure reserve	\$50,000
Depot automated gates	Capital expenditure reserve	\$50,000
Workshop extension	Capital expenditure reserve	\$41,500
Reseal Wedderburn Depot	Capital expenditure reserve	\$40,000
Plant replacement	Plant replacement reserve	\$548,440
Fleet replacement	Fleet replacement reserve	\$119,994
Server replacement	Information technology reserve	\$50,000
PC replacement and other equipment	Information technology reserve	\$32,000
Photocopier purchase	Information technology reserve	\$10,000
IT strategy implementation	Information technology reserve	\$220,000
Urban drainage program	Urban drainage reserve	\$308,000
Total		\$1,884,934

## C3.5 Working capital

Key direction area	Source of income and project	Amount
Nil		\$0

## C3.6 Operating activities

All other capital works projects, that have not been funded externally or from another internal source of income, are funded from operating activities.

## **APPENDIX D - AUDIT COMMITTEE FINANCIALS**

In 2002 Council's Internal Audit Committee created a reporting format that it considered appropriate for reporting Council's results on a monthly basis. That format has been used by Council since then.

The following reports show the 2016/17 Forecast Actuals, the 2017/18 Budgets, and the variance between the two.

#### The reports include:

- Comprehensive Income Statement by expense type
- Comprehensive Income Statement by key direction area
- Capital Expenditure Statement

## COMPREHENSIVE INCOME STATEMENT BY EXPENSE TYPE

	Forecast actual	Budget	
	2016/17	2017/18	Variance
Revenues from ordinary activities			
Rates and charges	\$10,105,251	\$10,406,865	\$301,614
User fees	\$2,002,291	\$1,681,277	(\$321,014)
Operating grants	\$14,004,302	\$5,830,781	(\$8,173,521)
Capital grants	\$6,150,476	\$3,296,530	(\$2,853,946)
Operating contributions	\$115,331	\$15,000	(\$100,331)
Capital contributions	\$0	\$0	\$0
Vic Roads	\$700,063	\$710,647	\$10,584
Reversal of impairment losses	\$166	\$0	\$0
Reimbursements	\$296,718	\$305,320	\$8,602
Interest	\$428,000	\$378,000	(\$50,000)
Total revenues	\$33,802,598	\$22,624,420	(\$11,178,178)
Expenses from ordinary activities			
Labour	\$9,100,252	\$9,652,976	\$552,724
Materials and services	\$8,516,564	\$7,767,258	(\$749,306)
Contracts	\$2,392,589	\$1,565,480	(\$827,109)
Utilities	\$414,894	\$430,439	\$15,545
Depreciation	\$8,757,634	\$8,976,575	\$218,941
Interest expense	\$0	\$0	\$0
Other expenses	\$299,116	\$304,739	\$5,623
Total expenses	\$29,481,049	\$28,697,467	(\$783,582)
Net (gain) / loss on sale of assets	\$0	\$0	\$0
		·	
Surplus / (deficit) for the year	\$4,321,549	(\$6,073,047)	(\$10,394,596)

# **APPENDIX D - AUDIT COMMITTEE FINANCIALS (Continued)**

# COMPREHENSIVE INCOME STATEMENT BY KEY DIRECTION AREA

	Forecast actual	Budget	
	2016/17	2017/18	Variance
Revenues from ordinary activities			
			****
Rates and charges	\$10,105,251	\$10,406,865	
Operating grants	\$14,004,302	\$5,830,781	(\$8,173,521)
Capital grants	\$6,150,476	\$3,296,530	
Operating contributions	\$115,331	\$15,000	(\$100,331)
Capital contributions	\$0	\$0	\$0
User fees	\$2,002,291	\$1,681,277	(\$321,014)
Reimbursements	\$296,718	\$305,320	\$8,602
Reversal of impairment losses	\$166	\$0	\$0
Vic Roads	\$700,063	\$710,647	\$10,584
Interest	\$428,000	\$378,000	(\$50,000)
Total revenues	\$33,802,598	\$22,624,420	(\$11,178,178)
Expenses from ordinary activities			
Economic development and tourism	\$1,384,704	\$1,419,980	\$35,276
Leadership	\$1,552,752	\$1,218,296	
Works and infrastructure	\$11,539,983	\$12,931,291	\$1,391,308
Good management	\$4,343,154	\$4,549,875	
Environment	\$2,080,773	\$2,056,061	(\$24,712)
Community services and recreation	\$8,579,683	\$6,521,964	
Total expenses	\$29,481,049	\$28,697,467	(\$783,582)
Net (gain) / loss on sale of assets	\$0	\$0	\$0
Surplus / (deficit) for the year	\$4,321,549	(\$6,073,047)	(\$10,394,596)

# **APPENDIX D - AUDIT COMMITTEE FINANCIALS (Continued)**

# **CAPITAL EXPENDITURE STATEMENT**

	Forecast actual	Budget	
	2016/17	2017/18	Variance
Surplus / (deficit) for the year-as per			
income statement	\$4,321,549	(\$6,073,047)	(\$10,394,596)
	.,,,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, , , ,
Less non-cash income			
Reversal of impairment losses	(\$166)	\$0	\$166
	(4.007)	**	****
Add non-cash expenditure			
Net gain on sale of assets	\$0	\$0	\$0
Loan interest accrued	\$0	\$0	• -
Depreciation	\$8,757,634	\$8,976,575	\$218,941
Total funds available for capital	, , , , , , , , , , , , , , , , , , , ,	<b>V</b> =	,,
expenditure	\$13,079,017	\$2,903,528	(\$10,175,489)
Capital expenditure, transfers and loans			
Economic development and tourism	\$59,854	\$810,000	\$750,146
Leadership	\$0	\$0	\$0
Works and infrastructure	\$11,583,229	\$5,504,807	(\$6,078,422)
Good management	\$433,184	\$590,500	\$157,316
Environment	\$300,000	\$1,250,000	\$950,000
Community services and recreation	\$5,316,317	\$1,208,863	(\$4,107,454)
Total capital works	\$17,692,584	\$9,364,170	(\$8,328,414)
Transfers to records	©C CE2 CO4	©0.400.200	(\$4.474.000)
Transfers to reserves	\$6,653,601	\$2,182,392	(\$4,471,209)
Loan repayments	\$0	\$0	\$0
Total capital, transfers and loans	\$24,346,185	\$11,546,562	(\$12,799,623)
Capital expenditure, transfers and loans will	he financed by:		
Capital experiature, transfers and loans will	i be illianced by.		
Asset sales	\$324,492	\$490,666	\$166,174
Transfers from reserves	\$11,563,297	\$6,557,088	(\$5,006,209)
Accumulated cash surplus brought forward			,,,
from previous year	\$1,181,908	\$1,802,528	\$620,620
Total financing of capital, transfers, and			, ,
loans	\$13,069,697	\$8,850,282	(\$4,219,415)
Tatal			<b></b>
Total accumulated cash surplus	\$1,802,529	\$207,248	(\$1,595,281)

#### 8.2 FINANCE REPORT FOR THE PERIOD ENDING 31 MAY 2017

File Number: 08/06/001

Author: Lorraine Jackson, Finance Officer

Authoriser: Sharon Morrison, Director Corporate Services

Attachments: 1. FINANCE REPORT FOR THE PERIOD ENDING 31 MAY 2017

#### RECOMMENDATION

That Council:

- 1. receives and notes the 'Finance report for the period ending 31 May 2017'
- 2. approves budget revisions included in the report for internal reporting purposes only

#### **CONFLICT OF INTEREST**

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

#### PREVIOUS COUNCIL DISCUSSION

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

#### **BACKGROUND**

The Finance Report for the period ended 31 May 2017 includes standard monthly information about budget variations, cash, investments, interest, debtors and creditors, and provides a comparison of year-to-date actual results to year-to-date budget (by dollars and percentage) and total revised budget (by percentage).

The information is in the format provided in the 2016/17 Budget, and includes operating results, capital expenditure and funding sources.

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

- splitting of parcels into new rateable assessments
- development of vacant or unproductive land (urban and rural)
- consolidation of separate rateable assessments into one assessment
- re-assessment of property valuations arising from objections to the initial valuation
- additions and cancellations of licences (grazing and water frontages)
- change of use
- covenant on Title
- area amendment
- change of Australian Valuation Property Classification Code (AVPCC)
- supplementary valuation corrections.

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#### ISSUES/DISCUSSION

**Projected Actual Surplus** - Council's budgeted cash surplus has decreased from \$1.95M to \$1.8M. Reasons are provided below.

**Income Statement (Revenue)** - Council's year to date (YTD) operating revenue is at 82% of YTD budget. The revised budget has changed by \$4.1M due to 2017/18 Grants Commission funding being paid in advance in June.

**Income Statement (Expenditure)** - Council's operating expenditure is at 100% of YTD budget. The main variation is within materials, services and contractors. These areas are within the reporting variation threshold and are less than \$150K each. Payments for this month totalled just over \$2.5M, compared to \$2.5M last month.

**Capital Works** - The revised budget for capital works is \$17.7M and is 39% complete in financial terms (39% at the end of April) for the current financial year. Asset types with major variations (10% or \$10K) include furniture and office equipment, land and buildings, plant and equipment, road works, urban and road drainage, recreation, leisure and community facilities, parks, open space and streetscapes and footpaths, with many projects behind expected timing.

**Balance Sheet** - Council has a \$19.5M cash total with \$3.5M in general accounts. Debtors are just over \$1.4M which is a decrease of \$0.5M since the last report. Sundry debtors total \$432K with invoices outstanding for 60 or more days relating to community wellbeing debtors and local community groups totalling approximately \$18K.

There were no supplementary valuations updated in May. The total rateable CIV at the end of May remains at \$1.80B.

**Superannuation Advice** - An update was also received for Vision Super in regards to the 31 March 2017 VBI which is estimated at 106.6%. This is higher than the 100.0% required of the fund.

#### **COST/BENEFITS**

The benefit to Council and the community is that accurate and regular financial reporting is being disclosed, along with an accurate representation of property valuations being reflected in Council's rating system and the distribution of rate notices for the year 2016/17.

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

#### **RISK ANALYSIS**

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

#### **CONSULTATION AND ENGAGEMENT**

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

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

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

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# LODDON SHIRE COUNCIL

# FINANCE REPORT FOR PERIOD ENDING 31 MAY 2017



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#### 1 INTRODUCTION

During the month of May the finance department have been working on preparation for financial year end activities. The 2017/18 Budget has been out for public comment from Monday 8 May to Monday 5 June 2017.

#### 1.1 Vision Super Defined Benefits Plan update

On 26 May 2017, Council received official notification of the 31 March 2017 estimated VBI for the sub-plan being 106.6%.

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

As at	30 June 14	30 June 15	30 June 16	30 Sept 16	31 Dec 16	31 Mar 17
	(actual)	(actual)	(actual)	(est)	(est)	(est)
LASF DB	103.4%	105.8%	102.0%	103.7%	105.4%	106.6%

#### 2 CASH SURPLUS POSITION

#### 2.1 Budget revisions

During the month the overall budget cash surplus, which has been included in the attached financial reports, has decreased from \$1,952,532 to \$1,802,532. This is a decrease of \$150,000.

These changes have adjusted the revised budget in the following areas:

	April Finance	May Finance	
Item	Report	Report	Change \$
Operating revenue	\$29,742,074	\$33,802,598	\$4,060,524
Operating expenditure	(\$29,481,050)	(\$29,481,050)	\$0
Transfers from reserves	\$11,563,297	\$11,563,297	\$0
Transfers to reserves	(\$2,593,077)	(\$6,653,601)	(\$4,060,524)
Other funding decisions	\$324,496	\$324,496	\$0
Capital expenditure	(\$17,542,584)	(\$17,692,584)	(\$150,000)
Other non cash adjustments	\$8,757,468	\$8,757,468	\$0
Accumulated surplus carried forward	\$1,181,908	\$1,181,908	\$0
Closing surplus (deficit) as			
reported in Appendix 2	\$1,952,532	\$1,802,532	(\$150,000)

#### 2.1.1 Operating Revenue

Total operating revenue has increased by \$4.06M.

The main increase to budget:

 Victorian government grants commission of \$4.06M payment received earlier than expected.

#### 2.1.2 Transfers to reserves

The main increase to reserves was the Victorian government grants commission payment of \$4.06M.

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#### 2.1.3 Capital expenditure

Total capital expenditure has increased by \$150K.

Items ahead of budget:

- Building asset management plan of \$102K works undertaken earlier than expected
- Wedderburn depot building of \$31K ahead of budget works progressing earlier than expected.

#### 3 STANDARD INCOME STATEMENT

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

#### 3.1 Operating revenue

Total revenue brought to account for the month of May was \$3.49M

Revenue YTD is at 82% compared to YTD budget, or \$5.6M behind YTD budget.

#### 3.1.1 Revenue grants

Revenue grants are currently \$3.97M or 29% behind YTD budget.

The main item behind budget is Victorian government grants commission of \$4.06M, due to timing of the report. This will be corrected by receipt of the grant in June.

#### 3.1.2 Capital grants

Capital grants are currently \$1.7M or 36% behind YTD budget.

Items behind budget include:

 Roads to Recovery funding behind budget by \$1.7M. A further claim for \$754K has been submitted during May.

#### 3.1.3 Reimbursements

Reimbursements are currently \$31K or 11% ahead of YTD budget.

The main variation ahead of budget is outdoor work cover of \$62K reimbursements greater than budget expectations.

The main variation relates to the fuel rebate reimbursement of \$25K with the fuel usage to date lower than original expectation.

#### 3.1.4 Interest income

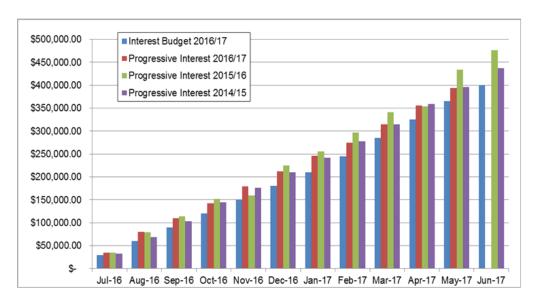
Interest raised on investments and rates for the month of May 2017 was \$41K.

The total investment interest received and accrued to date is \$394K, and rates interest is \$38K. This is compared to YTD budget of \$392K, or \$40K ahead of budget. This year's revised budget is \$428K.

Year to date actuals represents 101% of the updated yearly budget amount of \$428K (\$400K for investments only).

Progressive interest from investments for the years 2014/15 to 2016/17 are reported below:

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The appendices of this report include a table that shows all investments for the financial year to date for 2016/17. All investments are term deposits with National Australia Bank or the Bendigo Bank. Due to the short term nature of the term deposits, those deposits which have not reached maturity are included as cash in the Balance Sheet. Interest realised and interest accrued on non-matured deposits, are shown separately in Appendix.

#### 3.2 Operating expenditure

Total operating expenditure brought to account for the month of May was \$2.3M.

Expenditure YTD is at 100% of YTD budget.

The main variance to budget is utilities of \$75K ahead of YTD budget and is offset by ordinary activities during the month and the expenditure is at 100%.

#### 3.2.1 Payments

During the month the following cash payments were made:

Creditor payments - cheque	\$77,169.68
Creditor payments - electronic funds transfer	\$1,530,704.78
Payroll (2 pays)	\$860,270.97
TOTAL	\$2,468,145.43

#### 3.3 Operating surplus

The operating surplus to date is \$318K which is \$5.6M or 5% behind YTD budget.

#### 3.4 Capital expenditure

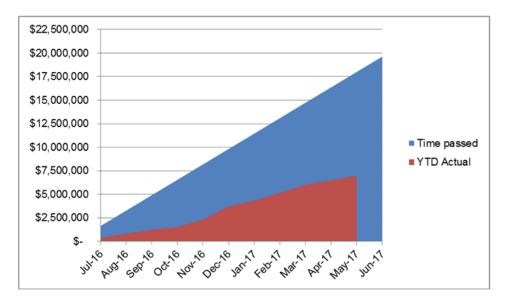
Total capital works expenditure for May was \$478K.

The total capital works expenditure is 39% complete in financial terms with 92% of the year elapsed.

YTD capital works is currently \$2.7M or 72% behind YTD budget.

The total revised budget for the 2016/17 capital works program is \$17.7M compared to an original budget of \$17.3M.

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

#### 3.4.1 Proceeds from sale of assets

Proceeds from sale of assets are currently behind YTD Budget by 45% or \$80K.

The main variation relates to the delays in selling excess plant items.

#### 3.4.2 Furniture and office equipment

Furniture and office equipment are currently behind YTD budget by 36% or \$76K.

The main variation to budget is IT strategy implementation of \$48K with works progressing on implementation of CAMMS.

#### 3.4.3 Land and buildings

Land and buildings are currently behind YTD budget by 23% or \$231K.

Items behind budget include:

- the operations centre expansion of \$139K with works having commenced in May
- building safety audit stage one works of \$24K which are in progress but works are yet to be completed
- Wedderburn Community Centre works are behind by \$23K due to works for damp proofing being delivered at a lower than expected cost
- Livestock and Domestic pound works are behind by \$32K with works are yet to be complete.

#### 3.4.4 Plant and equipment

Plant and equipment are currently behind YTD budget by 79% or \$480K.

The main variation in this area is plant replacement with no plant being purchased until the new financial year.

#### 3.4.5 Roadworks

Roadworks are currently behind YTD budget by 23% or \$1.3M.

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The main variation with in this area is reseals where the contractor works have now been finalised and there is expected savings.

#### 3.4.6 Urban and road drainage

Urban and road drainage are currently behind YTD budget by 52% or \$240K.

The main variance relates to Houston South Road and Sugar Gum Drive as works are yet to be completed.

#### 3.4.7 Recreation, leisure and community facilities

Recreation, leisure and community facilities are currently behind YTD budget by 12% or \$36K.

The main variations to budget are for the trails signage project, and swimming pool capital works program, with further works yet to be completed.

#### 3.4.8 Parks, open space and streetscapes

Parks, open space and streetscapes are currently behind YTD budget by 15% or \$85K.

The main variation to budget relates to the Inglewood pool upgrade with works yet to be completed.

#### 3.4.9 Footpaths

Footpaths are currently behind YTD budget by 45% or \$284K.

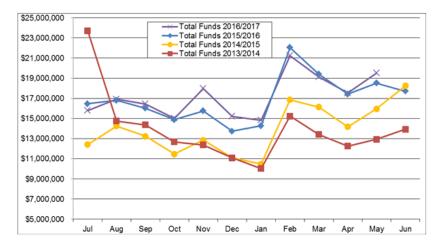
The main variations to budget relate to projects located in Railway Avenue, Serpentine car park, Racecourse Road and Victoria Street with the delays in the commencement of the various projects.

#### 4 STANDARD BALANCE SHEET

#### 4.1 Cash

At the end of the month, Council's overall cash total was \$19.5M which includes a balance of \$3.5M in general accounts.

Month end balances for Council's cash, from July 2013 until the current month, are reflected in the graph that follows:



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#### 4.2 Receivables

#### 4.2.1 Debtors

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

Category of debtor		May 2016		June 2016		March 2017		April 2017		May 2017	
Rates	\$	441,500	\$	235,802	\$	1,141,321	\$	1,030,600	\$	468,988	
Fire Services Property Levy	\$	72,381	\$	41,144	\$	164,328	\$	148,671	\$	61,094	
Total Rates & Fire Services											
Property Levy	\$	513,881	\$	276,946	\$	1,305,649	\$	1,179,271	\$	530,081	
Sundry debtors	\$	1,557,049	\$	861,879	\$	660,032	\$	531,806	\$	643,390	
Community loans/advances	\$	7,000	\$	6,834	\$	7,413	\$	7,413	\$	7,413	
Long term loans/advances	\$	240,000	\$	240,000	\$	160,000	\$	160,000	\$	160,000	
Employee superannuation	\$	6,985	\$	-	\$	(2,060)	\$	7,162	\$	3,455	
Magistrates court fines	\$	48,777	\$	104,543	\$	102,293	\$	102,083	\$	101,873	
LESS provision for doubtful debts	\$	(58,449)	\$	(78,010)	\$	(77,530)	\$	(76,298)	\$	(76,298)	
Total	\$	2,315,243	\$	1,412,191	\$	2,155,796	\$	1,911,437	\$	1,369,915	

#### 4.2.2 Rates debtors

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

	May 2016		June 2016 March 201		March 2017	April 2017		May2017	
		(4/6/2016)	(4/7/2016)		(4/4/2017)		(3/5/2017)	(€	(6/2017)
2005/06	\$	327	\$ 327	\$	351	\$	353	\$	357
2006/07	\$	869	\$ 874	\$	938	\$	944	\$	953
2007/08	\$	1,304	\$ 1,312	\$	1,409	\$	1,419	\$	1,432
2008/09	\$	1,512	\$ 1,522	\$	1,634	\$	1,646	\$	1,661
2009/10	\$	3,965	\$ 3,995	\$	4,131	\$	4,160	\$	4,196
2010/11	\$	8,766	\$ 8,655	\$	8,373	\$	8,280	\$	8,351
2011/12	\$	12,557	\$ 12,571	\$	12,748	\$	12,598	\$	12,511
2012/13	\$	14,843	\$ 14,428	\$	14,553	\$	14,608	\$	14,505
2013/14	\$	21,131	\$ 19,388	\$	16,895	\$	16,921	\$	14,354
2013/14 Fire Services Property Levy	\$	5,728	\$ 4,490	\$	4,064	\$	4,087	\$	6,800
2014/15	\$	66,945	\$ 58,630	\$	45,655	\$	46,199	\$	46,160
2014/15 Fire Services Property Levy	\$	10,619	\$ 8,934	\$	6,231	\$	6,190	\$	6,135
2015/16	\$	309,282	\$ 114,100	\$	92,350	\$	91,355	\$	85,605
2015/16 Fire Services Property Levy	\$	56,033	\$ 27,720	\$	13,214	\$	12,573	\$	10,660
2016/2017	\$	-	\$ -	\$	352,424	\$	260,104	\$	269,467
2016/2017 Fire Sevices Property Levy	\$	-	\$ -	\$	53,290	\$	39,329	\$	46,934
Sub-total: arrears	\$	513,881	\$ 276,945	\$	628,260	\$	520,766	\$	530,081
Current year (outstanding but not due)	\$	-	\$ -	\$	589,879	\$	572,013	\$	-
Fire Services Property Levy	\$	-	\$ -	\$	87,552	\$	86,492	\$	
Total outstanding	\$	513,881	\$ 276,945	\$	1,305,691	\$	1,179,271	\$	530,081
Summary									
Rates in arrears	\$	441,500	\$ 235,802	\$	551,419	\$	458,587	\$	530,081
FSPL in arrears	\$	72,381	\$ 41,144	\$	76,799	\$	62,179	\$	-
Total arrears	\$	513,881	\$ 276,945	\$	628,218	\$	520,766	\$	530,081

Payments by those not using the instalment method were required by 15 February 2017 and the 4th instalment was due on 31 May 2017, so now all outstanding amounts are effectively in arrears.

The auction held on 3 June 2017 was successful, and 7 of the 8 properties put up for sale were sold. Financial results of the sales will be advised in the June 2017 report.

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#### 4.2.3 Sundry debtors

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

Current	\$249,808	80%
30 days	\$44,339	14%
60 days	\$5,132	2%
90 + days	\$13,199	4%
Sub total routine debtors	\$312,477	100%
Government departments	\$229,224	
GST	\$101,688	
Total	\$643,390	
60 + days consists of:		
Community Wellbeing debtors	\$9,616	
Local community groups	\$1,405	
Others	\$7,310	
Total	\$18,331	

Total outstanding for sundry debtors as at 31 May 2017 is \$0.6M.

The routine sundry debtors of \$312K have been broken into the amount of time they have been outstanding. At present \$18K or 6% of the total has been outstanding for more than 60 days.

#### 4.3 Supplementary valuations

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

There was no supplementary valuation processed in May 2017, with three pending files currently in the hands of the valuer.

The current balances are:

	Opening	Supplementary	Closing
Valuation type	balances	changes	balances
Site value	\$ 1,123,643,800	\$ -	\$1,123,643,800
Capital improved value	\$ 1,803,535,200	\$ -	\$1,803,535,200
NAV	\$ 92,828,890	\$ -	\$ 92,828,890

The total rateable CIV at the end of May 2017 was \$1.8B.

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# **APPENDIX 1: STANDARD INCOME STATEMENT**

					Variance of		% YTD
	2016/17	2016/17			YTD Actual	% YTD	Actual to
	Original	Revised			& YTD	Actual to	Revised
	Budget	Budget	YTD Budget	YTD Actual	Budget	YTD Budget	Budget
REVENUE FROM ORDINARY AC	TIVITIES						
Rates	\$10,083,316	\$10,105,251	\$10,043,597	\$10,040,610	(\$2,987)	100%	99%
Revenue grants	\$9,500,431	\$13,962,552	\$13,675,852	\$9,705,030	(\$3,970,822)	71%	70%
Capital grants	\$7,245,536	\$6,192,226	\$4,809,308	\$3,076,104	(\$1,733,204)	64%	50%
Vic Roads	\$1,031,024	\$700,063	\$641,718	\$576,909	(\$64,809)	90%	82%
User fees	\$1,797,766	\$2,002,291	\$1,837,703	\$1,880,771	\$43,068	102%	94%
Capital contributions	\$0	\$0	\$0	\$40,000	\$40,000	0%	0%
Recurrent contributions	\$60,000	\$115,331	\$115,331	\$119,489	\$4,158	104%	104%
Interest income	\$375,000	\$428,000	\$392,326	\$431,628	\$39,302	110%	101%
* Reversal of impairment losses	\$0	\$166	\$166	\$166	\$0	100%	100%
* Library equity	\$0	\$0	\$0	\$0	\$0	0%	0%
Reimbursements	\$296,264	\$296,718	\$268,387	\$298,998	\$30,611	111%	101%
Total revenue	\$30,389,336	\$33,802,598	\$31,784,388	\$26,169,707	(\$5,614,681)	82%	77%
EVENUELUE EDOM OPPINA							
EXPENDITURE FROM ORDINAR		20 100 050	40.004.070	40.445.004	<b>*</b> 105.010	000/	000/
Labour	\$9,352,102	\$9,100,252	\$8,331,272	\$8,145,324	\$185,948	98%	90%
Materials & services	\$8,572,572	\$8,516,565	\$6,530,874	\$6,620,240	(\$89,366)	101%	78%
Depreciation	\$8,757,634	\$8,757,634	\$8,027,811	\$8,027,833	(\$22)	100%	92%
Utilities	\$386,318	\$414,894	\$389,186	\$464,444	(\$75,258)	119%	112%
Contract payments	\$1,329,923	\$2,392,589	\$2,291,955	\$2,328,950	(\$36,995)	102%	97%
Loan interest	\$0	\$0	\$0	\$0	\$0	0%	0%
Auditor costs	\$83,000	\$83,000	\$77,868	\$77,093	\$775	99%	93%
Councillor costs	\$216,116	\$216,116	\$198,110	\$187,996	\$10,114	95%	87%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
* Impairment losses	\$0	\$0	\$0	\$0	\$0	0%	0%
Bad debts expense	\$0	\$0	\$0	\$0	\$0	0%	0%
Total expenditure	\$28,697,665	\$29,481,050	\$25,847,076	\$25,851,881	(\$4,805)	100%	88%
NET RESULT FOR THE PERIOD	\$1,691,672	\$4,321,549	\$5,937,312	\$317,825	\$5,619,486	5%	7%
The operating expenditure show	n above is rep	resented in C	ouncil's key d	irection areas			
					Variance of		0/ 1/75
					YTD Actual		% YTD
	2016/17	2016/17			& YTD	% YTD	Actual to
	Original	Revised	VCD D	VTD 4-4	Revised	Actual to	Revised
EVDENICES EDOM OPPINARY A	Budget	Budget	YTD Budget	YTD Actual	Budget	YTD Budget	Budget
EXPENSES FROM ORDINARY A		64 204 704	£4.054.004	¢4.450.000	#00 074	000/	0.407
Economic development & tourism	\$1,315,710	\$1,384,704	\$1,254,894	\$1,156,623	\$98,271	92%	84%
Leadership	\$1,542,140	\$1,552,752	\$1,155,237	\$1,635,875	(\$480,638)	142%	105%
Works & infrastructure	\$12,365,887	\$11,539,984	\$10,387,879	\$10,347,875	\$40,004	100%	90%
Good management	\$4,151,839	\$4,343,154	\$3,993,855	\$3,887,765	\$106,090	97%	90%
Environment	\$1,798,465	\$2,080,773	\$1,733,003	\$1,740,709	(\$7,706)	100%	84%
Community services & recreation	\$7,523,623	\$8,579,683	\$7,322,209	\$7,083,034	\$239,175	97%	83%
Loss on sale of assets	\$0	\$0	\$0	\$0	\$0 (\$4.905)	0%	0%
Total operating expenditure	\$28,697,665	\$29,481,050	\$25,847,076	\$25,851,881	(\$4,805)	100%	88%

<sup>\*</sup> Income and expense items required by Australian Accounting Standards (AAS)

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# **APPENDIX 2: STANDARD CAPITAL WORKS STATEMENT**

	2016/17 Original Budget	2016/17 Revised Budget	YTD Budget	YTD Actual	Variance of YTD Actual & YTD Budget	% YTD Actual to YTD Budget	% YTD Actual to Revised Budget
FUNDING DECISIONS							
Add loan interest accrued	\$0	\$0	\$0	\$0	\$0	0%	0%
Less loan repayments	\$0	\$0	\$0	\$0	\$0	0%	0%
Add transfer from reserves	\$7,969,926	\$11,563,297	\$229,206	\$235,144	(\$5,938)	103%	2%
Less transfer to reserves	(\$2,760,022)	(\$6,653,601)	(\$27,390)	(\$31,390)	\$4,000	115%	0%
Add proceeds from sale of assets	\$773,769	\$324,496	\$179,191	\$98,780	\$80,411	55%	30%
TOTAL FUNDING DECISIONS	\$5,983,673	\$5,234,192	\$381,007	\$302,534	\$78,473	79%	6%
NET FUNDS AVAILABLE FOR CAPITAL	\$7,675,345	\$9,555,741	\$6,318,319	\$620,359	\$5,697,959	10%	6%
CAPITAL EXPENDITURE BY ASSET TYPE							
Furniture and office equipment	\$569,500	\$262,803	\$212,808	\$136,795	\$76.013	64%	52%
Land and buildings	\$2,044,500	\$1,857,255	\$1,014,127	\$783,426	\$230,701	77%	42%
Plant and equipment	\$1,753,895	\$1,763,077	\$809,578	\$329,017	\$480,561	41%	19%
Roadworks	\$8,081,977	\$8,093,567	\$5,707,609	\$4,412,543	\$1,295,066	77%	55%
Urban and road drainage	\$254,650	\$681,611	\$462,979	\$222,198	\$240,781	48%	33%
Recreation, leisure and community facilities	\$801,331	\$425,521	\$294,191	\$258,139	\$36,052	88%	61%
Parks, open space and streetscapes	\$3,327,000	\$3,809,204	\$557,566	\$472,803	\$84,763	85%	12%
Footpaths	\$476,333	\$799,546	\$627,462	\$343,671	\$283,791	55%	43%
TOTAL CAPITAL EXPENDITURE PAYMENTS	\$17,309,186	\$17,692,584	\$9,686,320	\$6,958,593	\$2,727,727	72%	39%
NON CASH ADJUSTMENTS							
Less depreciation	\$8.757.634	\$8,757,634	\$8.027.811	\$8.027.833	(\$22)	100%	92%
Add reversal of impairment losses	\$0	(\$166)	(\$166)	(\$166)	\$0	100%	100%
Less loss on sale of assets	\$0	\$0	\$0	\$0	\$0	0%	0%
Less bad debts expense	\$0	\$0	\$0	\$0	\$0	0%	0%
TOTAL NON CASH ADJUSTMENTS	\$8,757,634	\$8,757,468	\$8,027,645	\$8,027,667	(\$22)	100%	92%
Accumulated surplus brought forward	(\$939,453)	(\$1,181,908)	\$0	\$0	\$0	0%	0%
NET CASH (SURPLUS)/DEFICIT	(\$63,245)	(\$1,802,531)	(\$4,659,644)	(\$1,689,434)	(\$2,970,210)	36%	94%

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# **APPENDIX 3: STANDARD BALANCE SHEET**

	May 2017	June 2016	May 2016
	As per trial	As per financial	As per trial
	balance	statements	balance
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$19,499,620	\$15,950,711	\$ 18,503,335
Trade and other receivables	\$1,207,915	\$1,250,191	\$ 2,068,243
Financial assets	\$97,434	\$2,385,205	\$ 191,512
Inventories	\$96,034	\$65,814	\$ 113,381
Non-current assets classified as held for sale	\$190,356	\$190,356	\$ 63,210
TOTAL CURRENT ASSETS	\$21,091,358	\$19,842,277	\$20,939,681
NON-CURRENT ASSETS			
Trade and other receivables	\$162,000	\$162,000	\$ 247,000
Financial assets	\$362,225	\$362,225	\$ 354,080
Intangible assets	\$1,654,362	\$1,654,362	\$ 1,589,445
Property, infrastructure, plant and equipment	\$301,668,363	\$302,836,384	\$ 288,112,007
TOTAL NON-CURRENT ASSETS	\$303,846,950	\$305,014,971	\$ 290,302,532
TOTAL ASSETS	\$324,938,308	\$324,857,248	\$311,242,214
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	\$219,955	\$690,923	\$ 297,692
Trust funds and deposits	\$476,944	\$277,094	\$ 384,079
Provisions	\$2,174,563	\$2,127,212	\$ 2,006,532
Interest bearing loans and borrowings	\$0	\$0	\$ -
TOTAL CURRENT LIABILITIES	\$2,871,462	\$3,095,229	\$ 2,688,303
NON-CURRENT LIABILITIES			
Provisions	\$2,324,221	\$2,324,221	\$ 2,353,192
Interest bearing loans & borrowings	\$0	\$0	\$ -
TOTAL NON-CURRENT LIABILITIES	\$2,324,221	\$2,324,221	\$2,353,192
TOTAL LIABILITIES	\$5,195,683	\$5,419,450	\$ 5,041,495
NET ASSETS	\$319,742,625	\$319,437,798	\$306,200,719
EQUITY			
Accumulated Surplus	\$96,259,469	\$95,737,888	\$ 95,594,287
Asset Revaluation Reserve	\$208,675,727	\$223,699,910	\$ 194,107,652
Other Reserves	\$14,807,429	\$0	\$ 16,498,779
TOTAL EQUITY	\$319,742,625	\$319,437,798	\$306,200,719

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# **APPENDIX 4A: COMMUNITY PLANNING FINANCIALS BOORT**

		Boort Community Plans		ACTUALS			BUDGET	
YEAR	LEDGER	PROJECT	2016	/17 FINANCIAL Y	/EAR	2016	/17 FINANCIAL Y	EAR
			INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
		Income						
		Unspent Allocation from Previous Years	\$60,020	\$0	\$60,020	\$60,020	\$0	\$60,020
		This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
		Equity Adjustment	\$0		\$0	\$0	\$0	\$0
		Movement in Wards	\$0		\$0	\$0	\$0	\$0
		Strategic Fund	\$0		\$0	\$0	\$0	\$0
		BRIC Gym Alloc 1	\$0		\$0	\$0	\$0 \$0	\$0 \$0
	26813	BRIC Gym Alloc 2	\$0		\$0	\$0	\$0	\$0
		Transfer from Reserve	\$0		\$0	\$0		
		Total Amount Available	\$110,020	\$0	\$110,020	\$110,020	\$0	\$110,020
								1
		LESS Expenditure for the Year						1
2014/15		Nolens Park Boort	\$0		\$0	\$0	\$0	\$0
2014/15	26823	Vernon Street Korong Vale	\$0	\$0	\$0	\$0	\$0	\$0
2015/16	26835	Nolens Park Boort Playground	\$0	\$35,000	\$35,000	\$0	\$35,000	\$35,000
2015/16	16905	Foreshore Master Plan Little Lake Boort	\$0	\$11,232	\$11,232	\$0	\$24,487	\$24,487
2016/17	26840	Playground Install and Landscape Nolens Pk	\$0	\$1,518	\$1,518	\$0	\$30,000	\$30,000
2016/17	26841	Korong Vale Hall Repairs	\$0	\$16,482	\$16,482	\$0	\$16,482	\$16,482
CURREN	_	5 10 11 11 11		**	**	***	04.054	01051
CURREN	4T	Boort Community Plans Unallocated	\$0		\$0	\$0		
		Total Expenditure for the Year	\$0	\$64,232	\$64,232	\$0	\$110,020	\$110,020
		Total Amount Not Spent at the End of the						
		Year, and Available for Next Year			\$45,788			\$0

# **APPENDIX 4B: COMMUNITY PLANNING FINANCIALS INGLEWOOD**

	Inglewood Community Plans			ACTUALS			BUDGET			
YEAR	LEDGER	PROJECT	2016	/17 FINANCIAL Y	EAR	2016/	17 FINANCIAL Y	EAR		
			INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST		
		Income								
		Unspent Allocation from Previous Years	\$167,267	\$0	\$167,267	\$167,267	\$0	\$167,267		
		This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000		
		Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0		
		Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0		
		Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0		
		Total Amount Available	\$217,267	\$0	\$217,267	\$217,267	\$0	\$217,267		
		LESS Expenditure for the Year								
2011/12	24804	Bridgewater Streetscape	\$0	\$0	\$0	\$0	\$39,500	\$39,500		
2013/14	26816	Bridgewater Memorial Hall Alloc 1	\$0	\$13,050	\$13,050	\$0	\$13,050	\$13,050		
2013/14		Inglewood Eucy Museum Annex	\$0	\$0	\$0	\$0	\$25,000	\$25,000		
2014/15		Bridgewater Memorial Hall	\$0	\$25,000		\$0	\$25,000	\$25,000		
2015/16		Bridgewater Hall Improvements Alloc 3	\$0	\$20,000		\$0	\$20,000	\$20,000		
2015/16		Campbells Forest Hall Notice Board	\$0	\$3,000	\$3,000	\$0	\$3,000	\$3,000		
2015/16		Heritage and Tourism Display IW Eucy Museum Alloc 2	\$0	\$0	\$0	\$0	\$20,000	\$20,000		
2016/17		Bridgewater Memorial Hall Alloc 4	\$0	\$25,000		\$0	\$25,000	\$25,000		
2016/17		Inglewood Town Hall Split Systems	\$0	\$13,502	\$13,502	\$0	\$13,502	\$13,502		
CURREN	T	Inglewood Community Plans Unallocated	\$0	\$0	\$0	\$0	\$33,215	\$33,215		
		Total Expenditure for the Year	\$0	\$99,552	\$99,552	\$0	\$217,267	\$217,267		
		Total Amount Not Spent at the End of the Year, and								
		Available for Next Year			\$117,715			\$0		

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# APPENDIX 4C: COMMUNITY PLANNING FINANCIALS TARNAGULLA

	T	arnagulla Community Plans		ACTUALS			BUDGET	
YEAR	LEDGER	PROJECT	2016	/17 FINANCIAL Y	EAR	2016/	17 FINANCIAL Y	EAR
			INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
		Income						
		Unspent Allocation from Previous Years	\$89,993	\$0	\$89,993	\$89,993	\$0	\$89,993
		This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
		Strategic Fund	\$0	\$0	\$0	\$0	\$0	\$0
		Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0
		Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
		Total Amount Available	\$139,993	\$0	\$139,993	\$139,993	\$0	\$139,993
		LESS Expenditure for the Year						
2011/12	14813	Solar Power Newbridge Facilities	\$0	\$0	\$0	\$0	\$0	\$0
2012/13	26809	Newbridge Streetscape Allocation 2	\$0	\$0	\$0	\$0	\$0	\$0
2014/15	26833	Newbridge Progress Park	\$0	\$0	\$0	\$0	\$0	\$0
2015/16	26939	Soliders Park Shade Sail	\$0	\$0	\$0	\$0	\$0	\$0
2015/16	16908	Eddington Playground Works	\$0	\$4,080	\$4,080	\$0	\$7,000	\$7,000
2016/17	26845	Tarnagulla Reservior Pipeline	\$0	\$19,348	\$19,348	\$0	\$19,348	\$19,348
CURREN	ŲΤ	Tarnagulla Community Plans Unallocated	\$0	\$0	\$0	\$0	\$113,645	\$113,645
		Total Expenditure for the Year	\$0	\$23,428	\$23,428	\$0	\$139,993	\$139,993
		Total Amount Not Spent at the End of the	1					
		Year, and Available for Next Year			\$116,565			\$0

# APPENDIX 4D: COMMUNITY PLANNING FINANCIALS TERRICK

	Te	errick Community Plans		ACTUALS		2015/16 BUDGET			
YEAR	LEDGER	PROJECT	2016	/17 FINANCIAL Y	'EAR	2016/	17 FINANCIAL YI	EAR	
			INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST	
		Income							
		Unspent Allocation from Previous Years	\$92,445	\$0	\$92,445	\$92,445	\$0	\$92,445	
		This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000	
		Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0	
		Strategic Fund	\$0	7-	\$0	\$0			
		Total Amount Available	\$142,445	\$0	\$142,445	\$142,445	\$0	\$142,445	
		LESS Expenditure for the Year							
2010/11	16279	Pyramid Hill Rural Water Community Areas	\$0	\$0	\$0	\$0	\$10,000	\$10,000	
2012/13	16855	Dingee Memorial Hall	\$0	\$4,386	\$4,386	\$0	\$9,469	\$9,469	
2013/14	26820	Pyramid Hill Memorial Hall Stumping	\$0	\$0	\$0	\$0	\$0	\$0	
2014/15	26828	Pyramid Hill Caravan Park	\$0		\$0	\$0		\$16,330	
2014/15	26829	Serpentine Future Plan	\$0		\$0	\$0	\$0	\$0	
2016/17	16910	Dingee Winzar Reserve Playground	\$0	\$9,420	\$9,420	\$0	\$9,420	\$9,420	
2016/17	26844	Phelans Park Mitiamo BBQ	\$0	\$9,414	\$9,414	\$0		\$9,414	
2016/17		Serpentive Pavillion Allocation	\$0		\$40,000	\$0	\$40,000	\$40,000	
2016/17	16914	Kelly Street Pyramid Hill Playground	\$0	\$47,812	\$47,812	\$0	\$47,812	\$47,812	
CURREN	I IT	Terricks Community Plans Unallocated	\$0	\$0	\$0	\$0	\$0	\$0	
		Total Expenditure for the Year	\$0	\$111,032	\$111,032	\$0		\$142,445	
		Total Amount Not Spent at the End of							
		the Year, and Available for Next Year			\$31,413			\$0	

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# APPENDIX 4D: COMMUNITY PLANNING FINANCIALS WEDDERBURN

	Wedderburn Community Plans			ACTUALS			BUDGET	
YEAR	LEDGER	PROJECT	2016/17 FINANCIAL YEAR			2016/17 FINANCIAL YEAR		
			INCOME	EXPENDITURE	NET COST	INCOME	EXPENDITURE	NET COST
		Income						
		Unspent Allocation from Previous Years	\$50,233	\$0	\$50,233	\$50,233	\$0	\$50,233
		This Year's Allocation	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000
		Equity Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
		Movement in Wards	\$0	\$0	\$0	\$0	\$0	\$0
		Strategic Fund	\$0	\$0	\$0		\$0	\$0
		Total Amount Available	\$100,233	\$0	\$100,233	\$100,233	\$0	\$100,233
		Expenditure						
2014/15		Wedderburn Streetscape Alloc 4	\$0	\$0	\$0		\$0	\$0
2016/17		Wedderburn Town Entry	\$0	\$0	\$0		\$40,000	
2016/17		Wedderburn Caravan Park	\$0	\$0	\$0		\$50,000	
CURREN	IT	Wedderburn Community Plans Unallocated	\$0	\$0	\$0	\$0	\$10,233	\$10,233
		Total Expenditure for the Year	\$0	\$0	\$0	\$0	\$100,233	\$100,233
		Total Amount Not Spent at the End of the						
		Year, and Available for Next Year			\$100,233			\$0

# **APPENDIX 5: INVESTMENTS**

			LODDON	SHIRE COU	NCIL INVES	TMENT SCHED	ULE					
	Establishment date	Status	Maturity date	Investment days	Interest rate	Investment amount	Interest last year (accrued)	Interest this year	Current investments	Interest received to date		ccrued
*	*	*	¥	v	Ψ.	*	-	v	,			
NAB // 245 2306	15/04/2016	Closed	15/07/2016	91	3.07%	\$ 2,000,000	\$ 12,785	8 2,523	\$ -	\$ 2,523		-
NAB 23-857-3036	18/01/2016	Closed	18/07/2016	182	3.00%	\$ 1,000,000	\$ 13,479	\$ 1,480	\$ -	\$ 1,480		-
NAB 23-570-3368	27/01/2016	Closed	27/07/2016	182	3.00%	\$ 1,000,000	\$ 12,740	\$ 2,219	\$ -	\$ 2,219		-
NAB 84 440-4742 Rates Reserve	30/06/2016	Closed	1/08/2016	32	2.12%	\$ 229,206	\$ -	S 426	\$ -	\$ 426	11.7	-
BGO 1854033	16/02/2016	Closed	16/08/2016	182	3.00%	\$ 2,000,000	\$ 22,192	\$ 7,726	\$ -	\$ 7,726	\$	-
NAB 44-433-2962	25/05/2016	Closed	23/08/2016	90	2.93%	\$ 1,000,000	\$ 2,890	\$ 4,335	\$ -	\$ 4,335		-
NAB 44-452-1114	23/06/2016	Closed	22/08/2016	61	2.59%	\$ 1,000,000	\$ 497	\$ 3,832	\$ -	\$ 3,832	\$	-
NAB 23-570-3368	27/07/2016	Closed	26/08/2016	30	2.07%	\$ 1,000,000	\$ -	S 1,701	\$ -	\$ 1,701	\$	-
NAB 44-441-8766	2/06/2016	Closed	31/08/2016	90	2.93%	\$ 2,000,000	\$ 4,495	\$ 9,955	\$ -	\$ 9,955	S	-
NAB 77 245 2306	15/07/2016	Closed	13/09/2016	60	2.54%	\$ 2,000,000	\$ -	\$ 8,433	\$ -	\$ 8,433	S	
NAB 69-741-0391	30/06/2016	Closed	30/09/2016	92	2.88%	\$ 2,000,000	\$ -	S 14,518	\$ -	\$ 14,518	S	_
NAB 23-857-3036	18/07/2016	Closed	18/10/2016	92	2.88%	\$ 1,000,000	\$ -	\$ 7,338	\$ -	\$ 7,338	s	
NAB 44-452-1114	22/08/2016	Closed	21/11/2016	91	2.61%	S 3,000,000	š -	\$ 19,521	š -	\$ 19,521	S	-
NAB 23-570-3368	26/08/2016	Closed	24/11/2016	90	2.60%	S 2,000,000	š -	\$ 12,822	š -	\$ 12,822	S	-
BGO 2048365	14/09/2016	Closed	13/12/2016	90	2.70%		š -	\$ 13,315	š -	\$ 13,315		_
NAB 55-839-5005 (LSL)	29/06/2016	Closed	27/12/2016	181	2.93%	\$ 1,750,000	s .	\$ 25,427	s -	\$ 25,427	l s	
NAB 69-741-0391	30/09/2016	Closed	11/01/2017	103	2.70%	\$ 2,000,000	\$ -	S 15,242	*	\$ 15,242	l š	
NAB 44-441-8766	31/08/2016	Closed	30/01/2017	152	2.59%	\$ 3,000,000	ě .	\$ 32,357	s -	\$ 32,357	14	
NAB 44-452-1114	21/11/2016	Closed	20/02/2017	91	2.71%	\$ 3,000,000	\$ -	S 20,269	-	\$ 20,269	l.	
NAB 23-570-3368	24/11/2016	Closed	22/02/2017	90	2.71%	\$ 2,000,000	\$ .	S 13,364	s -	\$ 13,364		
		Closed	14/03/2017	62	2.34%		s -	S 3,975	-	\$ 3,975		
NAB 69-741-0391	11/01/2017						T					_
NAB 64-792-7106	24/11/2016	Closed	24/03/2017	120	2.72%	\$ 2,000,000	\$ -	\$ 17,885		\$ 17,885		-
NAB 70-681-2043	20/02/2017	Closed	30/03/2017	38	2.02%	\$ 2,000,000	\$ -	\$ 4,206	s -	\$ 4,206		
NAB 70-693-0152	20/02/2017	Closed	18/04/2017	57		\$ 2,000,000	\$ -	\$ 7,184	S -	\$ 7,184	\$	-
NAB 71-217-6549	20/02/2017	Closed	21/04/2017	60	2.34%	\$ 1,000,000	\$ -	\$ 3,847	s -	\$ 3,847	\$	-
NAB 70-700-8970	20/02/2017	Close	2/05/2017	71	2.42%	\$ 2,000,000	\$ -	\$ 9,415	S -	\$ 9,415		-
NAB 44-452-1114	20/02/2017	Closed	22/05/2017	91	2.55%	\$ 2,000,000	\$ -	\$ 12,785		\$ 12,785		-
NAB 44-441-8766	30/01/2017	Closed	30/05/2017	120	2.55%	\$ 2,000,000	\$ -	\$ 16,837	\$ -	\$ 16,837	\$	-
11:am Account BGO	14/12/2016	Open	N/A		1.50%	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	s	-
NAB 69-741-0391	14/03/2017	Open	13/06/2017	91	2.51%	S 1,000,000	s -	\$ 6,258	\$ 1,000,000	\$ -	s	5,364
NAB 71-217-6549	21/04/2017	Open	20/06/2017	60	2.31%	\$ 1,000,000	S -	\$ 3,797	S 1,000,000	s -	S	2,531
NAB 64-792-7106	24/03/2017	Open	22/06/2017	90	2.56%	\$ 2,000,000	\$ -	\$ 12,625	\$ 2,000,000	\$ -	S	9,539
NAB 23-570-3368	22/02/2017	Open	22/06/2017	120	2.55%	\$ 1,000,000	\$ -	\$ 8,384	S 1,000,000	\$ -	S	6,847
NAB 55-839-5005 (LSL)	27/12/2016	Open	28/06/2017	183	2.68%	\$ 1,775,427	š -	\$ 23,856	S 1,775,427	\$ -	Š	20,206
Deal 10430771	3/04/2017	Open	30/06/2017	88	2.57%	\$ 2,000,000	\$ -	S 12,392	\$ 2,000,000	\$ -	Š	8,168
NAB 44-452-1114	22/05/2017	Open	21/07/2017	60	2.32%	\$ 2,000,000	This year>	S 4.958	\$ 2,000,000	\$ -	S	1,144
NAB 70-700-8970	2/05/2017	Open	31/07/2017	90	2.52%	\$ 2,000,000	This year>	\$ 8,147	\$ 2,000,000	\$ -	S	4,004
NAB 44-441-8766	30/05/2017	Open	27/09/2017	120	2.47%	\$ 2,000,000	This year>	\$ 4,196	\$ 2,000,000	\$ -	\$	135
NAD 04 450 24020M-14-4 1/5-4	20140/2016	0	20/08/2047	180	2.93%	e 400.007		\$ -	d 400.007		3	
NAB 84-459-3192(Wedderburn Kinder)	30/12/2016	Open	28/06/2017	180	2.83%	\$ 162,687	\$ -	7	\$ 162,687	\$ -	4	-
Interest on Kinder account			Due 28/06/2017			\$ 2,150	\$ .	\$ -		9	\$	-
Interest on general bank accounts							\$ -	\$ 43,057	# 4F 000 ***	\$ 43,057	\$	
Totals							\$ 69,078	\$ 420,605	\$ 15,938,114	\$ 335,993	-	57,938
Interest earned	hadron da el marche										\$	393,931
Interest transferred to/from external	ry runaea projec	ts									\$	200 004
Net interest on investments											\$	393,931
National Australia Bank current inve	stments								\$ 14,938,114			
Bendigo Bank current investments									S 1,000,000			
Totals									\$ 15,938,114			

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#### 8.3 REVIEW OF DELEGATIONS, APPOINTMENTS AND AUTHORISATIONS

File Number: 18/01/003

Author: Lynne Habner, A/Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Instrument of Delegation - Members of Staff

2. Instrument of Appointment and Authorisation

#### **RECOMMENDATION**

That Council

- 1. In the exercise of the powers conferred by section 98(1) of the Act and the other legislation referred to in the attached instrument of delegation, resolves that:
  - (a) There be delegated to the members of Council staff holding, acting in or performing the duties of the offices or positions referred to in the attached Instrument of Delegation to members of Council staff, the powers, duties and functions set out in that instrument, subject to the conditions and limitations specified in that Instrument.
  - (b) The instrument comes into force immediately the common seal of Council is affixed to the instrument.
  - (c) On the coming into force of the instrument all previous delegations to members of Council staff (other than the Chief Executive Officer) are revoked.
  - (d) The duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt.
- 2. In the exercise of the powers conferred by section 224 of the Act and the other legislation referred to in the attached instruments of appointment and authorisation, resolves that:
  - (a) The members of Council staff referred to in the instruments be appointed and authorised as set out in the instruments.
  - (b) The instruments come into force immediately the common seal of Council is affixed to the instruments, and remain in force until Council determines to vary or revoke them.
  - (c) The instruments be sealed.
- 3. Revokes all existing Instruments of Appointment and Authorisation (Planning and Environment Act 1987), effective from the date that the CEO approves the new instrument as attached.

## **CONFLICT OF INTEREST**

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

### PREVIOUS COUNCIL DISCUSSION

The updates contained in this report have not been discussed by Council.

#### **BACKGROUND**

In order for Council officers to effectively and efficiently discharge their duties, specific delegations, authorisations and appointments are required under a variety of Acts.

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Council is required to review its delegations within 12 months after a general election in accordance with section 98 (6) of the Local Government Act.

In addition to this statutory requirement, presentation of new or revised delegations has become a more regular process for Council. Due to the ever changing nature of legislation, Council has subscribed to a service by Maddocks legal firm that regularly reviews all applicable delegations, authorisations and appointments.

#### ISSUES/DISCUSSION

The attached amended delegations have been updated in accordance with most recent advice provided by Maddocks and changes have also been made as a result of the addition of a dedicated Municipal Building Surveyor.

The attached Instrument of Appointment and Authorisation under the Planning and Environment Act 1987 and associated request for revocation is submitted for approval due to the staffing changes, including the resignation of Ian McLauchlan and the filling of the position of Director Operations on an acting basis until a permanent appointment has been made.

#### **COST/BENEFITS**

Adoption of the recommendation will not have any financial impacts.

#### **RISK ANALYSIS**

Adoption of the recommendation will ensure that council staff are able to act on behalf of Council under the various pieces of legislation. If current delegations and appointments and authorisations are not in place, actions of a council officer exercising those powers could be legally challenged.

#### **CONSULTATION AND ENGAGEMENT**

The supervisors of the relevant staff were consulted about the changes to be made.

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# S6 Instrument of Delegation - Members of Staff

#### **Preamble**

Instrument of Delegation

In exercise of the power conferred by section 98(1) of the Local Government Act 1989 and the other legislation referred to in the attached Schedule, the Council:

- 1. delegates each duty and/or function and/or power described in column 1 of the Schedule (and summarised in column 2 of the Schedule) to the member of Council staff holding, acting in or performing the duties of the office or position described opposite each such duty and/or function and/or power in column 3 of the Schedule;
- 2. record that references in the Schedule are as follows:

	Means
AA	Administrative Assistant
AE	Asset Engineer
AGO	Assets/GIS Officer
A00	Administrative Officer - Operations
CEO	Chief Executive Officer
DCS	Director Corporate Services
DE	Design Engineer
DMERO	Deputy Municipal Emergency Resource Officer
DOP	Director Operations
EPSC	Environment and Public Space Coordinator
FA	Financial Accountant
GIS	GIS Officer
LLO	Local Laws Officer
LLPCO	Local Laws/Planning Compliance Officer
MBS	Municipal Building Surveyor
MDC	Manager Development and Compliance
MERO	Municipal Emergency Resource Officer
MFS	Manager Financial Services
MO	Manager Operations
MOD	Manager Organisation Development
MTS	Manager Technical Services
PHO	Public Health Officer
PMC	Project Management Coordinator
PO	Planning Officer
R	Ranger
RC	Revenue Collector
SPHO	Senior Public Health Officer
SPO	Strategic Planning Officer
TL	Team Leader
TLTS	Team Leader Townscape Services
TO	Technical Officer
WC	Works Coordinator

#### 3. declares that:

- 3.1 this Instrument of Delegation is authorised by a resolution of Council passed on 27 June 2017; and
- 3.2 the delegation:
- 3.2.1 comes into force immediately the common seal of Council is affixed to this Instrument of Delegation;
- 3.2.2 remains in force until varied or revoked;
- 3.2.3 is subject to any conditions and limitations set out in sub-paragraph 3.3, and the Schedule; and
- 3.2.4 must be exercised in accordance with any guidelines or policies which Council from time to time adopts; and
- 3.3 the delegate must not determine the issue, take the action or do the act or thing:
- 3.3.1 if the issue, action, act or thing is an issue, action or thing which Council has previously designated as an issue,

action, act or thing which must be the subject of a Resolution of Council; or

3.3.2 if the determining of the issue, taking of the action or doing of the act or thing would or would be likely to involve a decision which is inconsistent with a

(a) policy; or

(b) strategy adopted by Council; or

- 3.3.3 if the determining of the issue, the taking of the action or the doing of the act or thing cannot be the subject of a lawful delegation, whether on account of section 98(1)(a)-(f) (inclusive) of the Act or otherwise; or
- 3.3.4 the determining of the issue, the taking of the action or the doing of the act or thing is already the subject of an exclusive delegation to another member of Council staff.

Council seal

**Phil Pinyon Chief Executive Officer Loddon Shire Council** 

Date:

# **Delegation Sources**

- Cemeteries and Crematoria Act 2003
- · Domestic Animals Act 1994
- Environment Protection Act 1970
- Food Act 1984
- Heritage Act 1995
- Planning and Environment Act 1987
- Rail Safety (Local Operations) Act 2006
- Residential Tenancies Act 1997
- Road Management Act 2004
- Cemeteries and Crematoria Regulations 2005
- Planning and Environment Regulations 2015
- Planning and Environment (Fees) Further Interim Regulations 2013
- Planning and Environment (Fees) Regulations 2016
- Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 2010
- Road Management (General) Regulations 2016
- Road Management (General) Regulations 2005
- Road Management (Works and Infrastructure) Regulations 2015

# S6 Instrument of Delegation - Members of Staff

#### Cemeteries and Crematoria Act 2003

[##The provisions of this Act apply to Councils appointed as a cemetery trust under section 5 of this Act, and also apply to Councils appointed to manage a public cemetery under section 8(1)(a)(ii) as though it were a cemetery trust (see section 53)

rovision	Item Delegated	Delegate	Conditions and Limitations
.21(1)	power to establish and operate a crematorium in a public cemetery		council must not establish or operate a crematorium set aside for particular religious or community groups.
.22	power to establish mausolea facilities		subject to the prior written approval of the Secretary
.26(1)	power to make rules for or with respect to the general care, protection and management of a public cemetery		
.39(1)	power to fix fees and charges or a scale of fees and charges for its services in accordance with this section		subject to the approval of the Secretary under section 40 unless exempt under section 40A
.39(3)	power to fix different fees and charges for different cases or classes of cases		
:.45	power to invest money		subject to any direction of the Minister This provision does not apply if the management of the public cemetery is a municipal council, not a cemetery trust. In this case the borrowing & investment powers are governed by the Local Government Act 1989.
.46	power to borrow money to enable it to perform its functions and exercise its powers		subject to the approval and conditions of the Treasure This provision does not apply if the management of the public cemetery is a municipal council, not a cemetery trust. In this case the borrowing & investmen powers are governed by the Local Government Act 1989.
.89(1)	power to approve or refuse an application for a lift and re-position procedure in accordance with subsection (2) & (3)		can only be delegated to members of a committee established under section 86 of the Local Government Act 1989
.90	power to authorise a person without an exhumation licence to carry out a lift and re-position procedure as set out in section 90(1)(a)-(d)		can only be delegated to members of a committee established under section 86 of the Local Government Act 1989
.20(2)	power to release cremated human remains to certain persons		Subject to any order of a court

Domestic	Animals Act 1994		
Provision	tem Delegated	Delegate	Conditions and Limitations
.41A(1)		DOP, LLO, MDC, LLPCO, R	Council may delegate this power to an authorised officer
Environn	ent Protection Act 1970		
Provision	tem Delegated	Delegate	Conditions and Limitations
.53M(3)	power to require further information	DOP, SPHO	
.53M(4)	duty to advise applicant that application is not to be dealt with	SPHO	
.53M(5)	duty to approve plans, issue permit or refuse permit	SPHO	refusal must be ratified by council or it is of no effect
.53M(6)	power to refuse to issue septic tank permit	SPHO	refusal must be ratified by council or it is of no effect
.53M(7)	duty to refuse to issue a permit in circumstances in (a)-(c)	SPHO	refusal must be ratified by council or it is of no effect
Food Act	1984		
Provision	Item Delegated	Delegate	Conditions and Limitations
.19(2)(a)	power to direct by written order that the food premises be put into a clean and sanitary condition	SPHO	If section 19(1) applies
.19GB	power to request proprietor to provide written details of the name, qualification or experience of the current food safety supervisor		where council is the registration authority
.19(2)(b)	power to direct by written order that specified steps be taken to ensure that food prepared, sold or handled is safe and suitable	SPHO	If section 19(1) applies
:.19(4)(a)	power to direct that an order made under section 19(3)(a) or (b), (i) be affixed to a conspicuous part of the premises, and (ii) inform the public by notice in a published newspaper or otherwise	SPHO	If section 19(1) applies
.19(6)(a)	duty to revoke any order under section 19 if satisfied that an order has been complied with	SPHO	If section 19(1) applies
.19(6)(b)	duty to give written notice of revocation under section 19(6)(a) if satisfied that an order has been complied with	SPHO	If section 19(1) applies
.19AA(2)	power to direct, by written order, that a person must take any of the actions described in (a)-(c).	DOP, SPHO	where council is the registration authority
:.19AA(4)(	power to direct, in an order made under s.19AA(2) or a subsequent written order, that a person must ensure that any food or class of food is not removed from the premises	DOP, SPHO	Note: the power to direct the matters under s.19AA(4)(a) and (b) not capable of delegation and so such directions must made by a Council resolution
			Delegation is still require for the authorised office to prepare and issue the Order, however the decision to issue an Ord is contingent on a Coun- Resolution to this effect.
.19AA(7)	duty to revoke order issued under s.19AA and give written notice of revocation, if satisfied that that order has been complied with	SPHO	where council is the registration authority

Food Act 1	984		
.19CB(4)(b)	power to request copy of records	SPHO	where council is the registration authority
.19E(1)(d)	power to request a copy of the food safety program	SPHO	where council is the registration authority
.19GB	power to request proprietor to provide written details of the name, qualification or experience of the current food safety supervisor	SPHO	where council is the registration authority
.19M(4)(a) . (5)	power to conduct a food safety audit and take actions where deficiencies are identified	SPHO	where council is the registration authority
.19NA(1)	power to request food safety audit reports	SPHO	where council is the registration authority
.19U(3)	power to waive and vary the costs of a food safety audit if there are special circumstances	DOP, SPHO	
.19UA	power to charge fees for conducting a food safety assessment or inspection	SPHO	except for an assessmer required by a declaration under section 19C or an inspection under section 38B(1)(c) or 39.
.19W	power to direct a proprietor of a food premises to comply with any requirement under Part IIIB	SPHO	where council is the registration authority
.19W(3)(a)	power to direct a proprietor of a food premises to have staff at the premises undertake training or instruction	SPHO	where council is the registration authority
.19W(3)(b)	power to direct a proprietor of a food premises to have details of any staff training incorporated into the minimum records required to be kept or food safety program of the premises	SPHO	where council is the registration authority
	power to register, renew or transfer registration	SPHO	where council is the registration authority refusal to grant/renew/transfer registration must be ratified by Council or the CEO (see section 58A(2)).
.38AA(5)	power to (a) request further information; or (b) advise the proprietor that the premises must be registered if the premises are not exempt	SPHO	where council is the registration authority
.38AB(4)	power to fix a fee for the receipt of a notification under section 38AA in accordance with a declaration under subsection (1)	CEO	where council is the registration authority  Not delegated - fees are fixed by Council
.38A(4)	power to request a copy of a completed food safety program template	SPHO	where council is the registration authority
.38B(1)(a)	duty to assess the application and determine which class of food premises under section 19C the food premises belongs	SPHO	where council is the registration authority
.38B(1)(b)	duty to ensure proprietor has complied with requirements of section 38A	SPHO	where council is the registration authority
.38B(2)	duty to be satisfied of the matters in section 38B(2)(a)-(b)	SPHO	where council is the registration authority
.38D(1)	duty to ensure compliance with the applicable provisions of section 38C and inspect the premises if required by section 39	SPHO	where council is the registration authority
.38D(2)	duty to be satisfied of the matters in section 38D(2)(a)-(d)	SPHO	where council is the registration authority
.38D(3)	power to request copies of any audit reports	SPHO	where council is the registration authority
.38E(2)	power to register the food premises on a conditional basis	SPHO	where council is the registration authority; not exceeding the prescribed time limit

Food Ac	1984		
			defined under subsection (5).
.38E(4)	duty to register the food premises when conditions are satisfied	SPHO	where council is the registration authority
.38F(3)(b	power to require proprietor to comply with requirements of this Act	SPHO	where council is the registration authority
:.39A	power to register, renew or transfer food premises despite minor defects	SPHO	where council is the registration authority only if satisfied of matter in subsections (2)(a)-(c)
.40(2)	power to incorporate the certificate of registration in one document with any certificate of registration under Part 6 of the Public Health and Wellbeing Act 2008	SPHO	
.40C(2)	power to grant or renew the registration of food premises for a period of less than 1 year	SPHO	where council is the registration authority
.40D(1)	power to suspend or revoke the registration of food premises	SPHO	where council is the registration authority
.43F(6)	duty to be satisfied that registration requirements under Division 3 have been met prior to registering, transferring or renewing registration of a component of a food business	SPHO	where council is the registration authority
.43F(7)	power to register the components of the food business that meet requirements in Division 3 and power to refuse to register the components that do not meet the requirements	SPHO	where council is the registration authority
.46(5)	power to institute proceedings against another person where the offence was due to an act or default by that other person and where the first person charged could successfully defend a prosecution, without proceedings first being instituted against the person first charged	SPHO	where council is the registration authority
Heritage		<u>'</u>	
rovision	Item Delegated	Delegate	Conditions and Limitations
.84(2)	power to sub-delegate Executive Director's functions	CEO	must obtain Executive Director's written consent first.
			Not delegated - power remains with CEO
Planning	and Environment Act 1987		<u>'</u>
rovision	Item Delegated	Delegate	Conditions and Limitations
	Item Delegated  power to prepare an amendment to the Victoria Planning Provisions	Delegate DOP, MDC	
Provision :.4B :.4G			Limitations if authorised by the
:.4B :.4G	power to prepare an amendment to the Victoria Planning Provisions  function of receiving prescribed documents and a copy of the Victoria	DOP, MDC	Limitations if authorised by the
:.4B :.4G :.4H	power to prepare an amendment to the Victoria Planning Provisions  function of receiving prescribed documents and a copy of the Victoria Planning Provisions from the Minister	DOP, MDC	Limitations if authorised by the
i.4B i.4G i.4H i.4I	power to prepare an amendment to the Victoria Planning Provisions  function of receiving prescribed documents and a copy of the Victoria Planning Provisions from the Minister  duty to make amendment to Victoria Planning Provisions available duty to keep Victoria Planning Provisions and other documents	DOP, MDC  MDC	Limitations if authorised by the
.4B	power to prepare an amendment to the Victoria Planning Provisions  function of receiving prescribed documents and a copy of the Victoria Planning Provisions from the Minister  duty to make amendment to Victoria Planning Provisions available duty to keep Victoria Planning Provisions and other documents available  power to prepare amendment to the planning scheme where the	DOP, MDC  MDC  MDC  MDC	Limitations if authorised by the
4B 4G 4H 4I	power to prepare an amendment to the Victoria Planning Provisions  function of receiving prescribed documents and a copy of the Victoria Planning Provisions from the Minister  duty to make amendment to Victoria Planning Provisions available  duty to keep Victoria Planning Provisions and other documents available  power to prepare amendment to the planning scheme where the Minister has given consent under s.8A  power to apply to Minister to prepare an amendment to the planning	MDC MDC MDC MDC MDC MDC	Limitations if authorised by the

	the Minister's authorisation if no response received after 10 business days		
:.8B(2)	power to apply to the Minister for authorisation to prepare an amendment to the planning scheme of an adjoining municipal district	CEO	Not delegated - power remains with CEO
.12(3)	power to carry out studies and do things to ensure proper use of land and consult with other persons to ensure co-ordination of planning scheme with these persons	DOP, MDC	
.12A(1)	duty to prepare a municipal strategic statement (including power to prepare a municipal strategic statement under section 19 of the Planning and Environment (Planning Schemes) Act 1996)	MDC	
.12B(1)	duty to review planning scheme	MDC	
.12B(2)	duty to review planning scheme at direction of Minister	MDC	
.12B(5)	duty to report findings of review of planning scheme to Minister without delay	MDC	
.14	duties of a Responsible Authority as set out in subsections (a) to (d)	MDC	
.17(1)	duty of giving copy amendment to the planning scheme	MDC	
.17(2)	duty of giving copy s.173 agreement	MDC	
.17(3)	duty of giving copy amendment, explanatory report and relevant documents to the Minister within 10 business days	MDC	
.18	duty to make amendment etc. available	MDC	
.19	power to give notice, to decide not to give notice, to publish notice of amendment to a planning scheme and to exercise any other power under section 19 to a planning scheme	MDC	
:.19	function of receiving notice of preparation of an amendment to a planning scheme	MDC	where Council is not the planning authority and the amendment affects land within Council's municipal district; or where the amendment wamend the planning scheme to designate Council as an acquiring authority.
.20(1)	power to apply to Minister for exemption from the requirements of section 19	DOP, MDC	
.21(2)	duty to make submissions available	MDC	
.21A(4)	duty to publish notice in accordance with section	MDC	
.22	duty to consider all submissions	MDC	
.23(1)(b)	duty to refer submissions which request a change to the amendment to a panel	MDC	
.23(2)	power to refer to a panel submissions which do not require a change to the amendment	DOP, MDC	
.24	function to represent council and present a submission at a panel hearing (including a hearing referred to in section 96D)	MDC	
.26(1)	power to make report available for inspection	DOP, MDC	
.26(2)	duty to keep report of panel available for inspection	MDC	
.27(2)	power to apply for exemption if panel's report not received	DOP, MDC	
.28	duty to notify the Minister if abandoning an amendment	MDC	Note: the power to make decision to abandon an
			amendment cannot be delegated

.30(4)(b)	duty to provide information in writing upon request	MDC	
.32(2)	duty to give more notice if required	MDC	
33(1)	duty to give more notice of changes to an amendment	MDC	
36(2)	duty to give notice of approval of amendment	MDC	
38(5)	duty to give notice of revocation of an amendment	MDC	
39	function of being a party to a proceeding commenced under section	MDC	
	39 and duty to comply with determination by VCAT		
40(1)	function of lodging copy of approved amendment	MDC	
11	duty to make approved amendment available	MDC	
42	duty to make copy of planning scheme available	MDC	
46AS(ac)	power to request the Growth Areas Authority to provide advice on any matter relating to land in Victoria or an objective of planning in Victoria	DOP, MDC	
46GF	duty to comply with directions issued by the Minister	MDC, PO, SPO	
46GG	duty to include a condition in a permit relating to matters set out in s.46GG(c) and (d)	DOP, MDC, PO, SPO	
46GH(1)	power to require the payment of an amount of infrastructure levy to be secured to Council's satisfaction	DOP, MDC, PO, SPO	where council is a collecting agency
46GH(2)	power to accept the provision of land, works, services or facilities in part or full satisfaction of the amount of infrastructure levy payable	CEO	where council is a collecting agency
46GH(3)	duty to obtain the agreement of the relevant development agency or agencies specified in the approved infrastructure contributions plan before accepting the provision of land, works, services or facilities by the applicant	DOP, MDC, PO, SPO	where council is a collecting agency
46GI(1)	duty to keep proper accounts of any amount of infrastructure levy paid to it as a collecting agency or a development agency under part 2 of the Planning and Environment Act 1987	DOP, MFS, MDC, RC, PO, SPO	must be done in accordance with Loca Government Act 1989
46GI(2)	duty to forward to a development agency any part of an infrastructure levy paid to council which is imposed for plan preparation costs incurred by development agency or for carrying out of works, services or facilities on behalf of the development agency	DOP, MFS, MDC, FA, PO, SPO	
46GI(3)	duty to apply levy amount only in accordance with s.46GI(3) (a) and (b)	DOP, MDC, PO, SPO	
16GI(4)	power to refund any amount of infrastructure levy paid to it as a development agency under Part 2 of the Planning and Environment Act 1987 if satisfied that the development is not to proceed	DOP, MDC	
46GI(5)	duty to take action described in s.46GI(5)(c) – (e) where s.46GI(5)(a) and (b) applies.	DOP, MFS, MDC, FA, PO, SPO	
46GL	power to recover any amount of infrastructure levy as a debt due to Council	DOP, MFS, MDC	where council is a collecting agency
46GM	duty to prepare report and give a report to the Minister	DOP, MDC	where council is a collecting agency or development agency
46N(1)	duty to include condition in permit regarding payment of development infrastructure levy	DOP	
46N(2)(c)	function of determining time and manner for receipt of development contributions levy	CEO	Not delegated - powe remains with CEO

.46N(2)(d)	power to enter into an agreement with the applicant regarding payment of development infrastructure levy	DOP	
.46O(1)(a) k (2)(a)	power to ensure that community infrastructure levy is paid, or agreement is in place, prior to issuing building permit	DOP, MDC	
.46O(1)(d) k (2)(d)	power to enter into agreement with the applicant regarding payment of community infrastructure levy	DOP	
.46P(1)	power to require payment of amount of levy under section 46N or section 46O to be satisfactorily secured	DOP	
.46P(2)	power to accept provision of land, works, services or facilities in part or full payment of levy payable	CEO	Not delegated - power remains with CEO
.46Q(1)	duty to keep proper accounts of levies paid	MFS	
.46Q(1A)	duty to forward to development agency part of levy imposed for carrying out works, services, or facilities on behalf of development agency or plan preparation costs incurred by a development agency or plan preparation costs incurred by a development agency	DOP, MFS, MDC, FA	
.46Q(2)	duty to apply levy only for a purpose relating to the provision of plan preparation costs or the works, services and facilities in respect of which the levy was paid etc	DOP, MDC	
.46Q(3)	power to refund any amount of levy paid if it is satisfied the development is not to proceed	DCS	only applies when levy is paid to Council as a 'development agency'
.46Q(4)(c)	duty to pay amount to current owners of land in the area if an amount of levy has been paid to a municipal council as a development agency for plan preparation costs incurred by the council or for the provision by the council of works, services or facilities in an area under s.46Q(4)(a)	DOP, MFS, MDC, FA	must be done within six months of the end of the period required by the development contribution plan and with the consen of, and in the manner approved by, the Minister
.46Q(4)(d)	duty to submit to the Minister an amendment to the approved development contributions plan	DOP	must be done in accordance with Part 3
46Q(4)(e)	duty to expend that amount on other works etc.	DOP	with the consent of, and i the manner approved by, the Minister
.46QC	power to recover any amount of levy payable under Part 3B	DCS	
.46QD	duty to prepare report and give a report to the Minister	DOP, MDC	where council is a collecting agency or development agency
.47	power to decide that an application for a planning permit does not comply with that Act	DOP, MDC	
.49(1)	duty to keep a register of all applications for permits and determinations relating to permits	MDC	
.49(2)	duty to make register available for inspection	MDC	
.50(4)	duty to amend application	MDC	
.50(5)	power to refuse to amend application	DOP, MDC	
.50(6)	duty to make note of amendment to application in register	MDC	
.50A(1)	power to make amendment to application	DOP, MDC, PO, SPO	
.50A(3)	power to require applicant to notify owner and make a declaration that notice has been given	DOP, MDC, PO, SPO	
.50A(4)	duty to note amendment to application in register	MDC, PO, SPO	

54 MDC BO				
.51		MDC, PO, SPO		
.52(1)(a)		MDC, PO, SPO		
52(1)(b)	duty to give notice of the application to other municipal councils where appropriate	MDC, PO, SPO		
52(1)(c)	duty to give notice of the application to all persons required by the planning scheme	MDC, PO, SPO		
52(1)(ca)		MDC, PO, SPO		
52(1)(cb)	duty to give notice of the application to owners and occupiers of land benefited by a registered restrictive covenant if application is to remove or vary the covenant	MDC, PO, SPO		
52(1)(d)	duty to give notice of the application to other persons who may be detrimentally effected	MDC, PO, SPO		
52(1AA)	duty to give notice of an application to remove or vary a registered restrictive covenant	MDC, PO, SPO		
52(3)		DOP, MDC, PO, SPO		
53(1)		DOP, MDC, PO, SPO		
53(1A)		DOP, MDC, PO, SPO		
54(1)	power to require the applicant to provide more information	DOP, MDC, PO, SPO		
54(1A)	duty to give notice in writing of information required under section 54(1)	MDC, PO, SPO		
54(1B)	duty to specify the lapse date for an application	MDC, PO, SPO		
54A(3)	power to decide to extend time or refuse to extend time to give required information	DOP, MDC, PO, SPO		
54A(4)		MDC, PO, SPO		
55(1)	duty to give copy application, together with the prescribed information, to every referral authority specified in the planning scheme	SPO		
57(2A)	power to reject objections considered made primarily for commercial advantage for the objector	DOP, MDC		
57(3)	decision is to go	MDC, PO, SPO		
57(5)	duty to make available for inspection copy of all objections	MDC, PO, SPO		
57A(4)	duty to amend application in accordance with applicant's request, subject to section 57A(5)	MDC, PO, SPO		
57A(5)	power to refuse to amend application	DOP, MDC		
57A(6)	duty to note amendments to application in register	MDC, PO, SPO		
57B(1)	duty to determine whether and to whom notice should be given	MDC, PO, SPO		
57B(2)	duty to consider certain matters in determining whether notice should be given	MDC, PO, SPO		
.57C(1)	duty to give copy of amended application to referral authority	MDC, PO,		

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		SPO	
.58	duty to consider every application for a permit	MDC, PO, SPO	
.58A	power to request advice from the Planning Application Committee	DOP, MDC	
.60	duty to consider certain matters	MDC, PO, SPO	
60(1A)	power to consider certain matters before deciding on application	DOP, MDC, PO, SPO	
.60(1B)	duty to consider number of objectors in considering whether use or development may have significant social effect	DOP, MDC, PO, SPO	
.61(1)	power to determine permit application, either to decide to grant a permit, to decide to grant a permit with conditions or to refuse a permit application	DOP, MDC, PO, SPO	the permit must not be inconsistent with a cultural heritage management plaunder the Aboriginal Heritage Act 2006
.61(2)	duty to decide to refuse to grant a permit if a relevant determining referral authority objects to grant of permit	DOP, MDC, PO, SPO	
.61(2A)	power to decide to refuse to grant a permit if a relevant recommending referral authority objects to the grant of permit	DOP, MDC, PO, SPO	
.61(4)	duty to refuse to grant the permit if grant would authorise a breach of a registered restrictive covenant	DOP, MDC, PO, SPO	
.62(1)	duty to include certain conditions in deciding to grant a permit	DOP, MDC, PO, SPO	
.62(2)	power to include other conditions	DOP, MDC, PO, SPO	
.62(4)	duty to ensure conditions are consistent with paragraphs (a),(b) and (c)	DOP, MDC, PO, SPO	
.62(5)(a)	power to include a permit condition to implement an approved development contributions plan	DOP, MDC	
.62(5)(b)	power to include a permit condition that specified works be provided on or to the land or paid for in accordance with section 173 agreement	DOP, MDC	
.62(5)(c)	power to include a permit condition that specified works be provided or paid for by the applicant	DOP, MDC, PO, SPO	
.62(6)(a)	duty not to include a permit condition requiring a person to pay an amount for or provide works except in accordance with section 62(5) or section 46N	DOP, MDC, PO, SPO	
.62(6)(b)	duty not to include a permit condition requiring a person to pay an amount for or provide works except a condition that a planning scheme requires to be included as referred to in section 62(1)(a)	DOP, MDC, PO, SPO	
.63	duty to issue the permit where made a decision in favour of the application (if no one has objected)	DOP, MDC, PO, SPO	
:.64(1)	duty to give notice of decision to grant a permit to applicant and objectors	MDC, PO, SPO	this provision applies also to a decision to grant an amendment to a permit - see section 75
:.64(3)	duty not to issue a permit until after the specified period	DOP, MDC, PO, SPO	this provision applies also to a decision to grant an amendment to a permit - see section 75
.64(5)	duty to give each objector a copy of an exempt decision	MDC, PO, SPO	this provision applies also to a decision to grant an amendment to a permit - see section 75

.64A	duty not to issue permit until the end of a period when an application	DOP, MDC,	this provision applies also
	for review may be lodged with VCAT or until VCAT has determined the application, if a relevant recommending referral authority has objected to the grant of a permit	PO, SPO	to a decision to grant an amendment to a permit - see section 75A
.65(1)	duty to give notice of refusal to grant permit to applicant and person who objected under section 57	MDC, PO, SPO	
.66(1)	duty to give notice under section 64 or section 65 and copy permit to relevant determining referral authorities	MDC, PO, SPO	
.66(2)	duty to give a recommending referral authority notice of its decision to grant a permit	MDC, PO, SPO	if the recommending referral authority objected to the grant of the permit or the responsible authority decided not to include a condition on the permit recommended by the recommending referral authority
:.66(4)	duty to give a recommending referral authority notice of its decision to refuse a permit	MDC, PO, SPO	if the recommending referral authority objected to the grant of the permit or the recommending referral authority recommended that a permit condition be included on the permit
:.66(6)	duty to give a recommending referral authority a copy of any permit which Council decides to grant and a copy of any notice given under section 64 or 65	MDC, PO, SPO	if the recommending referral authority did not object to the grant of the permit or the recommending referral authority did not recommend a condition b included on the permit
.69(1)	function of receiving application for extension of time of permit	MDC, PO, SPO	
.69(1A)	function of receiving application for extension of time to complete development	MDC, PO, SPO	
.69(2)	power to extend time	DOP, MDC, PO, SPO	
.70	duty to make copy permit available for inspection	MDC, PO, SPO	
.71(1)	power to correct certain mistakes	DOP, MDC, PO, SPO	
.71(2)	duty to note corrections in register	MDC, PO, SPO	
5.73	power to decide to grant amendment subject to conditions	DOP, MDC, PO, SPO	
6.74	duty to issue amended permit to applicant if no objectors	DOP, MDC, PO, SPO	
8.76	duty to give applicant and objectors notice of decision to refuse to grant amendment to permit	MDC, PO, SPO	
.76A(1)	duty to give relevant determining referral authorities copy of amended permit and copy of notice	MDC, PO, SPO	
.76A(2)	duty to give a recommending referral authority notice of its decision to grant an amendment to a permit	MDC, PO, SPO	if the recommending referral authority objected to the amendment of the

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			permit or the responsible authority decided not to include a condition on th amended permit recommended by the recommending referral authority		
.76A(4)	duty to give a recommending referral authority notice of its decision to refuse a permit	MDC, PO, SPO	if the recommending referral authority objected to the amendment of the permit or the recommending referral authority recommended that a permit condition be included on the amended permit		
.76A(6)	duty to give a recommending referral authority a copy of any amended permit which Council decides to grant and a copy of any notice given under section 64 or 76	MDC, PO, SPO	if the recommending referral authority did not object to the amendment of the permit or the recommending referral authority did not recommend a condition be included on the amended permit		
.76D	duty to comply with direction of Minister to issue amended permit	DOP, MDC, PO, SPO			
3.83	function of being respondent to an appeal	DOP, MDC			
.83B	duty to give or publish notice of application for review	MDC, PO, SPO			
.84(1)	power to decide on an application at any time after an appeal is lodged against failure to grant a permit	DOP, MDC, PO, SPO			
.84(2)	duty not to issue a permit or notice of decision or refusal after an application is made for review of a failure to grant a permit	DOP, MDC, PO, SPO			
.84(3)	duty to tell principal registrar if decide to grant a permit after an application is made for review of its failure to grant a permit	MDC, PO, SPO			
.84(6)	duty to issue permit on receipt of advice within 3 working days	DOP, MDC, PO, SPO			
.86	duty to issue a permit at order of Tribunal within 3 working days	DOP, MDC, PO, SPO			
.87(3)	power to apply to VCAT for the cancellation or amendment of a permit	CEO	Not delegated - power remains with CEO		
.90(1)	function of being heard at hearing of request for cancellation or amendment of a permit	DOP, MDC, PO, SPO			
.91(2)	duty to comply with the directions of VCAT	DOP, MDC, PO, SPO			
.91(2A)	duty to issue amended permit to owner if Tribunal so directs	DOP, MDC, PO, SPO			
.92	duty to give notice of cancellation/amendment of permit by VCAT to persons entitled to be heard under section 90	MDC, PO, SPO			
.93(2)	duty to give notice of VCAT order to stop development	MDC, PO, SPO			
.95(3)	function of referring certain applications to the Minister	CEO	Not delegated - power remains with CEO		

95(4)	duty to comply with an order or direction	DOP, MDC, PO, SPO	
96(1)	duty to obtain a permit from the Minister to use and develop its land	DOP, MDC	
96(2)	function of giving consent to other persons to apply to the Minister for a permit to use and develop Council land	CEO	Not delegated - power remains with CEO
96A(2)	power to agree to consider an application for permit concurrently with preparation of proposed amendment	DOP, MDC	
96C	power to give notice, to decide not to give notice, to publish notice and to exercise any other power under section 96C	DOP, MDC	
96F	duty to consider the panel's report under section 96E	MDC	
96G(1)	power to determine to recommend that a permit be granted or to refuse to recommend that a permit be granted and power to notify applicant of the determination (including power to give notice under section 23 of the Planning and Environment (Planning Schemes) Act 1996)	DOP, MDC	
96H(3)	power to give notice in compliance with Minister's direction	DOP, MDC	
96J	power to issue permit as directed by the Minister	DOP, MDC	
96K	duty to comply with direction of the Minister to give notice of refusal	MDC	
96Z	duty to keep levy certificates given to it under ss. 47 or 96A for no less than 5 years from receipt of the certificate	DOP, MDC, PO, SPO	
97C	power to request Minister to decide the application	CEO	Not delegated - poweremains with CEO
97D(1)	duty to comply with directions of Minister to supply any document or assistance relating to application	DOP, MDC, PO, SPO	
.97G(3)	function of receiving from Minister copy of notice of refusal to grant permit or copy of any permit granted by the Minister	MDC, PO, SPO	
.97G(6)	duty to make a copy of permits issued under section 97F available for inspection	MDC, PO, SPO	
.97L	duty to include Ministerial decisions in a register kept under section 49	MDC, PO, SPO	
.970	duty to consider application and issue or refuse to issue certificate of compliance	MDC	
.97P(3)	duty to comply with directions of VCAT following an application for review of a failure or refusal to issue a certificate	MDC	
.97Q(2)	function of being heard by VCAT at hearing of request for amendment or cancellation of certificate	CEO	Not delegated - power
97Q(4)	duty to comply with directions of VCAT	MDC	
97R	duty to keep register of all applications for certificate of compliance and related decisions	MDC	
98(1)&(2)	function of receiving claim for compensation in certain circumstances	CEO	Not delegated - powe remains with CEO
98(4)	duty to inform any person of the name of the person from whom compensation can be claimed	MDC	
101	function of receiving claim for expenses in conjunction with claim	CEO	Not delegated - powe remains with CEO
.103	power to reject a claim for compensation in certain circumstances	CEO	Not delegated - powe remains with CEO

.107(1)	function of receiving claim for compensation	CEO	Not delegated - power remains with CEO
.107(3)	power to agree to extend time for making claim	CEO	Not delegated - power remains with CEO
.114(1)	power to apply to the VCAT for an enforcement order	DOP, MDC, LLPCO	
.117(1)(a)	function of making a submission to the VCAT where objections are received	MDC	
.120(1)	power to apply for an interim enforcement order where section 114 application has been made	DOP, MDC, LLPCO	
.123(1)	power to carry out work required by enforcement order and recover costs	DOP, MDC, LLPCO	
.123(2)	power to sell buildings, materials, etc salvaged in carrying out work under section 123(1)	DOP, MDC	except Crown Land
.129	function of recovering penalties	MFS	
.130(5)	power to allow person served with an infringement notice further time	DOP, MDC	
.149A(1)	power to refer a matter to the VCAT for determination	DOP, MDC	
.149A(1A)	power to apply to VCAT for the determination of a matter relating to the interpretation of a s.173 agreement	DOP, MDC	
.156	duty to pay fees and allowances (including a payment to the Crown under subsection (2A)), and payment or reimbursement for reasonable costs and expenses incurred by the panel in carrying out its functions unless the Minister directs otherwise under subsection (2B)power to ask for contribution under subsection (3) and power to abandon amendment or part of it under subsection (4)	CEO	where council is the relevant planning author Not delegated - power remains with CEO
.171(2)(f)	power to carry out studies and commission reports	DOP, MDC	
.171(2)(g)	power to grant and reserve easements	MDC	
.173	power to enter into agreement covering matters set out in section 174	CEO	Not delegated - power remains with CEO
	power to decide whether something is to the satisfaction of Council, where an agreement made under section 173 of the Planning and Environment Act 1987 requires something to be to the satisfaction of Council or Responsible Authority	DOP, MDC	
	power to give consent on behalf of Council, where an agreement made under section 173 of the Planning and Environment Act 1987 requires that something may not be done without the consent of Council or Responsible Authority	DOP, MDC	
.177(2)	power to end a section 173 agreement with the agreement of all those bound by any covenant in the agreement or otherwise in accordance with Division 2 of Part 9	DOP, MDC	
.178	power to amend a s.173 agreement with the agreement of all those bound by any covenant in the agreement or otherwise in accordance with Division 2 of Part 9	DOP, MDC	
.178A(1)	function of receiving application to amend or end an agreement	MDC	
.178A(3)	function of notifying the owner as to whether it agrees in principle to the proposal under s.178A(1)	MDC	
.178A(4)	function of notifying the applicant and the owner as to whether it agrees in principle to the proposal	MDC	
.178A(5)	power to propose to amend or end an agreement	DOP, MDC	
.178B(1)	duty to consider certain matters when considering proposal to amend an agreement	MDC	
.178B(2)	duty to consider certain matters when considering proposal to end an	MDC	

	agreement		
:.178C(2)		MDC	
.178C(4)	function of determining how to give notice under s.178C(2)	MDC	
.178E(1)	duty not to make decision until after 14 days after notice has been given	MDC	
.178E(2)(a)	power to amend or end the agreement in accordance with the proposal	DOP, MDC	If no objections are made under s.178D Must consider matters in s.178B
.178E(2)(b)	power to amend or end the agreement in a manner that is not substantively different from the proposal	DOP, MDC	If no objections are made under s.178D Must consider matters in s.178B
.178E(2)(c)	power to refuse to amend or end the agreement	DOP, MDC	If no objections are made under s.178D Must consider matters in s.178B
.178E(3)(a)	power to amend or end the agreement in accordance with the proposal	DOP, MDC	After considering objections, submissions and matters in s.178B
.178E(3)(b)	power to amend or end the agreement in a manner that is not substantively different from the proposal	DOP, MDC	After considering objections, submissions and matters in s.178B
.178E(3)(c)	power to amend or end the agreement in a manner that is substantively different from the proposal	DOP, MDC	After considering objections, submissions and matters in s.178B
.178E(3)(d)	power to refuse to amend or end the agreement	DOP, MDC	After considering objections, submissions and matters in s.178B
.178F(1)	duty to give notice of its decision under s.178E(3)(a) or (b)	MDC	
.178F(2)	duty to give notice of its decision under s.178E(2)(c) or (3)(d)	MDC	
.178F(4)	duty not to proceed to amend or end an agreement under s.178E until at least 21 days after notice has been given or until an application for review to the Tribunal has been determined or withdrawn	MDC	
.178G	duty to sign amended agreement and give copy to each other party to the agreement	MDC	
.178H	power to require a person who applies to amend or end an agreement to pay the costs of giving notices and preparing the amended agreement	DOP, MDC	
.178I(3)	duty to notify, in writing, each party to the agreement of the ending of the agreement relating to Crown land	MDC	
.179(2)	duty to make available for inspection copy agreement	MDC	
.181	duty to apply to the Registrar of Titles to record the agreement and to deliver a memorial to Registrar-General	MDC	
.181(1A)(a)	power to apply to the Registrar of Titles to record the agreement	DOP, MDC	
.181(1A)(b)	duty to apply to the Registrar of Titles, without delay, to record the agreement	MDC	
.182	power to enforce an agreement	DOP, MDC, LLPCO	
.183	duty to tell Registrar of Titles of ending/amendment of agreement	MDC	
.184F(1)	power to decide to amend or end an agreement at any time after an	DOP, MDC	

		T T	
10.15(0)	application for review of the failure of Council to make a decision		
.184F(2)	duty not to amend or end the agreement or give notice of the decision after an application is made to VCAT for review of a failure to amend or end an agreement	MDC	
.184F(3)	duty to inform the principal registrar if the responsible authority decides to amend or end an agreement after an application is made for the review of its failure to end or amend the agreement	MDC	
.184F(5)	function of receiving advice from the principal registrar that the agreement may be amended or ended in accordance with Council's decision	MDC	
.184G(2)	duty to comply with a direction of the Tribunal	MDC	
.184G(3)	duty to give notice as directed by the Tribunal	MDC	
.198(1)	function to receive application for planning certificate	MDC, PO, SPO	
.199(1)	duty to give planning certificate to applicant	MDC, PO, SPO	
.201(1)	function of receiving application for declaration of underlying zoning	MDC	
.201(3)	duty to make declaration	MDC	
	power to decide, in relation to any planning scheme or permit, that a specified thing has or has not been done to the satisfaction of Council	DOP, MDC	
	power, in relation to any planning scheme or permit, to consent or refuse to consent to any matter which requires the consent or approval of Council	DOP, MDC	Does not apply to the refusal of any permit application or amendmen
	power to approve any plan or any amendment to a plan or other document in accordance with a provision of a planning scheme or condition in a permit	DOP, MDC, PO, SPO	
	power to give written authorisation in accordance with a provision of a planning scheme	DOP, MDC, PO, SPO	
Rail Safe	y (Local Operations) Act 2006		
Provision	Item Delegated	Delegate	Conditions and Limitations
.33	duty to comply with a direction of the Safety Director under this section	MTS	where council is a utility under section 3
.33A	duty to comply with a direction of the Safety Director to give effect to arrangements under this section	MTS	duty of council as a road authority under the Road Management Act 2004
.34	duty to comply with a direction of the Safety Director to alter, demolish or take away works carried out contrary to a direction under section 33(1)	MTS	where council is a utility under section 3
.34C(2)	function of entering into safety interface agreements with rail infrastructure manager	CEO	where council is the relevant road authority
			Not delegated - power remains with the CEO
.34D(1)	function of working in conjunction with rail infrastructure manager in determining whether risks to safety need to be managed	MTS, DE	where council is the relevant road authority
.34D(2)	function of receiving written notice of opinion	MTS	where council is the relevant road authority
.34D(4)	function of entering into safety interface agreement with infrastructure manager	CEO	where council is the relevant road authority

			remains with the CEC
.34E(1)(a)	duty to identify and assess risks to safety	MTS, MO, DE	where council is the
012(1)(0)	and design and descent links to surely	MTO, MO, BE	relevant road authorit
34E(1)(b)	duty to determine measures to manage any risks identified and assessed having regard to items set out in section 34E(2)(a)-(c)	MTS, DE	where council is the relevant road authorit
34E(3)	duty to seek to enter into a safety interface agreement with rail infrastructure manager	CEO	where council is the relevant road authorit
			Not delegated - poweremains with the CEC
.34F(1)(a)	duty to identify and assess risks to safety, if written notice has been received under section 34D(2)(a)	MTS, DE	where council is the relevant road authorit
.34F(1)(b)	duty to determine measures to manage any risks identified and assessed, if written notice has been received under section 34D(2)(a)	MTS, DE	where council is the relevant road authorit
34F(2)	duty to seek to enter into a safety interface agreement with rail infrastructure manager	CEO	where council is the relevant road authorit
			Not delegated - poweremains with the CEC
34H	power to identify and assess risks to safety as required under sections 34B, 34C, 34D, 34E or 34F in accordance with subsections (a)-(c)	DOP, MTS, DE	where council is the relevant road authorit
.341	function of entering into safety interface agreements	CEO	where council is the relevant road authorit
			Not delegated - poweremains with the CEC
.34J(2)	function of receiving notice from Safety Director	MTS	where council is the relevant road authorit
.34J(7)	duty to comply with a direction of the Safety Director given under section 34J(5)	MTS	where council is the relevant road authorit
.34K(2)	duty to maintain a register of items set out in subsections (a)-(b)	MTS, DE	where council is the relevant road authorit
Resident	al Tenancies Act 1997		
rovision	Item Delegated	Delegate	Conditions and Limitations
.142D	function of receiving notice regarding an unregistered rooming house	SPHO	
	duty to enter required information in Rooming House Register for each rooming house in municipal district	SPHO	
42G(2)	power to enter certain information in the Rooming House Register	SPHO	
	power to amend or revoke an entry in the Rooming House Register if necessary to maintain the accuracy of the entry	SPHO	
	power to give tenant a notice to vacate rented premises if subsection (1) applies	CEO	where council is the landlord
			Not delegated - poweremains with the CEC
262(1)	power to give tenant a notice to vacate rented premises	CEO	where council is the landlord
			Not delegated - power
			remains with the CEC

residell	tial Tenancies Act 1997		_
			remains with CEO
.518F	power to issue notice to caravan park regarding emergency management plan if determined that the plan does not comply with the requirements	SPHO	
.522(1)	power to give a compliance notice to a person	SPHO, MDC, PHO, MBS	
.525(2)	power to authorise an officer to exercise powers in section 526 (either generally or in a particular case)	CEO	Not delegated - power remains with CEO
.525(4)	duty to issue identity card to authorised officers	MOD	
.526(5)	duty to keep record of entry by authorised officer under section 526	SPHO, MDC, PHO, MBS	
.526A(3)	function of receiving report of inspection	SPHO	
.527	power to authorise a person to institute proceedings (either generally or in a particular case)	CEO	Not delegated - power remains with CEO
Road Ma	nagement Act 2004		
rovision	Item Delegated	Delegate	Conditions and Limitations
.11(1)	power to declare a road by publishing a notice in the Government Gazette	CEO	obtain consent in circumstances specified i section 11(2)
			Not delegated - power remains with the CEO
.11(8)	power to name a road or change the name of a road by publishing notice in Government Gazette	DOP, GIS, MTS	
.11(9)(b)	duty to advise Registrar	GIS	
.11(10)	duty to inform Secretary to Department of Environment, Land, Water and Planning of declaration etc.	MTS, AE	clause subject to section 11(10A)
.11(10A)	duty to inform Secretary to Department of Environment, Land, Water and Planning or nominated person	MTS, AE	where council is the coordinating road authori
.12(2)	power to discontinue road or part of a road	CEO	were council is the coordinating road authori
			Not delegated - power remains with the CEO
.12(4)	power to publish, and provide copy, notice of proposed discontinuance	DOP, MTS	power of coordinating roa authority where it is the discontinuing body unless subsection (11) applies
.12(5)	duty to consider written submissions received within 28 days of notice	MTS	duty of coordinating road authority where it is the discontinuing body unless subsection (11) applies
:.12(6)	function of hearing a person in support of their written submission	MTS	function of coordinating road authority where it is the discontinuing body unless subsection (11) applies
.12(7)	duty to fix day, time and place of meeting under subsection (6) and to give notice	CEO	duty of coordinating road authority where it is the discontinuing body

Road Ma	anagement Act 2004		
			unless subsection (11) applies
			Not delegated - power remains with the CEO
.12(10)	duty to notify of decision made	MTS	duty of coordinating road authority where it is the discontinuing body does not apply where an exemption is specified by the regulations or given by the Minister
.13(1)	power to fix a boundary of a road by publishing notice in Government Gazette	CEO	power of coordinating roa authority and obtain consent under section 13(3) and section 13(4) as appropriate
			Not delegated - power remains with the CEO
.14(4)	function of receiving notice from VicRoads	MTS	
.14(7)	power to appeal against decision of VicRoads	CEO	Not delegated - power remains with CEO
.15(1)	power to enter into arrangement with another road authority, utility or a provider of public transport to transfer a road management function of the road authority to the other road authority, utility or provider of public transport	CEO	Not delegated - power remains with CEO
.15(1A)	power to enter into arrangement with a utility to transfer a road management function of the utility to the road authority	CEO	Not delegated - power remains with CEO
.15(2)	duty to include details of arrangement in public roads register	MTS	
.16(7)	power to enter into an arrangement under section 15	CEO	Not delegated - power remains with CEO
.16(8)	duty to enter details of determination in public roads register	MTS	
.17(2)	duty to register public road in public roads register	MTS	where council is the coordinating road authorit
.17(3)	power to decide that a road is reasonably required for general public use	CEO	where council is the coordinating road authorit
			Not delegated - power remains with the CEO
.17(3)	duty to register a road reasonably required for general public use in public roads register	MTS	where council is the coordinating road authorit
.17(4)	power to decide that a road is no longer reasonably required for general public use	CEO	where council is the coordinating road authorit
47/4)		MTC	Not delegated - power remains with the CEO
17(4)	duty to remove road no longer reasonably required for general public use from public roads register	MTS	where council is the coordinating road authorit
:.18(1)	power to designate ancillary area	CEO	where council is the coordinating road authorit and obtain consent in circumstances specified ir

Road Ma	anagement Act 2004		
			section 18(2)
			Not delegated - power remains with the CEO
.18(3)	duty to record designation in public roads register	MTS	where council is the coordinating road authorit
.19(1)	duty to keep register of public roads in respect of which it is the coordinating road authority	MTS	
.19(4)	duty to specify details of discontinuance in public roads register	MTS	
.19(5)	duty to ensure public roads register is available for public inspection	MTS	
.21	function of replying to request for information or advice	MTS	obtain consent in circumstances specified in section 11(2)
.22(2)	function of commenting on proposed direction	CEO	Not delegated - power remains with the CEO
.22(4)	duty to publish a copy or summary of any direction made under section 22 by the Minister in its annual report.	DCS	
.22(5)	duty to give effect to a direction under this section.	MTS	
.40(1)	duty to inspect, maintain and repair a public road.	EPSC, MTS, AE, MO, TL, WC, PMC	
.40(5)	power to inspect, maintain and repair a road which is not a public road	EPSC, DOP, MTS, MO, TL, WC	
.41(1)	power to determine the standard of construction, inspection, maintenance and repair	CEO	Not delegated - power remains with CEO
.42(1)	power to declare a public road as a controlled access road	CEO	power of coordinating road authority and Schedule 2 also applies
			Not delegated - power remains with the CEO
.42(2)	power to amend or revoke declaration by notice published in Government Gazette	CEO	power of coordinating road authority and Schedule 2 also applies
			Not delegated - power remains with the CEO
.42A(3)	duty to consult with VicRoads before road is specified	CEO	where council is the coordinating road authorit if road is a municipal road or part thereof
			Not delegated - power remains with the CEO
.42A(4)	power to approve Minister's decision to specify a road as a specified freight road	CEO	where council is the coordinating road authorit if road is a municipal road or part thereof and where road is to be specified a freight road
			Not delegated - power remains with the CEO

Road Ma	nagement Act 2004		
:.48EA	duty to notify the owner or occupier of land and provider of public transport on which rail infrastructure or rolling stock is located (and any relevant provider of public transport)	EPSC, MTS, AE, MO, PMC	where council is the responsible road authority infrastructure manager or works manager
.48M(3)	function of consulting with the relevant authority for purposes of developing guidelines under section 48M	MTS, AE	
.48N	duty to notify the relevant authority of the location of the bus stopping point and the action taken by council	MTS	
.49	power to develop and publish a road management plan	CEO	Not delegated - power remains with CEO
.51	power to determine standards by incorporating the standards in a road management plan	CEO	Not delegated - power remains with CEO
.53(2)	power to cause notice to be published in Government Gazette of amendment etc of document in road management plan	CEO	Not delegated - power remains with CEO
.54(2)	duty to give notice of proposal to make a road management plan	AE	
.54(5)	duty to conduct a review of road management plan at prescribed intervals	AE	
.54(6)	power to amend road management plan	CEO	Not delegated - power remains with CEO
.54(7)	duty to incorporate the amendments into the road management plan	AE	
.55(1)	duty to cause notice of road management plan to be published in Government Gazette and newspaper	AE	
.63(1)	power to consent to conduct of works on road	EPSC, DOP, MERO, MTS, AE, MO, DE, TO, AA, TLTS, TL, WC, PMC	where council is the coordinating road authorit
.63(2)(e)	power to conduct or to authorise the conduct of works in, on, under or over a road in an emergency	DMERO, MERO	where council is the infrastructure manager
.64(1)	duty to comply with clause 13 of Schedule 7	EPSC, DOP, MERO, MTS, AE, MO, TO, AA, TLTS, TL, PMC	where council is the infrastructure manager or works manager
.66(1)	power to consent to structure etc	DOP, MTS, MDC, LLPCO	where council is the coordinating road authorit
.67(2)	function of receiving the name & address of the person responsible for distributing the sign or bill	MTS, MDC, LLPCO	where council is the coordinating road authorit
.67(3)	power to request information	DOP, MTS, MDC	where council is the coordinating road authorit
.68(2)	power to request information	DOP, MTS, MDC	where council is the coordinating road authorit
.71(3)	power to appoint an authorised officer	CEO	Not delegated - power remains with CEO
.72	duty to issue an identity card to each authorised officer	MOD	
.85	function of receiving report from authorised officer	DOP	
.86	duty to keep register re section 85 matters	DOP	
.87(1)	function of receiving complaints	CEO	
			Not delegated - power

Remains with CEO   Not delegated - power remains with CEO   Not delegated -	Road Ma	Road Management Act 2004			
duty to investigate complaint and provide report    CEO	Road Wie		1	i with 050	
Not delegated - power remains with CEO  2EO  Not delegated - power remains with CEO  Not seek consent of VicRoads to exercise road management functions before exercising power in section 120(1)  Dower to enter into an agreement in respect of works  Not per to DoP, MERO,				remains with CEO	
Not delegated - power remains with CEO	:.87(2)	duty to investigate complaint and provide report	CEO		
MO   MTS, ME   MO   MTS, MO   MTS, MO   MTS, MO   MTS, ME	:.112(2)	power to recover damages in court	CEO		
power to exercise road management functions on an arterial road (with the consent of VicRoads)  120(2)  duty to seek consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road management provided by the consent of VicRoads to exercise road provided by the consent of VicRoads to exercise roads and recover fees  EPSC, DOP, MERO, DE, WC, PMC  EPSC, DOP, MERO, DE, WC, PMC  EPSC, DOP, MES, MTS, AE, MO, DE, TO, WC, PMC  CROAD power to make a decision in respect of controlled access roads  CEO  Not delegated - power remains with CEO  Total delegated - power remains with CEO  Not delegated - power remains with CEO  Not delegated - power remains with CEO  Total delegated - power remains with CEO  Not delegated - power remains with CEO  Not delegated - power remains with CEO  Total delegated - power remains with CEO  Not delegated - power remains with CEO  Not delegated - power remains with CEO  Total delegated - power remains with CEO  Not delegated - power remains with CEO  Total del	.116	power to cause or carry out inspection			
the consent of VicRoads)  ### Consent of VicRoads  ### Consent of VicRoads  ### Consent of VicRoads to exercise road management  ### Consent of VicRoads  ### EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, TLIS, TL, PMC  ### EPSC, DOP, MERO, MTS, AE, MO, DE, WC, PMC  ### EPSC, DOP, MTS, AE, MO, DE, WC, PMC  ### Consent of Consent of Controlled access roads  ### Consent of CEO  ### Consent of VicRoads  ### Con	.119(2)	function of consulting with VicRoads	MTS, MO		
tunctions before exercising power in section 120(1)  2.121(1) power to enter into an agreement in respect of works  2.122(1) power to charge and recover fees  2.122(1) power to charge and recover fees  2.122(1) power to charge for any service  3.123(1) power to charge for any service  3.123(1) power to charge for any service  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in respect of controlled access roads  3.123(1) power to make a decision in re	.120(1)		MTS, AE, MO,		
DMERO, MTS, AE, MO, DE, TO, TLTS, TL, PMC  Power to charge and recover fees  EPSC, DOP, MFS, MTS, AE, MO, DE, WC, PMC  Power to charge for any service  EPSC, DOP, MTS, AE, MO, DE, WC, PMC  EPSC, DOP, MTS, AE, MO, DE, TO, WC, PMC  Clause	.120(2)		MTS, MO		
MFS, MTS, AE, MO, DE, WC, PMC	.121(1)	power to enter into an agreement in respect of works	DMERO, DOP, MERO, MTS, AE, MO, DE, TO, TLTS,		
MTS, AE, MO, DE, TO, WC, PMC	.122(1)	power to charge and recover fees	MFS, MTS, AE, MO, DE, WC, PMC		
Clause (1)	:.123(1)	power to charge for any service	MTS, AE, MO, DE, TO, WC,		
Clause (1)   Power to amend, revoke or substitute policy about controlled access roads   Power to amend, revoke or substitute policy about controlled access roads   Power to amend, revoke or substitute policy about controlled access roads   Power to amend, revoke or substitute policy about controlled access roads   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute policy about controlled access   Power to amend, revoke or substitute or remains with CEO   Power to amend,	Schedule ! Clause !(1)	power to make a decision in respect of controlled access roads	CEO		
Clause function of receiving details of proposal from VicRoads Clause  Clause  duty to publish notice of declaration  Clause  Clause  duty to give notice to relevant coordinating road authority of proposed installation of non-road infrastructure or related works on a road reserve  duty to give notice to any other infrastructure in the area, that could be affected by any proposed installation of infrastructure or related works on a road or related works on a road or related works on a road or road reserve of any road  duty to comply with request for information from a coordinating road authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works  MTS, MO  where council is the infrastructure manager or works manager or authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works	Schedule Clause (1)	duty to make policy about controlled access roads	CEO		
Clause Cl	Schedule ! Clause !(2)	l'	CEO		
Clause duty to give notice to relevant coordinating road authority of proposed installation of non-road infrastructure or related works on a road reserve duty to give notice to any other infrastructure manager or works manager responsible for any non-road infrastructure in the area, that could be affected by any proposed installation of infrastructure or related works on a road or road reserve of any road duty to comply with request for information from a coordinating road authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works  MTS, MO  where council is the infrastructure manager or works manager  where council is the infrastructure manager or works manager  where council is the infrastructure manager or works manager  where council is the infrastructure manager or works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works	Schedule ! Clause	function of receiving details of proposal from VicRoads	MTS		
installation of non-road infrastructure or related works on a road reserve  Chedule duty to give notice to any other infrastructure manager or works manager responsible for any non-road infrastructure in the area, that could be affected by any proposed installation of infrastructure or related works on a road or road reserve of any road  Chedule duty to comply with request for information from a coordinating road authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works  infrastructure manager or works on a road infrastructure manager or works manager  MTS, MO  where council is the infrastructure manager or works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works	Schedule ! Clause	duty to publish notice of declaration	GIS, MTS		
infrastructure manager or works manager responsible for any non-road infrastructure in the area, that could be affected by any proposed installation of infrastructure or related works on a road or road reserve of any road  Schedule duty to comply with request for information from a coordinating road authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works  infrastructure manager or works manager  WHTS, MO  where council is the infrastructure manager or works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works	Schedule ', Clause '(1)	installation of non-road infrastructure or related works on a road	MTS, MO	infrastructure manager or	
(7, Clause authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct of works	Schedule ', Clause (1)	manager responsible for any non-road infrastructure in the area, that could be affected by any proposed installation of infrastructure or	MTS, MO	infrastructure manager or	
Schedule duty to give information to another infrastructure manager or works MTS, MO where council is the	Schedule ', Clause I(1)	authority, an infrastructure manager or a works manager responsible for existing or proposed infrastructure in relation to the location of any non-road infrastructure and technical advice or assistance in conduct	MTS, MO	where council is the infrastructure manager or works manager responsib for non-road infrastructure	
	Schedule	duty to give information to another infrastructure manager or works	MTS, MO	where council is the	

	Inagement Act 2004		
, Clause (2)	manager where becomes aware any infrastructure or works are not in the location shown on records, appear to be in an unsafe condition or appear to need maintenance		infrastructure manager or works manager
Schedule , Clause 0(2)	where Schedule 7 Clause 10(1) applies, duty to, where possible, conduct appropriate consultation with persons likely to be significantly affected	MTS, MO	where council is the infrastructure manager or works manager
Schedule Clause 2(2)	power to direct infrastructure manager or works manager to conduct reinstatement works	DOP, MTS, MO	where council is the coordinating road authorit
Schedule Clause 2(3)	power to take measures to ensure reinstatement works are completed	DOP, MTS, MO	where council is the coordinating road authorit
Schedule Clause 2(4)	duty to ensure that works are conducted by an appropriately qualified person	MTS, MO	where council is the coordinating road authorit
Schedule Clause 2(5)	power to recover costs	DOP, MTS, MO	where council is the coordinating road authorit
Schedule , Clause 3(1)	duty to notify relevant coordinating road authority within 7 days that works have been completed, subject to Schedule 7, Clause 13(2)	MTS, MO	where council is the works manager
Schedule Clause 3(2)	power to vary notice period	DOP, MTS, MO	where council is the coordinating road authority
chedule , Clause 3(3)	duty to ensure works manager has complied with obligation to give notice under Schedule 7, Clause 13(1)	MTS, MO	where council is the infrastructure manager
Schedule ' Clause 6(1)	power to consent to proposed works	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, TLTS, TL, WC, PMC	where council is the coordinating road authority
Schedule ' Clause 6(4)	duty to consult	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, TLTS, TL, WC, PMC	where council is the coordinating road authorit responsible authority or infrastructure manager
Schedule Clause 6(5)	power to consent to proposed works	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, AA, TLTS, TL, WC, PMC	where council is the coordinating road authorit
Schedule ' Clause 6(6)	power to set reasonable conditions on consent	EPSC, DMERO, DOP, GIS, MERO, MTS, AE, MO, DE, TO, AA, TLTS, TL, WC, PMC	where council is the coordinating road authorit
Schedule ' Clause 6(8)	power to include consents and conditions	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, AA,	where council is the coordinating road authorit

Road Ma	nagement Act 2004		
		TLTS, TL, WC, PMC	
Schedule ' Clause 7(2)	power to refuse to give consent and duty to give reasons for refusal	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, AA, TLTS, TL, WC, PMC	where council is the coordinating road authority
Schedule ' Clause 8(1)	power to enter into an agreement	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, AA, TLTS, TL, WC, PMC	where council is the coordinating road authority
Schedule ' Clause 9(1)	power to give notice requiring rectification of works	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, AA, TLTS, TL, WC, PMC	where council is the coordinating road authority
Schedule Clause 9(2) & 3)	power to conduct the rectification works or engage a person to conduct the rectification works and power to recover costs incurred	EPSC, DMERO, DOP, MERO, MTS, AE, MO, DE, TO, TLTS, TL, WC, PMC	where council is the coordinating road authority
Schedule Clause (0(1)	power to require removal, relocation, replacement or upgrade of existing non-road infrastructure	DOP, MTS	where council is the coordinating road authority
Schedule 'A Clause 2	power to cause street lights to be installed on roads	DOP, GIS, MTS	power of responsible road authority where it is the coordinating road authority or responsible road authority in respect of the road
Schedule 'A Clause I(1)(d)	duty to pay installation and operation costs of street lighting - where road is not an arterial road	MTS	where council is the responsible road authority
Schedule 'A Clause I(1)(e)	duty to pay installation and operation costs of street lighting - where road is a service road on an arterial road and adjacent areas	MTS	where council is the responsible road authority
Schedule 'A Clause 3)(1)(f),	duty to pay installation and percentage of operation costs of street lighting - for arterial roads in accordance with clauses 3(2) and 4	MTS	duty of council as responsible road authority that installed the light (re: installation costs) and where council is relevant municipal council (re: operating costs)

Cemeteries and Crematoria Regulations 2005
[##These provisions apply to Councils appointed as a cemetery trust under section 5 of the Cemeteries and Crematoria Act 2003, and also apply to Councils appointed to manage a public cemetery under section 8(1)(a)(ii) as though it were a cemetery trust (see section 53) Note: these Regulations are due to expire on 28 June 2015

### Cemeteries and Crematoria Regulations 2005

[##These provisions apply to Councils appointed as a cemetery trust under section 5 of the Cemeteries and Crematoria Act 2003, and also apply to Councils appointed to manage a public cemetery under section 8(1)(a)(ii) as though it were a cemetery trust (see section 53)
Note: these Regulations are due to expire on 28 June 2015

rovision	Item Delegated	Delegate	Conditions and Limitations
.17	power to inspect any coffin, container or other receptacle if satisfied of the matters in paragraphs (a) and (b)		
.18(1)	power to remove any fittings on any coffin, container or other receptacle if the fittings may impede the cremation process or damage the cremator		
.18(2)	duty to ensure any fittings removed of are disposed in an appropriate manner		
.19	power to dispose of any metal substance or non-human substance recovered from a cremator		
.20(2)	power to release cremated human remains to certain persons		Subject to any order of a court
.21(1)	duty to make cremated human remains available for collection within 2 working days after the cremation		
.21(2)	duty to hold cremated human remains for at least 12 months from the date of cremation		
.21(3)	power to dispose of cremated human remains if no person gives a direction within 12 months of the date of cremation		
.21(4)	duty to take reasonable steps notify relevant people of intention to dispose of remains at expiry of 12 month period		
.22	duty to ensure a mausoleum is constructed in accordance with paragraphs (a)-(d)		
.26	duty to provide statement that alternative vendors or supplier of monuments exist		
.36	power to approve certain activities under the Regulations if satisfied of regulation (1)(a)-(c)		
.38(2)	power to approve a person to drive, ride or use a vehicle on any surface other than a road, track or parking area		
Schedule i, clause	power to approve the carrying out of an activity referred to in rules 8, 16, 17 and 18 of Schedule 6		
Schedule i, clause i(1)	duty to display the hours during which pedestrian access is available to the cemetery		
Schedule i, clause i(2)	duty to notify the Secretary of, (a) the hours during which pedestrian access is available to the cemetery; and (b) any changes to those hours		
Schedule i, clause i(1)	power to give directions regarding the manner in which a funeral is to be conducted		
Schedule 5, clause 7(1)	power to give directions regarding the dressing of places of interment and memorials		
Schedule i, clause 1(1)	power to remove objects from a memorial or place of interment		
Schedule i, clause 1(2)	duty to ensure objects removed under sub rule (1) are disposed of in an appropriate manner		

[##These 2003, and cemetery Note: the	provisions apply to Councils appointed as a cemetery trust under section also apply to Councils appointed to manage a public cemetery under section trust (see section 53) see Regulations are due to expire on 28 June 2015		
Schedule i, clause 2	power to inspect any work being carried out on memorials, places of interment and buildings for ceremonies		
Schedule i, clause 4	power to approve an animal to enter into or remain in a cemetery		
.28(1)	power to remove any fittings on any coffin, container or other receptacle if the fittings may impede the cremation process or damage the cremator		
Planning	and Environment Regulations 2015		
rovision	Item Delegated	Delegate	Conditions and Limitations
.6	duty of responsible authority to provide copy of matter considered under section 60(1A)(g) for inspection free of charge	MDC	
.6	function of receiving notice, under section 19(1)(c) of the Act, from a planning authority of its preparation of an amendment to a planning scheme	MDC	where Council is not the planning authority and the amendment affects land within Council's municipal district; or where the amendment will amend the planning scheme to designate Council as an acquiring authority.
.21	power of responsible authority to require a permit applicant to verify information (by statutory declaration or other written confirmation satisfactory to the responsible authority) in an application for a permit or to amend a permit or any information provided under section 54 of the Act	DOP, MDC, PO, SPO	
.25(a)	duty to make copy of matter considered under section 60(1A)(g) available for inspection free of charge	MDC	where Council is the responsible authority
.25(b))	function of receiving a copy of any document considered under section 60(1A)(g) by the responsible authority and duty to make the document available for inspection free of charge		where Council is not the responsible authority but the relevant land is within Council's municipal district
.42	function of receiving notice under section 96C(1)(c) of the Act from a planning authority of its preparation of a combined application for an amendment to a planning scheme and notice of a permit application	MDC	where Council is not the planning authority and the amendment affects land within Council's municipal district; or where the amendment will amend the planning scheme to designate Council as an acquiring authority.
.55	duty of responsible authority to tell Registrar of Titles under section 183 of the Act of the cancellation or amendment of an agreement	MDC	
	and Environment (Fees) Further Interim Regulations 2013 se Regulations expire on 18 October 2014		
rovision	Item Delegated	Delegate	Conditions and Limitations
.16	power to waive or rebate a fee other than a fee relating to an	DOP	

	and Environment (Fees) Further Interim Regulations 2013 se Regulations expire on 18 October 2014		
	amendment to a planning scheme		
17	power to waive or rebate a fee relating to an amendment of a planning scheme	DOP	
18	duty to record matters taken into account and which formed the basis of a decision to waive or rebate a fee under r.16 or 17	MDC	
Planning	and Environment (Fees) Regulations 2016		
rovision	Item Delegated	Delegate	Conditions and Limitations
20	power to waive or rebate a fee other than a fee relating to an amendment to a planning scheme	CEO	
16	power to waive or rebate a fee other than a fee relating to an amendment to a planning scheme	DOP	
19	power to waive or rebate a fee relating to an amendment of a planning scheme	DOP	
21	duty to record matters taken into account and which formed the basis of a decision to waive or rebate a fee under r.19 or 20	DOP, MDC, PO, SPO	
Resident	ial Tenancies (Caravan Parks and Movable Dwellings Registration	and Standards	s) Regulations 2010
rovision	Item Delegated	Delegate	Conditions and Limitations
7	function of entering into a written agreement with a caravan park owner	SPHO	
11	function of receiving application for registration	SPHO	
13(1)	duty to grant the registration if satisfied that the caravan park complies with these regulations	SPHO	
13(2)	duty to renew the registration if satisfied that the caravan park complies with these regulations	SPHO	
13(2)	power to refuse to renew the registration if not satisfied that the caravan park complies with these regulations	DOP, SPHO	
13(4) & 5)	duty to issue certificate of registration	SPHO	
15(1)	function of receiving notice of transfer of ownership	SPHO	
15(3)	power to determine where notice of transfer is displayed	SPHO	
16(1)	duty to transfer registration to new caravan park owner	SPHO	
16(2)	duty to issue a certificate of transfer of registration	SPHO	
17(1)	power to determine the fee to accompany applications for registration or applications for renewal of registration	SPHO	
18	duty to keep register of caravan parks	SPHO	
19(4)	power to determine where the emergency contact person's details are displayed	SPHO	
19(6)	power to determine where certain information is displayed	SPHO	
22A(1)	duty to notify a caravan park owner of the relevant emergency services agencies for the caravan park, on the request of the caravan park owner	SPHO	
22A(2)	duty to consult with relevant emergency services agencies	SPHO	
23	power to determine places in which caravan park owner must display a copy of emergency procedures	SPHO	
.24	power to determine places in which caravan park owner must display copy of public emergency warnings	SPHO	
	duty to consult with relevant floodplain management authority	SPHO	

.26	duty to have regard to any report of the relevant fire authority	SPHO	
.28(c)	power to approve system for the collection, removal and disposal of sewage and waste water from a movable dwelling	SPHO	
.39	function of receiving notice of proposed installation of unregistrable movable dwelling or rigid annexe	SPHO, MDC, PHO, MBS	
.39(b)	power to require notice of proposal to install unregistrable movable dwelling or rigid annexe	SPHO, MDC, PHO, MBS	
.40(4)	function of receiving installation certificate	SPHO, MDC, PHO, MBS	
.42	power to approve use of a non-habitable structure as a dwelling or part of a dwelling	DOP, SPHO, MDC, PHO, MBS	
Schedule clause (3)	power to approve the removal of wheels and axles from unregistrable movable dwelling	DOP, SPHO, MDC, PHO, MBS	
Road Ma	nagement (General) Regulations 2016		
Provision	Item Delegated	Delegate	Conditions and Limitations
.8(1)	duty to conduct reviews of road management plan	MTS, AE	
.9(2)	duty to give notice of review of road management plan	AE	
.9(2)	duty to produce written report of review of road management plan and make report available	MTS, AE	
.9(3)	Duty to give notice where road management review is completed and no amendments will be made (or no amendments for which notice is required)	MTS, AE	where council is the coordinating road authorit
.10	duty to give notice of amendment which relates to standard of construction, inspection, maintenance or repair under section 41 of the Act	MTS, AE	
.13(1)	Duty to publish notice of amendments to road management plan	MTS, AE	where council is the coordinating road authorit
.13(3)	duty to record on road management plan the substance and date of effect of amendment	MTS, AE	
.16(3)	power to issue permit	DOP, MTS, AE, DE, TO, AGO	where council is the coordinating road authorit
	nagement (General) Regulations 2005 se regulations are due to expire on 21 March 2016		
Provision	Item Delegated	Delegate	Conditions and Limitations
.501(4)	power to charge fee for issuing permit under regulation 501(1)	DOP, GIS, MTS, DE, TO, AA	where council is the coordinating road authorit
Road Ma	nagement (General) Regulations 2016		
Provision	Item Delegated	Delegate	Conditions and Limitations
.18(1)	power to give written consent re damage to road	DOP, MTS, AE, DE	where council is the coordinating road authorit
.23(2)	power to make submission to Tribunal	DOP, MDC	where council is the coordinating road authorit

Road M	lanagement (General) Regulations 2016		
	Management Act	TO, RC, AOO, AGO	coordinating road authority
.25(1)	power to remove objects, refuse, rubbish or other material deposited or left on road	EPSC, DMERO, DOP, LLO, MERO, MTS, AE, MO, LLPCO, R, TLTS, TL, WC	where council is the responsible road authority
.25(2)	power to sell or dispose of things removed from road or part of road (after first complying with regulation 25(3)	DOP	where council is the responsible road authority
.25(5)	power to recover in the Magistrates' Court, expenses from person responsible	CEO	Not delegated - power remains with CEO

Road Management (Works and Infrastructure) Regulations 2015

Note: these regulations commenced on 20 June 2015, replacing the Roads Management (works & infrastructure)
Regulations 2005, which expired on 21 June 2015.

rovision	Item Delegated	Delegate	Conditions and Limitations
.10	power to exempt a person from requirement under clause 13(1) of Schedule 7 to the Act to give notice as to the completion of those works	CEO	where council is the coordinating road authority and where consent given under section 63(1) of the Act
			Not delegated - power remains with the CEO
.18(2)	power to waive whole or part of fee in certain circumstances	DOP	where council is the coordinating road authority
.15	power to exempt a person from requirement under clause 13(1) of Schedule 7 of the Act to give notice as to the completion of those works	DOP, MERO, MTS, AE, MO,	where council is the coordinating road authority and where consent given under section 63(1) of the Act
.22(2)	power to waive whole or part of fee in certain circumstances	, , , , , , , ,	where council is the coordinating road authority

# Instrument of Appointment and Authorisation (Planning and Environment Act 1987)

In this instrument "officer" means -

Peter James Cownley – Acting Director Operations Steven Murray Phillips – Acting Director Operations Glenn William Harvey – Manager Development and Compliance Carolyn Stephenson – Strategic Planning Officer

By this instrument of appointment and authorisation Loddon Shire Council -

- under section 147(4) of the Planning and Environment Act 1987 appoints the officers to be authorised officers for the purposes of the Planning and Environment Act 1987 and the regulations made under that Act; and
- under section 232 of the Local Government Act 1989 authorises the officers generally to institute proceedings for offences against the Acts and regulations described in this instrument.

#### It is declared that this instrument -

- (a) comes into force immediately upon its execution;
- (b) remains in force until varied or revoked.

This instrument is authorised by a resolution of the Loddon Shire Council on 27 June 2017.

Council seal

Phil Pinyon Chief Executive Officer Loddon Shire Council

Date:

### 8.4 PROGRESS REPORT ON THE 2016 - 2017 ANNUAL INFRASTRUCTURE PROGRAM

File Number: 14/01/001

Author: Indivar Dhakal, Manager Technical Services

Authoriser: Steven Phillips, A/Director Operations

Attachments: Nil

#### RECOMMENDATION

That Council receive and note this report on the progress of capital works projects, including footpath renewal works specific to Pyramid Hill, contained within the 2016 – 2017 Annual Infrastructure Program.

### **CONFLICT OF INTEREST**

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

### PREVIOUS COUNCIL DISCUSSION

Council approved the 2016 – 2017 Annual Infrastructure Program as submitted at the ordinary Council meeting held in May 2016.

At the February 2017 ordinary Council meeting, Cr Cheryl McKinnon raised concerns expressed by the Pyramid Hill community about the condition of footpaths in Pyramid Hill. At that meeting the Director Operations Ian McLauchlan, undertook to investigate the matter and report to Council. This report is the result of that investigation.

### **BACKGROUND**

At the May 2016 ordinary Council meeting the Council approved the 2016 – 2017 Annual Infrastructure Program. This report is the result of investigating the status of the delivery of that program and specifically footpaths in Pyramid Hill. There are five footpath projects in Pyramid Hill that were programed within the 2016 – 2017 Annual Infrastructure Program. Four of the five footpath projects have been programed for rehabilitation to address their condition.

### ISSUES/DISCUSSION

The 2016 – 2017 Annual Infrastructure Program contains four footpath renewal projects within Pyramid Hill business precinct to address their condition. These projects are as follows:

- TSI0408 Kelly St Pyramid Hill
- TSI0409 Victoria St Pyramid Hill
- TSI0410 Victoria St Pyramid Hill
- TSI0411 Victoria St Pyramid Hill

The total funding allocated to deliver the above four projects is \$518,000.

There has been a delay in delivering these projects due to a potential shortfall in the original funding allocation. Sufficient savings have now been identified across the 2016 – 2017 Annual Infrastructure Program and these projects are ready to be advertised for tender. Once a suitable contractor has been appointed, projects will be delivered.

There is also a project for a new footpath in Railway Ave Pyramid Hill to provide pedestrian access from Victoria St to the railway station.

TSI0382 Railway Ave Pyramid Hill

This project has a funding allocation of \$88,139.

This project has been delayed due to the requirement for necessary approvals from VicTrack.

The following table details the progress of the 2016 – 2017 Annual Infrastructure Program.

# **Loddon Shire Council Annual Infrastructure Program 2016 - 2017 Status Update**

Works Category	Status as of June 2017
Local Road Gravel Resheet	Complete
Local Road Shoulder Resheet	85% Complete
Local Road Construction - Asset Preservation	70% Complete
Local Road Construction - Amenity	About to be tendered, works to be done during 2017 Christmas School holidays
Township Street Improvements	30% Complete 10% Under Construction 10% Tender Awarded 50% About to be tendered
Urban & Township Drainage	80% Complete 20% to be completed after Wedderburn Streetscape
Local Bridges & Culverts	Complete with Council resolution of deferring Janevale Bridge to 2017/2018
Road Reseals	Complete

### **COST/BENEFITS**

The proposed budget variation is within the overall approved 2016 – 2017 Annual Infrastructure Program allocation thus incurring no additional cost.

There is an expectation within the community that the above mentioned projects will be completed in the very near future.

### **RISK ANALYSIS**

The risk associated with not executing the projects is that the future renewal need will increase and community's expectations will not be addressed.

### **CONSULTATION AND ENGAGEMENT**

The proposal has been submitted after internal consultation within Technical Services Department of the Council, Acting Director Operations and the Manager Financial Services.

### 8.5 PLANT AND EQUIPMENT PRIVATE HIRE POLICY

File Number: 18/01/001

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Plant and equipment private hire policy

### RECOMMENDATION

That the Plant and Equipment Private Hire Policy v2 be rescinded.

### **CONFLICT OF INTEREST**

There is a direct conflict of interest for all Council staff members, including those involved in the preparation of this report. This conflict is due to the nature of the policy in question providing benefits to Council staff through making Loddon Shire plant and equipment available for private hire by Council staff at cost.

### PREVIOUS COUNCIL DISCUSSION

The Plant and Equipment Private Hire Policy Version 2 (the policy) was adopted on 23 July 2012 and was due for review on 22 July 2016.

### **BACKGROUND**

The purpose of the policy is to outline Council's policy and associated conditions relating to the private hire of Loddon Shire plant and equipment with the aim of:

- improving council plant and equipment utilisation and productivity and
- providing employees with the opportunity to hire Council plant and equipment for noncommercial purposes.

The policy provides for plant and equipment owned and operated by the Loddon Shire to be made available for private hire by Council staff, at cost, providing such hire does not interfere or impact upon Council's operations.

Section 95(1)(b) of the Local Government Act states that Council staff must act with integrity including avoiding conflicts of interest.

Section 65(2)(b) states that in performing the role of a Councillor, a Councillor must observe principles of good governance and act with integrity.

### ISSUES/DISCUSSION

This policy was discussed by the Management Executive Group (MEG) on 10 August 2016 and it was decided to discuss the policy with Loddon Leaders. On 24 August 2016 the policy was discussed at Loddon Leaders where it was suggested that Council discontinue the practice and it was agreed to refer the policy to the Consultative Committee and obtain advice on insurance and IR impacts.

Shortly after these meetings MEG members became aware of several IBAC and Ombudsman reports on the topic.

In June 2016 the Victorian Ombudsman issued "A report on misuse of council resources" (see <a href="https://www.ombudsman.vic.gov.au/Publications/Parliamentary-Reports/Investigation-into-the-misuse-of-council-resources">https://www.ombudsman.vic.gov.au/Publications/Parliamentary-Reports/Investigation-into-the-misuse-of-council-resources</a>).

Case study 3, at paragraph 99, talks about a council officer using council assets at work for personal use in a context where it was implied that there was management support for the practice.

In paragraph 253 the Ombudsman states that in [using] council assets for his benefit the council officer breached section 95(1) of the Local Government Act in failing to act with integrity.

This report also refers to two fairly recent Independent Broad-based Anti-corruption Commission (IBAC) reports on a similar topic.

The May 2015 report "Local Government: Review of council works depots" (see <a href="http://www.ibac.vic.gov.au/publications-and-resources/article/local-government-review-of-council-works-depots">http://www.ibac.vic.gov.au/publications-and-resources/article/local-government-review-of-council-works-depots</a>) identifies common vulnerabilities in the operation of works depots. One of the four vulnerabilities was the management of small plant and equipment. On page 4 IBAC states:

"Overall, the review found that there were significant deficiencies in the management of small plant and equipment at depots. In particular, one council allowed for the private use of plant and equipment by staff. However, following IBAC's visit, that council acknowledged the issues raised and issued an immediate directive to cease the practice."

The March 2015 report "A review of integrity frameworks in six Victorian councils" (see <a href="http://www.ibac.vic.gov.au/publications-and-resources/article/a-review-of-integrity-frameworks-in-six-victorian-councils">http://www.ibac.vic.gov.au/publications-and-resources/article/a-review-of-integrity-frameworks-in-six-victorian-councils</a>) also identified a risk area of misuse of assets and resources. The report stated on page 12:

"All but one of the staff codes of conduct stated the councils' expectations of staff accountability when using council assets and resources. Those five codes state that employees are responsible for using council property effectively and economically, and for official purposes only.

One section of the policy (3.1.3) refers to equipment hire to external community groups or organisations. This aspect of the policy is being incorporated into the revised Community Support Policy. In the interim, community groups or organisations are encouraged to contact Council to make arrangements for the use of council assets.

In light of the Ombudsman Report and the IBAC reports it is recommended that the policy be rescinded.

### **COST/BENEFITS**

The benefit of rescinding the policy is that the observations of the Ombudsman and IBAC have been actioned. The purpose of the policy to maximise the use of council plant and equipment can still be achieved through the management of requests from the community and through the revised Community Support Policy.

### **RISK ANALYSIS**

There is a significant risk that if Council chooses to retain the policy Council staff and Councillors would be in breach of the Local Government Act, and the Ombudsman and/or IBAC could investigate. Should this occur, there may be a significant public relations risk to Council. There is also a risk that some staff and the Union will object to the rescission of the policy on the basis that it removes a workplace entitlement. It is the view of the Management Executive Group that in light of the Ombudsman and IBAC reports, staff use of council assets can no longer reasonably be seen as a workplace entitlement.

### **CONSULTATION AND ENGAGEMENT**

The policy was discussed by MEG on 10 August 2016 and Loddon Leaders on 24 August 2016. The rescission of the policy has been discussed by the Management Executive Group on 10 May 2017 and discussed at the Staff Consultative Committee on 18 May 2017.



## PLANT AND EQUIPMENT PRIVATE HIRE POLICY

DOCUMENT TYPE: Council policy

DOCUMENT STATUS: Approved

POLICY OWNER POSITION: Director Operations

INTERNAL COMMITTEE ENDORSEMENT: Not applicable

APPROVED BY: Council

DATE ADOPTED: 23/07/2012

VERSION NUMBER: 2

REVIEW DATE: 22/07/2016

DATE RESCINDED: Click here to enter a date.

RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES: RELATED LEGISLATION:

EVIDENCE OF APPROVAL:

Plant Safety Policy

Signed by Chief Executive Officer

FILE LOCATION: K:\EXECUTIV\policies and procedures 2012 forward\Policies -

adopted PDF and Word\Plant and equipment private hire policy

v2.docx

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



### PLANT AND EQUIPMENT PRIVATE HIRE POLICY

#### 1 PURPOSE

To outline Council's policy and associated conditions relating to the private hire of Loddon Shire plant and equipment with the aim of:

- improving council plant and equipment utilisation and productivity and
- provide employees with the opportunity to hire Council plant and equipment for non-commercial purposes.

#### 2 SCOPE

This policy applies to all council staff involved/interested in the private hire and associated operation of Council owned plant and equipment. This policy shall also apply to external community groups or organisations who may be provided the opportunity to hire non-mechanical equipment.

### 3 POLICY

Council recognises that by making its plant and equipment available for private hire, greater benefits can be derived for the organisation as well as its employees. Private hire arrangements are intended to maximise the utilisation and productivity of plant and equipment operated by the Shire, whilst providing an opportunity for employees to access Council resources, at cost, for private works.

Accordingly, plant and equipment owned and operated by the Loddon Shire may be made available for private hire by Council staff providing that such hire does not interfere or impact upon Council's operations.

The Director Operations is responsible for the control of plant and equipment being made available for hire.

### 3.1 Conditions of hire

Specific conditions relating to Council's hire policy are as follows:

- Hire rates shall be reviewed annually to reflect the cost of operating and maintaining the various items of
  plant and equipment.
- · Council may terminate the hire of plant or equipment and recover the plant or equipment at any time.
- The hirer must accept the responsibility for any damage to persons or property caused by the operation of plant or equipment whilst on hire.
- All plant on hire must be operated and maintained and operated in accordance with the Plant Safety Policy.
- The cost of repairs to any equipment damaged whilst on hire shall be paid to the Council at an amount decided by Council.
- The onus is on the hirer to ensure that the equipment is returned to Council.
- It is expected that all plant and equipment being hired shall be returned in the same condition as at the
  commencement of the hire period and that any damage or operational issues are reported to the relevant
  Council staff member.

### 3.1.1 Plant and mechanical equipment hire

Commencement of hire for any particular item of plant shall commence from the time said plant is retrieved or collected from any Council depot, worksite or normal place of storage and shall include the time required for



### PLANT AND EQUIPMENT PRIVATE HIRE POLICY

transportation or travel to the individual's worksite or residence as well as the time required to return the plant/equipment to the nominated drop off point.

Only staff members deemed competent in the operation of the specific items of plant shall be provided the opportunity to hire such equipment.

Council plant must only be operated by the individual approved for the hire of that equipment or similarly competent Loddon Shire employee.

The hirer is responsible for ensuring proper lubrication, maintenance, fuelling and cleaning of the plant during the duration of hire.

### 3.1.2 Non-mechanical equipment hire

Hire of other non-mechanical equipment shall be charged from the time it is collected from any Council depot, worksite or normal place of storage, until its return to the nominated drop off point.

The cost of any equipment lost or stolen whilst on hire shall be paid to the Council at replacement value.

#### 3.1.3 Equipment hire to external community groups or organisations

Hire of mechanical plant and equipment to external organisations or community groups will not be permissible due to occupational health and safety and public liability issues. Such groups or organisations may however engage Council to complete works on their behalf through separate private works arrangements.

Consideration will however be given to hiring of non-mechanical equipment such as portable toilets, hand tools or fire fighting equipment to local community groups or organisations. Hire of such equipment is at the discretion of the Chief Executive Officer or the Director Operations.

The Chief Executive Officer may reduce or waive charges for the hire of non-mechanical equipment or private works in instances when the hirer/client is a community group with limited financial resources.

### **4 HUMAN RIGHTS STATEMENT**

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007). Loddon Shire Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee Health and Safety Representatives in any workplace change that may affect the health and safety of any of its employees.

### 5 REVIEW

The Director Operations will review this policy for any necessary amendments no later than 4 years after adoption of this current version.

### 8.6 REVIEW OF REVENUE AND DEBT COLLECTION POLICY

File Number: 18/01/001

Author: Deanne Caserta, Manager Financial Services
Authoriser: Sharon Morrison, Director Corporate Services
Attachments: 1. Revenue and Debt Collection Policy v2

#### RECOMMENDATION

That Council adopts the Revenue and Debt Collection Policy v2

### **CONFLICT OF INTEREST**

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

### PREVIOUS COUNCIL DISCUSSION

The last approved version of the Revenue and Debt Collection Policy (the Policy) was in May 2015.

### **BACKGROUND**

The purpose of the Policy is to provide guidance to the accounts receivable staff of the Loddon Shire Council to ensure sound credit management and recovery of sundry debtors in a timely manner.

### ISSUES/DISCUSSION

The current version of the Policy was adopted on 26 May 2015, and was due for renewal by 26 May 2017.

The Policy addressed the important aspects of the revenue and debt collection process including:

- who has the responsibility for raising debtor invoices
- what is Council's trading terms
- provision of doubtful debts where to refer
- what are the regular reporting requirements
- Heritage Interest Free Loan Scheme where to refer
- Community Interest Free Loan Scheme where to refer
- current taxation requirements
- current confidentiality requirements.

Council staff have reviewed the policy and have made one amendment clarifying that Council has a separate policy for the treatment of rate and rate related debtors.

### **COST/BENEFITS**

There are no direct costs associated with the adoption of this policy.

### **RISK ANALYSIS**

It is a Council function to raise charges in relation to works undertaken by Council. This policy outlines the principles within this process. The application of the policy, along with supporting procedures and other supporting documents, should help minimise risks.

### **CONSULTATION AND ENGAGEMENT**

The document has been subject to the normal approval process of the policy review group and Management Executive Group prior to presentation in the Council Meeting Agenda.



DOCUMENT TYPE: Council policy

DOCUMENT STATUS: Draft

POLICY OWNER POSITION: Manager Financial Services

INTERNAL COMMITTEE

Not applicable

ENDORSEMENT: APPROVED BY:

Council

DATE ADOPTED: Click here to enter date of approval

VERSION NUMBER: 2

REVIEW DATE: Click here to enter a date.

DATE RESCINDED: Click here to enter a date.

RELATED STRATEGIC DOCUMENTS, POLICIES OR

DOCUMENTS, POLICIES OR Financial Management Policy

PROCEDURES:

Relevant Debt Collection Procedures

Provision for Doubtful Debts Policy

RELATED LEGISLATION: Local Government Act 1989

Australian Taxation Legislation

**EVIDENCE OF APPROVAL:** 

Signed by Chief Executive Officer

FILE LOCATION: K:\FINANCE\Policies\Draft\POL Revenue & Debt

Collection Policy v2.docx

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



### 1 PURPOSE

The purpose of this policy is to provide guidance to the accounts receivable staff of the Loddon Shire Council to ensure sound credit management and recovery of sundry debtors in a timely manner.

### 2 SCOPE

This policy applies to Council staff responsible for creating invoices and recovering outstanding sundry debtors.

This policy does not apply to Council staff involved with rates and rate related debtors (refer to the Rates Policy and the Financial Hardship Policy).

### 3 POLICY

Payment of certificates, permits and fees are payable at the time of service and/or delivery where possible.

Council will operate effective billing and debt collection processes including the efficient management of accounts receivable and related credit management, when a sundry debtor charge is raised.

Council debtors will be managed in accordance with this policy and where applicable the Overdue Debtor Accounts Procedures.

Debts will be recognised at the time services are provided. The tax invoice will contain sufficient information so that the debtor can recognise the transactions included on the invoice and reconcile the debt if required.

The provision of credit is not automatic and credit can be suspended or withdrawn based on compliance with trading terms.

### 3.1 Responsibility for raising debtor invoices

General sundry debtor invoices are processed by staff at the Wedderburn Office. Home and Community Care (HACC) and pre-school debtor accounts are processed at the Serpentine Office.

### 3.2 Trading terms

Trading terms are strictly 30 days from date of invoice.

### 3.3 Collection of debts

### 3.3.1 Procedures

Procedures, appropriate to the type and age of the debt to be collected, will be established for the collection of amounts due to Council.



### 3.3.2 Payment arrangements

Payment arrangements must be duly noted and authorised by a responsible officer. Defaulted arrangements will activate enforcement.

### 3.3.3 Recovery of outstanding debts

In the event of default or failure of recovery procedures, processes will be implemented through Council's preferred supplier of debt collection services in accordance with the relevant service level agreement for that service provider.

No recovery actions will commence without satisfactory proof of debt.

### 3.3.4 'Securing' unsecured debts

Depending on the circumstances, Council will attempt to 'secure' unsecured debt by either obtaining directors guarantee (credit application), or other arrangement. If no security can be obtained, then proactive management of credit limit will be undertaken.

### 3.4 Provision for doubtful debts - debt write off

Management of doubtful debts and the write off of debts is outlined in the Provision for Doubtful Debts and Writing Off Bad Debts Policy.

### 3.5 Reporting

Finance staff will prepare a report for the Manager Financial Services and Financial Accountant at the end of each month. The report will contain the reconciliation between the general debtor ledger and the Debtors Trial Balance and detail the amount outstanding into terms of current, 30 days, 60 days and 90+ days.

The reconciliation will also contain a schedule detailing follow up action for those outstanding debtors exceeding trading terms and the status of any special arrangements currently in place.

Where appropriate, service managers will also be advised of these outstanding accounts.

### 3.6 Heritage interest free loan scheme

Refer to the Community Support Policy for details.

Loans will be managed on Council's Sundry Debtor system.

### 3.7 Community interest free loan scheme

Refer to the Community Support Policy for details.

Loans will be managed on Council's Sundry Debtor system.

### 3.8 Taxation

Council will comply with its taxation and legislative obligations.

GST applies to all invoices except in circumstances where the goods and/or services are not subject to GST.



### 3.9 Confidentiality

Confidentiality is paramount and staff members are required to abide by the Staff and Contractors Code of Conduct.

### 4 DEFINITIONS OF TERMS OR ABBREVIATIONS USED

Term	Definition
HACC	Home and Community Care
GST	Goods and Services Tax

### 5 HUMAN RIGHTS STATEMENT

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

### 6 REVIEW

The Manager Financial Services will review this policy for any necessary amendments no later than 2 years after adoption of this current version.

### 8.7 ROAD MANAGEMENT PLAN REVIEW REPORT

File Number: 14/01/001

Author: Indivar Dhakal, Manager Technical Services

Authoriser: Steven Phillips, A/Director Operations

Attachments: 1. Appendix 1 - Road Management Plan Administrative Amendments

2. Appendix 2 - Road Management Plan Grading Frequency Level Amendments

3. Appendix 3 - Road Management Plan Intervention Response Time Amendments

4. Appendix 4 - Road Management Plan 2014

5. Road Management Plan Review Report

### RECOMMENDATION

That Council:

- (a) Pursuant to the Road Management Act 2004 and the Road Management Regulations, resolve to publish the Road Management Plan Review Report
- (b) Note the officers' review of the intervention levels, grading frequency and response time to improve the standards of road maintenance and consequent cost implications

#### **CONFLICT OF INTEREST**

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

### PREVIOUS COUNCIL DISCUSSION

At its meeting held on 26 April 2017, Council resolved to provide by public notice the proposed amendments to the Road Management Plan (RMP). Council also resolved that a further report be provided on clause 8.2 of the RMP to allow consideration to be given to adjusting intervention levels so as to improve the standard of road maintenance and to provide advice on the consequent cost implications.

### **BACKGROUND**

Pursuant to Section 54(5) of the Act and Section 8(3) of the Regulation, a Council that chooses to adopt the RMP is required to undertake a review of such plan within the period referred to in section 125(1) of the Local Government Act 1989 of, if that period is extended in accordance with section 125(4) of the Local Government Act 1989, within that extended period.

During a recent Shire tour by Councillors and staff, Councillors raised concerns regarding the maintenance and intervention levels of Sylvaterre Timms Lake Road. The then Director Operations, Ian McLauchlan and Manager Operations, Steve Phillips informed the Councillors that the corrugations on the road did not meet the intervention level set in Road Management Plan.

In the subsequent month, when Council was presented with the RMP proposed amendments, Councillors resolved to seek a further report regarding possible changes in the intervention levels and response timeframes along with advice to Council of the subsequent cost to Council of such changes.

### ISSUES/DISCUSSION

### Road Management Plan Review Report (Attachment 5)

With the recent indoor and outdoor restructure within the organisation, it was necessary to revise the RMP to reflect the changes. Also, in 2015 Council purchased the "Reflect" software package to assist its maintenance management activity which is contained in the report (appendix 1) of this report.

The grading frequency on sealed road shoulders and formed roads was identified as requiring amendment (appendix 2), and the response times for intervention for pothole repairs on unsealed rural formed roads is recommended to be changed from 12 months to N/A (appendix 3). These changes are considered as a decrease in level of service and as per Council resolution 2017/69, notice in a public newspaper and government gazette has been provided and public comment sought.

An intervention level for setting the sight distance restriction for regulatory signs is proposed in the amendment as a higher priority in the risk matrix. Also, fallen branches and trees on footpaths have been identified as a new defect. These are considered as increase in level of service.

### Review on intervention levels, grading frequency and response time

Councillors resolved to seek further information on the intervention levels and the response times for the defects currently identified in the RMP in the context of evaluating the cost of improving levels of service on its unsealed road network.

Council is responsible for 4,682km of road; this network is comprised of 919km of sealed road, 2,530km of unsealed gravel road, and 1,233km of formed & unformed road. Council currently undertakes its unsealed road grading and sealed road shoulder grading with 7 grading crews.

It should be noted that the intervention levels and response times contained in the RMP provide Council with a legal defence in the event that an incident occurs and a claim is made against Council for damages. Any alteration to defects and interventions could result in increased risk of non-compliance and hence the risk of an incident resulting in successful litigation.

Also relevant for consideration is that in addition to the RMP inspections:

- The maintenance grading program as per section 9.4.3 of the RMP provides for twice yearly inspection or grading of rural gravel collector and rural gravel access roads. Their condition is assessed against the RMP with the intention of preventing the road from reaching the intervention levels set in the RMP. This is additional to the surveillance inspections.
- In responding to a customer request informing of corrugations or potholes, the road is inspected and action is taken in accordance with the maintenance grading program and intervention levels of the RMP.

Whilst the corrugations on Sylvaterre Timms Lake Road did not meet the intervention standards of the RMP at the time, the road was however due for one of its twice yearly inspections or grades in accordance with the maintenance grading program and a grading crew was working its way towards the road to complete a grade before it reached intervention.

After discussions with the Manager Operations, possible alternative approaches, along with the associated costs are presented within this report. The following examples are provided to inform discussion and are not formal recommendations.

Table 1 comprises a number of amendments to the RMP defect intervention levels and response times for unsealed roads.

Table 1
Road Management Plan Intervention Level and Response Times

	Response Times						
Item	Description	Existing	Possible Change/s	Impact	Document Reference	Remarks	Consequence
1	Potholes in unsealed road >150mm deep (Gravel collector and Gravel Access)	4 weeks	72 hours	Major	pg 30 - table 12.6	Impact on Operations finance and resources	More grading frequency
2	Potholes in unsealed roads, surface scours or rutting >100mm in depth or >300mm diameter	3 months	4 weeks	Major	pg 30 - table 12.6	Impact on Operations finance and resources	More grading frequency
3	Corrugations	6 months	4 weeks	Major	pg 30 - table 12.6	Impact on Operations finance and resources	More grading frequency
			Interve	ntion Lev	els		
Item	Description	Existing	Possible Change/s	Impact	Document Reference	Remarks	Consequence
4	Corrugations (intervention level)	>50mm for >200m length	>25mm for >100m length	Major	pg 30 - table 12.6	Impact on Operations finance and resources	More grading frequency

The above changes would require additional resources in order to be achievable. The changes would result in more frequent grading of the unsealed road network. Extra grading crews would be required to cover scheduled grading and reactive maintenance grading. The additional annual cost associated with a grading crew is as follows for one additional crew:

- additional grading crew annual cost \$840,000
- initial capital outlay to purchase require plant and equipment (only first year) \$920,000.

The exact number of grading crews required cannot be accurately estimated as it depends on the road maintenance issues that arise. It is possible that as many as 3 additional grading crews may be required to maintain compliance with a revised RMP. The possible changes identified are the major defects and covers majority of the road maintenance undertaken by Operations Department.

The above changes in intervention levels and response times are not recommended, as they will reduce the flexibility to respond to requests and increase the risk of litigation to Council.

Another possible approach is to alter the maintenance grading program frequency. This would almost eliminate the chances of reaching current intervention levels, enabling Council to respond

to defects before the specified timeframes in the RMP. Table 2 comprises possible changes to the maintenance grading program frequency.

Table 2
Road Management Plan Grading Frequency

Item	Description	Existing	Possible Change/s	Impact	Document Reference	Remarks	Consequence
1	Gravel Collector and Gravel Access Roads	Twice per year	Three times per year	Major	pg 18 - table 5	Impact on Operations finance and resources	More grading frequency
3	Gravel Minor	Once per year	No change	N/A	pg 18 - table 5		

Due to the sheer size of the unsealed road network, the increased service shown in the table above would require a minimum of 3 extra grading crews. The cost of three grading crews is as follows:

- additional 3 grading crews annual cost \$2,520,000
- initial capital outlay to purchase the required plant and equipment (first year only) \$2,760,000.

As a result of investigating the costs of possible revisions of intervention levels, timeframes and maintenance grading frequencies it is recommended to only undertake the amendments as presented in the Road Management Review Report, as any other amendments considered herein will require significant additional resources and budget increases.

### **COST/BENEFITS**

There is no cost associated with the Road Management Plan Review Report. This is a statutory requirement as per the Act and the Regulation. However, there is significant cost associated with the other possible changes as discussed.

There are possible benefits of making changes to improved levels of service in terms of a potential increase in community satisfaction with unsealed road maintenance.

### **RISK ANALYSIS**

There is a major risk associated with not adopting the review report. Council must undertake a review within the provisions of the Act and the Regulation and failing to do so will be a breach of the Act.

With regard to the review on the intervention levels, response times and frequency, any changes without the increase in resources will increase the risk of noncompliance and liability of legal actions taken against Council.

### **CONSULTATION AND ENGAGEMENT**

The Road Management Plan Review Report has been prepared after consultation between Manager Technical Services, Manager Operations and Acting Director Operations. The proposed amendment in the review report has been published in newspaper and government gazette seeking public submissions.

The review on the intervention levels, response time and grading frequency is presented after discussions between Acting Director Operations, Manager Operations and Manager Technical Services.

Appendix - 1

### Road Management Plan Administrative Amendments

Item	Description	Existing	Proposed Change/s	Impact	Document Reference			
1	Organisational Structure							
	а	Manager of Works	Manager Operations	Minor	Multiple			
	b	Manager Infrastructure Policy and Strategy	Manager Technical Services	Minor	Multiple			
	С	Loddon Works	Loddon Operations	Minor	Multiple			
2	State Authority	Department of Environment and Primary Industries	Department of Environment, Land, Water and Planning	Minor	Multiple			
3	Maintemance Management							
	System	AssetAsyst	Reflect	Minor	Multiple			
	Workflow	As per AssetAsyst	As per Reflect	Minor	pg 16 - fig 2, pg19 - fig 3			

Appendix - 2

### Road Management Plan Grading Frequency Level Amendments

Item	Description   Existing   Proposed Change/s		Impact	Document Reference	
1	All sealed road shoulders	Once per year	Istreet inspection		pg 18 - table 5
2	Formed road	Once in two years	Upon request and as resource permits	Moderate	pg 18 - table 5

Appendix - 3

# Road Management Plan Intervention Response Time Amendments

Item	Description	Existing	Proposed Change/s	Impact	Document Reference
1	Pothole on unsealed road (Rural Formed)- Surface scours potholes or rutting > 100mm in depth >300mm diameter	12 months	N/A	Minor	pg 30 - table 12.6
2	sight distance or restrict view	warning and hazard	Identified as a higher priority	Moderate	pg 31 - table 12.6
3	Fallend brances/trees on footpath	Not identified previously	Identified	Moderate	pg 34 - table 12.7

# LODDON SHIRE COUNCIL

# **ROAD MANAGEMENT PLAN**



# **DOCUMENT INFORMATION**

DOCUMENT TYPE: Strategic document

DOCUMENT STATUS: Approved

POLICY OWNER POSITION: Manager Infrastructure Policy and Strategy

INTERNAL COMMITTEE ENDORSEMENT:

APPROVED BY: Council

DATE ADOPTED: 22/07/2014

VERSION NUMBER: 1

REVIEW DATE: 30/06/2017

DATE RESCINDED:

FILE LOCATION:

RELATED STRATEGIC DOCUMENTS,

POLICIES OR PROCEDURES:

RELATED LEGISLATION: Road Management Act 2004

EVIDENCE OF APPROVAL:

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by Chief Executive Officer

road

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#### 1 PURPOSE

The purpose of this document is to provide details of Council's policies, service standards and actions relating to the management the local road network, specifically the routine inspection and maintenance of road related assets.

Part 4, Division 5, section 49 of the Road Management Act 2004 enables Council to produce a Road Management Plan (RMP).

Section 50 of the Road Management Act 2004 states

"The purposes of a Road Management Plan are:

- to establish a management system for the road management functions of a road authority which is based on policy and operational objectives and available resources
- to set the relevant standard in relation to the discharge of duties in the performance of those road management functions".

In accordance with Section 39 of the Road Management Act, this plan will be regarded as a policy decision by Council in relation to the performance of its statutory road management function. As a result, it may be used in the defence of any common law proceedings in relation to the exercise of that road management function.

#### 2 BUDGETIMPLICATIONS

The various actions and levels of service identified for delivery under this plan require the provision of both operational (e.g. staff & equipment) and financial resources. In order for Council to achieve full compliance with its RMP, service level, inspection or intervention targets must be appropriately matched to available resources.

Where it is identified that operational capacity may be insufficient to meet the required demands imposed by this plan, allocation of additional resources or alternatively modification of the plans requirements may be necessary to ensure service level targets are achievable and sustainable.

Resources deployed to achieve the objectives and deliverables of the RMP are predominately provided through the Loddon Works department, and subsequently funded under the road maintenance provisions within Councils annual budget.

As part of the annual budget development process, each year a review of road maintenance resource demand and distribution is conducted. This review examines a number of factors in determining appropriate resource levels to facilitate achievement of the RMP objectives. Such factors include:

- historical Compliance against service targets
- competing resource demands or works commitments e.g. maintenance work vs. capital renewal
- alternative work methodologies, treatments or productivity improvement opportunities
- staff migration or vacancy levels.

A subsequent road maintenance budget bid is prepared annually by the Manager of Works and submitted for Council consideration as part of the budget development process.

#### 3 RISK ANALYSIS

Determination of appropriate inspection regimes, intervention timeframes and service levels, as specified within the RMP, is largely based upon the identification of risks associated with the existence or operation of various road elements including pavements, trees, level crossings and footpaths.

In assessing the level of risk, consideration is given to the likelihood of road users encountering adverse road conditions i.e. defects such as potholes, fallen trees etc., and the likely consequence of such exposure. The

Page 1 of 34

combination of identified risk and availability of resources is then used to establish appropriate intervals between routine inspections as well as the determination of acceptable timeframes to undertake necessary repairs or remedial works.

In developing the RMP, Council has given careful consideration to the setting of intervention standards (i.e. at what point Council will undertake repair works, e.g. size & depth of potholes) and response times for rectification of defects (i.e. how long does Council have to undertake the required repair), so as to fulfil general community expectations and control the level of risk to road users.

The plan also provides a mechanism to deal with exceptional circumstances where the requirements of the plan cannot be met e.g. during times of natural disaster. In general the plan establishes maintenance standards, inspection regimes and response times which are affordable, deliverable and responsible.

The RMP provides Council with a defence against possible litigation in relation to the execution of its road management functions.

#### 4 COSTING AND FUNDING OF ACTIONS

The ability to accurately cost deliverables under the RMP is somewhat compromised by the vast, variable and for the most part unpredictable nature of the road network. To a large extent the overall condition of the road network, including ancillary assets such as footpaths, is accurately known and regularly assessed however the maintenance effort required across the network is ongoing and subject to rapid or significant fluctuation.

Problems in estimating required funding to deliver the RMP stem from the variable rate of pavement or asset deterioration due to such contributing factors as:

- · weather (drought, flood, rain, seasonal variations)
- topography and geology (e.g. plains vs. hills or clay vs. sand)
- · surrounding land use & development
- changing transport trends (e.g. larger trucks & varying transport trends).

Meeting the requirements specified within the RMP will undoubtedly incur significant operational expense. Monitoring of compliance against RMP targets as well as operational expenditure on road maintenance activities is routinely conducted. These measures provide an indication as to how well the targets specified within the RMP match resource availability.

Historical trends are also utilised in setting the annual road maintenance budget as discussed in section 2 above.

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#### 5 INTRODUCTION

#### 5.1 Contents of Road Management Plan

A Road Management Plan, under the Ministerial Code of Practice - Road Management Plans should include:

- a description of those assets on public roads for which a road authority is responsible
- the standard or target condition, of those assets to be maintained by a road authority
- a management system as established and implemented by a road authority to discharge its duty to inspect, maintain and repair public roads for which it is responsible.

#### 5.2 Scope of assets included

This plan is applicable to the following assets (as at 30/6/2013), for which Council is the Responsible Road Authority (RRA):

927	km	sealed road and street pavements
2562	km	unsealed gravel road and street pavements
1233	km	formed or unformed roads and streets
208	No.	bridges, major culverts and structures
35	km	constructed footpaths
46	km	kerb and channel

#### These assets are:

- listed in Council's infrastructure asset registers or
- located on public roads, listed in the Register of Public Roads, for which Council is the Coordinating Road Authority (CRA).

This Plan also applies to road and footpath assets, at other locations where Council is the RRA, as determined by section 37 of the Road Management Act 2004 and the Code of Practice for Operational Responsibility for Public Roads. For the purposes of this code "urban area" is defined in Section 3 - Definitions in the Road Management Act 2004.

This plan is not intended to apply to un-constructed or private assets such as foot trodden tracks, private driveways on government road reserves or roads on private land.

This plan does not include other infrastructure on roads as detailed in 3.3.8 Other Infrastructure on Roads

#### 5.3 Stakeholders

Stakeholders with an interest in the use or management of municipal public roads and road related infrastructure include:

- the general community
- · residents and businesses adjoining the road network
- · pedestrians, including those with disabilities and the elderly with restricted mobility
- users of a range of miscellaneous smaller, lightweight vehicles such as mortised buggies, wheel chairs, prams and bicycles
- vehicle users such as trucks, buses, commercial vehicles, cars and motor cycles
- · tourists and visitors to the area
- emergency authorities such as Police, Fire, Ambulance and SES
- utilities as prescribed in Section 3 of the Road management Act 2004
- · Council as the RRA.

#### 5.4 Duty of the road user

Under the Road Management Act 2004 and the Road Safety Act 1968 road users have an obligation to drive or use roads in a safe manner having regard to the relevant conditions/factors.

Section 17A, Obligation of road users, of the Road Safety Act 1986 specifies that:

"A person who drives a motor vehicle on a highway must drive in a safe manner having regard to all relevant factors including(without limiting the generality):

- · the physical characteristics of the road
- · the prevailing weather conditions

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- · the level of visibility
- the condition of the motor vehicle
- the prevailing traffic conditions
- · the relevant road laws and advisory signs
- · the physical and mental condition of the driver.

A road user other than a person driving a motor vehicle must use a public highway in a safe manner having regard to all relevant factors.

A road user must:

- have regard to the rights of other road users and take reasonable care to avoid any conduct that may endanger the safety or welfare of other road users
- have regard to the rights of the community and infrastructure managers in relation to road infrastructure and non-road infrastructure on the road reserve and take reasonable care to avoid any conduct that may damage road infrastructure and non-road infrastructure on the road reserve
- have regard to the rights of the community in relation to the road reserve and take reasonable care
  to avoid conduct that may harm the environment of the road reserve."

Highway (public highway) is as defined in Road Safety Act 1986 Sections 3, Definitions.

#### 5.5 Property owner obligations

#### 5.5.1 Driveways

The Road Management Act 2004, provides that a road authority is not liable for private driveways, on road reserves, that provide access to the public road from adjoining land.

Driveways in town areas are the responsibility of the landholders, specifically the:

- · slabs or culverts over kerb and channel
- layback through Kerb
- driveway between kerb and edge of footpath
- · driveway infill between edge of footpath and property line.

The land holder is responsible for maintaining the driveway, and the immediate surrounds impacted by the driveway, in a safe condition.

In rural areas and in towns where no kerb and channel exists, landholders are responsible for:

- · entrance culverts over open drains
- driveway from edge of road pavement to property line (footpath is excluded in town area).
- lengths of driveway which may extend along a government road reserve for the purposes of
  accessing a preferred property entrance point as opposed to the nearest point to the existing
  recognised road network.

Loddon Shire Council Streets and Roads Local Law 2010 Part 2, Division 2, Clause 8 requires owners to provide vehicle crossings when required by Council and to repair them when directed by Council.

#### 5.5.2 Vegetation overhanging footpaths

Loddon Shire Council Local Law No 2 - Streets and Roads 2010, Part 2, Division 1, Clause 6 states that landholders must not allow any tree or plant in or growing on land owned or occupied by that person, to obstruct or interfere with vehicles or pedestrians.

#### 5.5.3 Obstructions to footpaths

Landholders adjacent to footpaths are responsible to keep footpaths clear of obstructions including goods, signs and tables & chairs in town areas and to comply with Loddon Shire Council Streets and Roads Local Law 2010, Part 4, Divisions 1,2,3 and 4.

#### 5.6 Terms and definitions

Unless the context otherwise requires, terms used in this Road Management Plan have the same meaning as defined in the Road Management Act 2004.

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For the purpose of this plan the following additional terms are defined:

"Defect" is a localised deficiency or fault in a sub-asset e.g. pothole.

"Intervention Level" is the point at which it is determined that a defect has deteriorated beyond an acceptable level and requires rectification e.g. nominal depth or diameter of pothole.

"Hazard" is a defect or circumstance:

- which may impact on road user safety or
- has a required response time of 72 hours.

"Inspection Frequency" is the period of time between the due dates of successive inspections. The nominated frequency is not precise, a 10 per cent variation is allowable.

"Patrol area" is a designated area surrounding a works depot within which the maintenance activities of the depot works team are undertaken.

"Inspection areas" are subdivisions of Patrol areas, within which roads are grouped for coordination of proactive inspections.

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#### 6 ASSET MANAGEMENT POLICY FRAMEWORK

#### 6.1 Asset Management Policy

Council's Asset Management Policy, adopted on 23 July 2012, outlines a framework for the management of Council's substantial asset base in a sustainable, co-ordinated and structured way.

Loddon Shire will maximise the potential of infrastructure through efficient and effective Asset Management practices to meet its responsibilities to provide a level of service to the community that responds to its needs and to provide and maintain community infrastructure in a condition that supports the services provided.

#### 6.2 Council Plan

#### Loddon community vision

"Strong communities proud of their individual identities."

#### **Council mission**

"Deliver services that enhance the sustainability and liveability of our communities."

The plan recognises providing quality infrastructure as a core business of Council. Councils role in this regard is to develop and maintain both built and natural assets appropriate to community priorities."

The development and implementation of a responsible road management plan is critical in performing this role.

#### 6.3 Relationship with other strategic documents

The Road Management Plan is a key component of Council's planning and asset management process. Figure 1 below illustrates the relationship between the Road Management Plan and other strategic and operational Council documents.

Figure 1 - Relationship between Road Management Plan and other Council strategic documents.



#### 6.4 Asset management budget and program development

Funding for local road infrastructure competes against a range of other Council services including HACC, Maternal Child Health, Regional Agribusiness, Economic Development, Tourism, Local Laws, Urban Drainage, Waste Management, Recreation and Regional Library Services.

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Annual funding for the various Council services is based on the Long term Financial Plan, modified in consideration of current priorities, community and other forecast needs.

When developing content for capital infrastructure or road maintenance programs, consideration is given to Councils Risk Management Policy, with priority given to projects which meet one or more of the following criteria:

- · address high priority safety risks
- · maximise the life of the asset
- reduce operating cost of the asset
- · meet agreed service levels
- fit with community plans
- achievable in consideration of Councils resource constraints.

The adopted annual budget provides the financial resources for funding road infrastructure maintenance.

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#### 7 REGISTER OF PUBLIC ROADS

#### 7.1 Road and street hierarchy

Council road assets are classified on a functional/surface type basis for Rural Roads and Town Streets.

Local Town Streets change to Rural Roads at the 100kph speed signs, or where no 100km/hr speed sign exists, at the end of the built up area.

See Appendix 12.1 Local Rural Roads and Town Streets Hierarchy

#### 7.2 Footpath hierarchy

Council footpaths are classified on a functional basis.

See Appendix 12.2 Footpath Hierarchy.

#### 7.3 Keeping a road register

The Road Management Act 2004 section 19 requires that "... a road authority must keep a register of public roads specifying the roads in respect of which it is the coordinating road authority.."

With respect to local roads, The Road Management Act 2004 section 17 (3) requires that "..the relevant coordinating road authority must register on its register of public roads a road in respect of which the road authority has made a decision that the road is reasonably required for general public use."

#### 7.4 Availability of Register of Public Roads

The Register of Public Roads is available for inspection, free of charge, during normal business hours at the Shire Office, 41High St, Wedderburn.

#### 7.5 Criteria for roads included in Register of Public Roads

Criteria for a road to be included in Loddon Shire Councils Register of Public Roads:

- Council must be able to be deemed the CRA for the particular road, and
- · the road is 'reasonably' required for general public use

#### 7.6 Criteria for roads excluded from Register of Public Roads

Roads meeting one or more of the following criteria are excluded from Loddon Shire Councils Register of Public Roads:

- sections of road with gates or cross fences.
- sections of road occupied under un-used road licence, or the like.
- assets not directly associated with a road area, e.g. pathways on crown land, access roads located on land other than a road reserve such as recreation reserves access or off-road trails.
- roads which are located on crown land other than road reserves, but as qualified by Code of Practice
   Operational Responsibility for Public Roads.
- roads not reasonably required for general public use, including
- · road reserves where there is no evidence of regular vehicular use
- private roads.

#### 7.7 Contents of Register of Public Roads

Councils Register of Public Roads is collated using Council's ' Moloney Road Asset Management System'.

The Register of Public Roads contains a list of roads in alphabetic order which includes:

- roads
- streets
- laneways

all of which are limited to the extent identified in Councils asset registers.

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The Register of Public Roads contains the following information:

- road Name
- · location and extent
- · date road became a public road
- · classification within Road Hierarchy
- · any agreements with other authorities re responsibility
- details of all changes to Register and date of any such changes.

The Register of Public Roads is updated from time to time.

#### 7.8 Unused (paper) roads

These are road reserves that are recorded on survey maps. They typically comprise dirt tracks. None of these roads are included in Council's Road Register. Council does not accept responsibility for the care and management of these road reserves. Council intends to progressively notify the Department of Environment and Primary Industries that these roads are no longer required for public use and where appropriate recommend control revert back to the Crown Land manager.

#### 7.9 Other authorities roads within the municipality

State arterial roads including:

- freeways
- highways
- main roads

are included on VicRoads Register of Public Roads.

Department of Environment and Primary Industry roads and tracks, and Parks Victoria roads and tracks, will be on the relevant State Authority Register of Public Roads.

For state arterial roads through towns the operational responsibility is shared between VicRoads and Council. Generally through towns, VicRoads has the authority for the through traffic lanes, unobstructed flanks, kerbs and side drains, with the balance of operational responsibility allocated to Council, but the Code of Practice for Operational Responsibility for public roads provides more detailed demarcation of responsibilities.

For arterial roads in rural areas, VicRoads maintains responsibility of all assets within the full width of the road reserve.

#### 7.10 Boundary roads with adjoining municipalities

Boundary Agreements with adjoining municipalities were formulated and adopted in the late 1990's. Because all boundary roads are rural in nature there are no assets, such as footpaths, on the same section of boundary road reserve where operational responsibility needs to be shared. A more practical approach was adopted, with agreements being reached to equitably allot operational responsibility for full road width for specific sections of boundary roads to each municipality.

The sections of boundary roads for which Loddon Shire is the Operational Road Authority (ORA) are included in Loddon Shire Councils Register of Public Roads. Those sections for which Loddon Shire Council is not the Operational Road Authority are listed in the adjoining municipality's Register of Public Roads.

The boundary with Northern Grampians Shire is the centre of the Avoca River, over which there are several bridges. Northern Grampians Shire undertakes the operational responsibilities for these bridges, with costs being equally shared with Loddon Shire Council.

Part of the boundary with Campaspe Shire is the western bank of the Bendigo Creek. The bridges over the Bendigo Creek are therefore solely in Campaspe Shire. Thus Campaspe Shire Council is the Coordinating and Operational Road Authority for those structures.

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#### 7.11 Railway level crossings

There are 114 railway level crossings on local roads in Loddon Shire.

The rail authority is responsible for repair of the road pavement, any lights or boom gates, and all "cross bucks", regulatory and width marker signs within 3.0m of the outside rail and as detailed in Safety Interface Agreements between road and rail authorities.

Council maintains line marking and advanced warning signs on the approaches to railway level crossings as per AS 1742.7:2007 – Manual of uniform traffic devices Part 7:Railway Crossings and the road surface beyond 3.0m from the outside rail, as detailed in Safety Interface Agreements between the road and rail authorities. Council also maintains intersection sight distance clearance within the road reserve. In some cases VicRoads is responsible for warning signs where arterial roads running parallel and adjacent to the railway line are required to have side road signage.

#### 7.12 Other infrastructure on roads

The following infrastructure may be located on various roads and streets:

- Utility Authorities' assets including assets for, town water supply, sewerage, power supply and telecommunications which are dealt with as described in the Road Management Act 2004, the Code of Practice for Management of Infrastructure in Road Reserves, and the Road Management (Works and Infrastructure) Regulations 2005
- 2) private and company car parks on road reserves
- 3) car parks and entrances to hospitals, schools, public halls, etc.
- 4) private weighbridges and access to those facilities
- 5) other authority's weighbridges and access to those facilities
- 6) other private and company assets.

For infrastructure described in items 2, 3, 4, 5, & 6 above the 'owners' of those assets are the responsible authority for those assets and are treated as infrastructure managers or works managers under the Road Management Act 2004.

#### 7.12.1 Other authorities bridges, culverts and channels on road reserves

Across the local road network numerous open channels and drains run parallel to or pass under local roads. These channels and drains are owned or operated by water and irrigation authorities, private owners, or private schemes, generically referred to here as 'other asset owners'.

The channels and drains are the responsibility of the 'other asset owner'.

Section 3 Definitions, in the Road Management Act 2004, excludes bridges and culverts over water authorities channels or drains from the definition of road infrastructure, hence relieving Council of responsibility and directing responsibility to the 'other asset owner'.

In section 48 – Bridges, of the Code of Practice for Operational Responsibility for Public Roads under the Road Management Act 2004 the other authority is the owner of bridges and culverts over its channels and drains.

Under this section Council is responsible for maintenance of the road surface and road related infrastructure.

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Table 1- Summary of responsibilities for bridges over water authority channels and drains

Component	Maintenance	Rehabilitation, replacement or improvement
Bridge or culvert	'Other Asset Owner'	'Other Asset Owner'
Structure under road	'Other Asset Owner'	'Other Asset Owner'
Road warning signs	LSC	LSC
Road surface	LSC	LSC
Road pavement	LSC	'Other Asset Owner'- where result of bridge defect. LSC - where extensive pavement upgrade
Bridge railing	LSC	'Other Asset Owner'
Approach guard railing	LSC	'Other Asset Owner'

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#### 8 LEVELS OF SERVICE

#### 8.1 Community levels of service

In addition to previous public forums, Council conducted a public workshop on 22 March 2013. At the workshops information was provided on Councils proposed Road Management Plan, road standards, road hierarchy, and the cost of maintenance and replacement of road assets.

The Community Level of Service table included below is an interpretation of the results of various public consultations taking into account affordability and resources available for road maintenance.

Table 2 - Community levels of service for maintenance

Characteristic	Level of service	Level of service target	Strategy
Accessibility	Continuous access available at all reasonable times	Continuous access is available on collector and access roads except during unforeseen incidents or during emergencies.	Complying with specified levels of service within this plan and Council's Road Asset Management Plan.
Road Safety	Safety of road network maintained and improved.	All road assets inspected in accordance with program and faults rectified within tabled response times.	Implement provisions of Road Management Plan.
Responsiveness	Responses to customer complaints are prompt	Customer complaints and works requests are responded to within target response times in RMP and timeframes in Customer Service Charter	Implement prioritising and recording provisions of Road Management Plan
Quality	Roads maintained to maintenance quality targets.	Roads maintained to standards set in Intervention Standards and Response Times	Maintenance undertaken to targets in Road Management Plan
Affordability	Diverse views but provide road maintenance in an efficient, cost effective manner.	Road maintenance program delivered within budget.	Monitor Road Management Plan and Budget and review as required.

#### 8.2 Technical levels of service

#### 8.2.1 Maintenance levels of service

The Maintenance Level of Service for the local road network is detailed within:

- · inspection regimes
- · defect intervention and response tables
- maintenance grading program.

Inspection frequency tables may be found at Appendix 12.3 - Road and Street Inspection Regime and Appendix 12.4 - Footpath Inspection Regime. These tables provide details regarding the following levels of service:

- inspection type.
- · inspection frequency for particular Road Hierarchies.

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Defect intervention and response tables may be found at Appendix 12.6 - Defect Intervention Levels and Response Times for Roads and Bridges and Appendix 12.7 - Defect Intervention Levels and Response Times for Footpaths. These tables provide the following levels of service detail:

- · type of defect
- defect intervention level
- rectification response time.
- The maintenance grading program (See Section 9.4.3) provides details of grading frequency for individual road hierarchies.

Maintenance is limited to the extent detailed within Table 6 in section 9.

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#### 9 MAINTENANCE MANAGEMENT SYSTEM

#### 9.1 Maintenance management system

The Road Management Act 2004 provides for Council to establish a management system for the road management functions of a road authority which is based on policy and operational objectives and available resources.

Council's Management System involves a process of:

- enquiry
- inspection
  - proactive
  - safety hazard
    - reactive
- prioritising identified works
- programming maintenance works
- recording
- review

The maintenance management system is summarised in figures 2 & 3, of this plan.

Council uses the AssetAsyst software package as its Maintenance Management System for roads, streets and footpaths.

AssetAsyst enables:

- scheduling and recording of both programmed and reactive field inspections
- recording of defects
- prioritising of rectification works
- · issuing works orders
- · recording of defects
- signing off on repairs
- · reporting on compliance with inspection regimes and repair response times.

#### 9.2 Inspections

Inspections are focused towards identification of:

- defects for inclusion in maintenance programs
- hazards requiring urgent response.

Inspections on roads, streets, bridges and footpaths undertaken include:

- · safety/ hazard Inspections
- defect Inspections.

Inspection regimes were determined by reviewing past inspection practices and balancing a responsible approach with affordability.

The specified inspection regimes are considered appropriate as Loddon Shire's local sealed rural roads have relatively low traffic volumes which range from less than 100 vehicles per day (vpd) to 500 vpd.

While previously there were no formal programmed inspection of minor gravel roads, this category of roads is now included in the programmed inspection regime.

Formed and Unformed Roads are not proactively inspected.

Safety/hazard Inspections are undertaken concurrently with programmed road defect Inspections and on a reactive basis in response to customer requests.

Inspection types and inspection frequencies for each road and footpath hierarchy and for bridges are detailed in Appendix 12.3 - Road and street inspection regime and Appendix 12.4 - Footpath inspection regime.

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#### 9.2.1 Safety/hazardinspections

Hazards are identified during nominated defect inspection cycles. Hazards are those defects which are considered to represent a high level of risk, and indicated by a 72 hour response time in the defect intervention and response tables as seen within Appendix 12.6 - Defect intervention levels and response times for roads and bridges and Appendix 12.7 - Defect intervention levels and response times for footpaths.

#### 9.2.2 <u>Defect inspections</u>

Defects to be identified during nominal inspections are as listed in the defect intervention level and response tables in appendices 12.6 and 12.7. Defects detected are recorded in the field utilising tablet computers with the AssetAsyst program installed.

#### 9.2.3 Railway interface inspections

Programmed railway crossing inspections of approaches to railway crossings on local roads are undertaken at intervals detailed at Appendix 12.3 - Roads and bridges inspection regime. Inspections confirm that the items that are Council's responsibility, as detailed in an inventory for railway crossings, are in place, in serviceable condition and compliant with AS 1742.7:2007 – Manual of uniform traffic devices Part 7: Railway Crossings.

#### 9.3 Risk assessment of maintenance works

Levels of risk for maintenance works are assessed based on:

- · the likelihood of consequences occurring and
- · the extent of potential consequence.

It is a reasonable assumption that defects/hazards on roads with higher usage have a higher likelihood of a consequence occurring. In developing the risk matrix for inclusion in the Road Management Plan, traffic volume ranges expected in Victorian municipalities were applied to Council's Corporate Risk Matrix as per the following table.

Table 3 - Likelihood for traffic ranges

Traffic volume range (vehicles per day)	Likelihood
5000 plus	A (almost certain)
1000-5000	B (likely)
500-1000	C (moderate)
100-500	D (unlikely)
0-100	E (rare)

As road traffic volumes on Loddon Shire's local roads are generally below 500 vehicles per day, the lower 2 lines only of the matrix apply.

Utilising principles listed in the "Risk Management Framework – ISO 31000" under principle 3, the corporate risk matrix has been tailored to suit road maintenance purposes as follows:

- by using the lower two lines of the corporate risk matrix
- by the introduction of additional levels of risk (medium low and very low) to provide a more comprehensive spread of response times.

The Risk Matrix adopted for road maintenance is shown at Appendix 12.5 - Risk matrices for roads, streets and footpaths.

Control actions and response times for each level of risk are as per the action table at appendix 12.5.

All defects associated with road maintenance have been identified for each road hierarchy. A qualitative risk analysis has been carried out to assess the level of risk for all defects, recognising any circumstances that would elevate the level of risk for a particular defect.

Response times for the levels of risk for each defect are included on the defect intervention and response table shown in appendices 12.6 and 12.7.

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In the table in appendix 12.6 - Defect intervention levels and response times for roads and bridges, various hierarchies have been grouped to streamline maintenance management practices. Groupings are as shown in table 4.

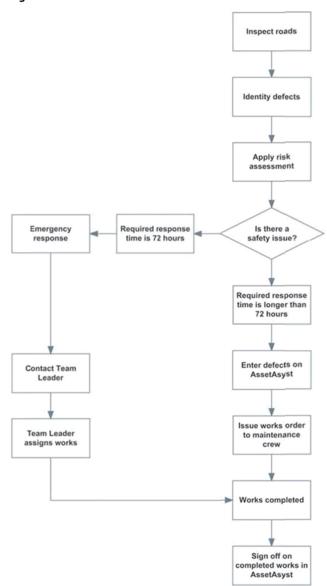
Table 4 - Road hierarchy groupings

Road grouping	Road hierarchies included	
Sealed	RSC,RSA,TSC,TSA	
Gravel collector and access	RGC,RGA,TGC,TGA	
Gravel minor	RGM, TGM	
Formed	RF,TF	
Unformed	RUF, TUF	

#### 9.4 Proactive maintenance

Proactive Maintenance is carried out as illustrated in the flow chart below.

Figure 2 - Proactive maintenance



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Designated road inspectors undertake formal inspections to identify defects and hazards on rural roads and town streets, at frequencies shown in appendix 12.3 - Road and street inspection regime and in appendix 12.4 - Footpath inspection regime. Inspections are recorded on tablet computers utilising AssetAsyst software and GIS mapping.

If the required response time is 72 hours i.e. the defect is a hazard requiring treatment as an emergency response, section 9.4.2 outlines the required "Emergency response".

On sealed roads the extent of potholes, edge repairs, pavement failures, minor reseals and regulations are painted/marked on the sealed surface at the time of identification.

Where defects or hazards relating to other authorities infrastructure are encountered, the quantity and location is recorded, and the responsible authority is notified.

#### 9.4.1 <u>Defect intervention levels and response times</u>

Tables detailing defect intervention levels and response times are set out in appendix 12.6 - Defect intervention levels and response times for roads and bridges and appendix 12.7 - Defect intervention levels and response times for footpaths.

Response times are set out to reflect an affordable level of service.

Routine maintenance pavement repairs are generally undertaken by council staff using:

- "Flowcon" truck using multiple application of bituminous emulsion and sealing aggregate or
- "Jetmaster" truck on a duty cycle around the various patrol areas (Cyclic availability of this equipment results in limited availability for individual patrol areas).

#### 9.4.2 <u>Emergency response</u>

Emergency response may be activated during proactive safety-hazard inspections or reactive inspections following customer reports.

Public contact for emergency response is by telephone on 5494 1200 during business hours and after hours. For calls after hours, a recorded message provides the phone number for the on-call personnel.

Where the defect is a hazard (rectification response time of 72 hours), emergency response is instigated.

In situations where because of the nature of the repair required, level of resources required or current work load, it is not possible to rectify a hazard within the time specified in the defect intervention level and response tables, appropriate warning of the hazard is provided until the repair can be completed.

Appropriate interim warning measures may include:

- provision of warning signs or barricades
- traffic control action
- diverting traffic around the site
- · installation of a temporary speed limit
- lane closure
- closure of the road to use by certain vehicles (e.g. load limit)
- road closure.

In extreme circumstances such as during times of natural disaster, the nominated response times or interim measures may not be achievable due to resource limitations or lack of accessibility.

#### 9.4.3 <u>Maintenance Grading Program</u>

The maintenance grading program operates with grading frequencies for road hierarchies as listed in Table 5.

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Table 5 - Maintenance grading frequency

Road hierarchy	Grading frequency
All sealed road shoulders	Once per year
Gravel Collector roads	Twice per year
Gravel Access roads	Twice per year
Gravel Minor roads	Once per year
Formed roads	Once in two years
Unformed roads	Upon request and as resources permit
Rural Fire Access roads	As per fire access roads grading program or on request

The Maintenance Grading Program is set up with individual roads listed for grading in nominated quarters of the year. Roads to be graded are grouped by locality within individual inspection areas in each patrol area.

The Works Coordinator sets up, coordinates and monitors progress of the Maintenance Grading Program. Team leaders allocate roads to be graded to individual grading crews.

Prior to commencing grading on an individual road the road is inspected by the team leader or grader driver to confirm that grading is required, based on the intervention standards in appendix 12.6 - Defect intervention levels and response times for roads and bridges.

Completed maintenance grading is recorded in a "works program" spreadsheet maintained and updated by Loddon Works. For each individual road the grading crew identify as requiring grading the date the grading was undertaken is recorded. If the inspection demonstrated no grading was required then the date of the inspection and the inspector's identity is recorded.

If a road requires additional maintenance grading outside the Maintenance Grading Program a defect is recorded and programmed through the AssetAsyst management system. Completed works are signed off in AssetAsyst and recorded in the Works Program spreadsheet mentioned above.

#### 9.5 Reactive maintenance

#### 9.5.1 Safety/hazardinspections

Safety/hazard inspections may also be undertaken on a reactive basis in response to customer requests, as described in 9.4 - Proactive maintenance and 9.2.1 - Safety /hazard inspections.

#### 9.5.2 Routine maintenance and customer requests

Refer to figure 3 - Reactive maintenance.

Reactive maintenance may be undertaken in response to reported problems or complaints from the public or Council staff on:

- sealed roads and streets between formal inspections
- · gravel roads and streets between formal inspections
- formed and unformed roads and streets, where there is no formal inspection process
- footpaths
- bridges.

Council operates a customer request system which utilises a computer data base.

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Reported complaints and problems may emanate from:

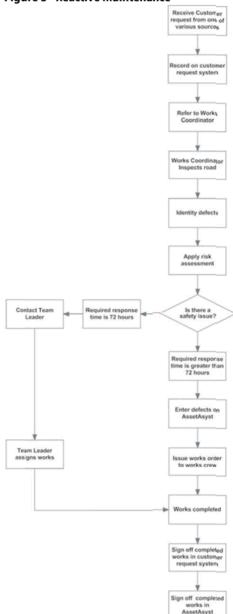
- customers through
  - o verbal reports
  - letters
  - o telephone calls
- inspections by team leaders
- observations by other staff
- requests through councillors.

An outline of the reactive complaint process is shown in figure 3 - Reactive Maintenance Flowchart.

Where defects or hazards relating to other authorities infrastructure are reported or observed, the quantity and location is recorded, and the responsible authority is no ified.

Data is stored in the customer request system and is available for retrieval as required.

Figure 3 - Reactive maintenance



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#### 9.5.3 Reactive maintenance grading of gravel roads

Complaints regarding defects or hazards on gravel roads which are reported between scheduled inspections and the next programmed maintenance grading under the Maintenance Grading Program, are assessed as to whether immediate intervention is required as outlined in the figure 3 "Flow chart 2 Reactive maintenance".

#### 9.5.4 Reactive maintenance grading of formed and unformed roads

Complaints regarding defects or hazards on formed roads identified between maintenance grading activities under the Maintenance Grading Program will be inspected and graded on a reactive basis as per 9.5.2 "Routine maintenance and customer requests".

Complaints regarding defects or hazards on unformed roads will be inspected and graded on a reactive basis as per 9.5.2 "Routine maintenance and customer requests", but works will be limited as detailed in 9.7 "Limitation of maintenance works".

#### 9.6 Weeds and rabbits

Council has an obligation to manage roadside weeds and rabbits on its local road network. Available funding is directed to treatment aimed at the eradication of Regionally Prohibited Weed infestations and the containment of Regionally Controlled Weeds and rabbits. Council supports community groups and individual landholders as detailed in Council's Roadside Weed and Rabbit Control Plan.

Regular inspections are undertaken during the programmed proactive inspections of roads. Reactive inspections are undertaken as in section 9.5 Reactive maintenance.

#### 9.7 Records

Council keeps records specifying details of inspections, defects requiring repairs, location of defects, details of repairs, temporary actions (i.e. signage installation) and date of completed repairs.

#### 9.7.1 <u>Customer works request and reactive maintenance</u>

Customer works request information and outcomes are stored electronically in Council's customer request system.

Details of date, road, location and quantity of works activity undertaken are entered into Council's AssetAsyst computer based maintenance management system.

#### 9.7.2 Inspections and proactive maintenance

Programmed inspections undertaken by designated road inspectors are recorded in AssetAsyst. Data captured includes inspector identity and date of inspection as well as specific details of all defects identified for each section of road (road segment) along with a nominated rectification (repair) timeframe.

Completed rectification works are signed off against these entries including what works were undertaken and by whom along with a completion date.

#### 9.7.3 Electronic records

Council's networked electronic records are backed up daily.

#### 9.8 Limitation of maintenance works

The level of inspection and maintenance varies depending on the category/classification of individual roads or road related assets. A number of lower category roads e.g. formed, unformed and fire access roads receive limited maintenance. Maintenance limitations for these low priority assets are detailed within table 6 below.

The decision to limit maintenance on low priority roads is driven by the need to prioritise allocation of Councils operational and financial resources. It is considered that the road classifications identified for limited maintenance pose low levels of risk given minimal traffic use.

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Table 6	<ul> <li>Limitation of</li> </ul>	maintenance works

Hierarchy code	Hierarchy	Limits of maintenance
RF & TF	Formed	No programmed inspections are undertaken.  Reactive routine maintenance is undertaken based on "Defect intervention levels and response times for roads and bridges".
RUF & TUF	Unformed	No programmed inspections or regular routine maintenance is undertaken. Reactive grading may be undertaken. No regular routine tree trimming is undertaken. Limited minor tree trimming may be undertaken to provide clearance for utility type vehicles. Clearing to provide greater clearance may be undertaken subject to inspection and demonstrated need.
RFA	Fire Access	No programmed inspections or regular routine maintenance is undertaken. Reactive grading may be undertaken prior to fire season.
IF	Informal Footpaths	No programmed inspection or routine maintenance is undertaken.

#### 9.9 Resources deployed in road management

Routine maintenance is generally undertaken utilising:

- in-house staff
- subcontractors for activities such as
  - o line marking
  - sealing
  - o herbicide spraying
  - o tree trimming
  - grass slashing
  - o pavement and subgrade stabilisation
  - o supply of various items of hire machinery and equipment
  - o bridge maintenance.

#### 9.10 Exceptional circumstances

Council will make every effort to meet its obligations under its Road Management Plan.

However, there may be situations or circumstances that affect Council's business activities to the extent that it cannot deliver on the service levels of the Road Management Plan. These include but are not limited to; natural disasters, such as fires, floods, or storms, prolonged labour or resource shortage or due to a need to commit or redeploy Council staff and/or equipment elsewhere.

In the event that the Chief Executive Officer (CEO) of Council determines that for either financial or operational reasons that the requirements of the Road Management Plan cannot be met, then pursuant to Section 83 of the Wrongs Act, the CEO will write to Council's Officer in charge of its Plan and inform the officer that some, or all of the timeframes and responses in Council's Road Management Plan are to be suspended.

As the circumstances which may have led to either the partial or full suspension of the RMP continue, periodic consultation between Council's CEO and Council's Officer responsible for the Road Management Plan will occur, to ascertain which parts of Council's Plan may be reactivated.

Council will endeavour to inform residents of any suspension or reduction of the services outlined under the Road Management Plan, including how any required works shall be prioritised and the period for which the suspension is likely to be in effect.

#### 9.11 Performance measures and targets

Council is provided with a quarterly report detailing compliance against the inspection and defect rectification targets specified within the RMP. The performance measures as listed in table 7 are used to form the basis of this report.

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**Table 7 - Performance measures** 

Performance measure	Target
Programmed inspections are carried out as per schedule.	100% as specified
Actual response times for rectification works are as detailed in the Defect intervention levels and response time tables.	100% as specified

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#### 10 REVIEW AND REPORTING

Review of this Road Management Plan is due by 30 June 2017 as prescribed in section 301 (1) and (3(b)) of the Road Management (General) Regulations 2005 and section 131 (1) and 125 (1) of the Local Government Act 1989.

The Manager Works reports quarterly to Council on the performance measures in section 9.10 "Performance measures and targets".

#### 11 REFERENCE DOCUMENTS

Loddon Shire Council Asset Management Policy.

Loddon Shire Council Corporate Risk Management Policy.

Council Plan.

Register of Public Roads.

Road Management Act 2004.

Code of Practice for Operational Responsibility for Public Roads.

Road Management (Works and Infrastructure) Regulations 2001.

Road Management (General) Regulations 2005.

Code of Practice for Road Management Plans.

Loddon Shire Council - Streets and Roads Local Law 2010.

Loddon Shire Council Roadside Weed and Rabbit Control Plan.

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# 12 APPENDICES

# 12.1 Local rural roads and town streets hierarchy

Loddon Shi	re road hiera	rchy	
Hierarchy code	Hierarchy	Function	Comments
Rural roads	(R) & Township	Streets (T)	
RSC & TSC	Sealed Collector	Sealed Collector roads distribute traffic between arterials and primary access roads.	Connecting roads traditionally accommodating higher volumes of traffic or providing efficient access or an alternative to the arterial network.
RSA & TSA	Sealed Access	Sealed Access roads provide primary access to residential properties or other developments or provide for service or tourist traffic.	Usually accommodate high to medium traffic volumes and service multiple residential properties.
RGC & TGC	Gravel Collector	Gravel Collector roads distribute traffic between arterials and primary access roads	Gravel connecting roads generally accommodating moderate traffic volumes.
RGA & TGA	Gravel Access	Gravel Access roads provide primary access to residential properties or other developments or provide for service traffic, tourist traffic, school buses, or milk tanker traffic.	Lower use roads primarily used for access to groups or individual residential properties.
RGM & TGM	Minor Gravel	Minor Gravel roads provide access to rural properties, or alternative access to rural residential properties.	Low use gravel roads providing access to rural properties (non-residential).
RF & TF	Formed	Rural formed roads provide access to rural properties	Earthen roads only, access is often limited to dry weather conditions.
RUF & TUF	Unformed	Rural unformed roads provide access to rural properties	No road formation, represented by tracks or worn surfaces only.
RFA	Fire Access	Rural Fire Access roads provide access for fire fighting purposes	Generally located on 'unused' road reserves.

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# 12.2 Footpath hierarchy

Loddon Shire foo	tpath hierarchy	
Hierarchy code	Hierarchy	Function
Town street footpa	aths	
BF	Business Area Footpath	Moderate use fully constructed footpaths in shopping areas and near schools and other pedestrian traffic generators
SF	Strategic Footpath	Moderate use footpath which may be gravel or fully constructed. Includes footpaths to specific locations, and may include walking tracks.
RF	Residential Area Footpath	Low use fully constructed footpaths or part constructed gravel footpaths in residential areas.
IF	Informal Footway	Un-constructed footways with little use.

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## 12.3 Road and street inspection regimes

load and street inspection regimes

Inspection type			Inspection frequency  Road hierarchy								Inspection				
	Extent														
		RSC	RSA	RGC	RGA	RGM	RF&RFA	RUF	TSC	TSA	TGA	TGM	TF	TUF	by
Cyclic inspections					·										
Maintenance & nazard	Rural Roads & Town Streets	3 mths	3 mths	2 yrs	2 yrs	2 yrs	Reactive only	Reactive only	3 mths	3 mths	2 yrs	2 yrs	Reactive only	Reactive only	Inspector
Night inspection	Rural Roads & Town Streets	4 yrs	4 yrs	4 yrs	4 yrs	Nil	Nil	Nil	4yrs	4 yrs	4 yrs	Nil	Nil	Nil	Inspector
Level 1 ocal bridges	All Rural & Town Bridges & Major Culverts	6 mths	6 mths	6 mths	6 mths	6 mths	6 mths	N.A.	6 mths	6 mths	6 mths	6 mths	6 mths	Nil	Inspector
Railway crossing nspections	All crossings	3 mths	3 mths	12 mths	12 mths	12 mths	12 mths	12 mths	3 mths	3 mths	12 mths	12 mths	12 mths	12 mths	Inspector
Night railway crossing nspections	On Minor gravel, formed and unformed roads	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	Inspector
One-off inspections															
Customer requests	As identified in request	As Requ	iired												Works Coordinate
Emergency									Works Coordinate						
Notes															
Nominated inspecti	on frequencies are not	t precise:	a variatio	on of 10%	is allowabl	e.									

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## 12.4 Footpaths inspection regime

## Footpath inspection regimes

Footpath inspecti	ons							
		Fe						
Inspection type	Fortuna	Ins	Inspection frequency					
Inspection type	Extent			Informal Footways IF	by			
Cyclic inspections								
Maintenance & hazard	Paved, sealed & gravel footpaths in Towns	6 months	6 months	Nil	Inspector			
Night inspection	Paved, sealed & gravel footpaths in Towns	Nil	Nil	Nil	Inspector			
One -off inspection	ns .							
Customer requests	As identified in request	As required	As required	As required	Works Coordinator			
Emergency	Effected area	As required	As required	As required	Works Coordinator			
Notes								
Nominated inspect	ion frequencies are not p	orecise; a variation	of 10% is allowab	le.				

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#### 12.5 Risk matrices for roads, streets and footpaths

Local roads, streets and footpaths										
Levels of risk										
Time or his youth.	Likelihood		Consequences							
Type or hierarchy	Likelinood	Insignificant	Minor	Moderate	Major	Catastrophic				
Roads										
Sealed	Unlikely	VL	L	ML	M	н				
Gravel Collector & Access	Rare	VL	L	ML	M	н				
Minor Gravel	Rare	VL	L	ML	ML	М				
Formed	Rare	VL	L	L	ML	ML				
Unformed	Rare	VL	VL	L	L	L				
Footpaths	Footpaths									
Business & Strategic	Unlikely	VL	L	ML	M	н				
Residential	Rare	VL	L	ML	M	Н				

Action Plan							
Risk Level	Description	Action					
Н	High	rectify within 72 hours or provide appropriate warning					
М	Medium risk	risk rectify within 4 working weeks or provide appropriate warning					
ML	Medium to low risk	rectify within 3 months or provide appropriate warning					
L	Low procedures	rectify within 6 months					
VL	Very Low risk	rectify within 12 months					

This Matrix is applicable to Loddon Shire Council local roads. Refer to VicRoads Road Management Plan for risk assessment and response times for works relating to Freeways, Highways and Main Roads.

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# 12.6 Defect intervention levels and response times for roads and bridges

Defect intervention levels and response times for roads and bridges								
		Response time						
Defect	Intervention level	Sealed roads	Gravel roads	Minor gravel	Formed roads	Unformed roads		
		RSC,TSC,RSA,TSA	RGC, RGA, TGA	RGM, TGM	RF,TF	RUF,TUF		
Pavement cleaning								
Cleaning of pavement to	On traffic lanes causing serious obstacle to traffic	72 hrs	4 wks	4 wks	3 mths	6 mths		
remove materials which	Water ponding > 300 mm deep on traffic lane	72 hrs	4 wks	4 wks	3 mths	6 mths		
are: Slippery substances or a danger to road users or preventing the free flow of drainage water from the pavement area	Materials in traffic lanes resulting in a slippery surface	72 hrs	4 wks	4 wks	3 mths	6 mths		
Sealed pavement and surfa	ace							
Potholes	On sealed traffic lane >400 mm dia. or > 100 mm deep	72 hrs	N.A.	N.A.	N.A.	N.A.		
	>50mm in depth or >300mm wide	3 mths	N.A.	N.A.	N.A.	N.A.		
Edge breaks	>75 mm in width over 20 m length	6 mths	N.A.	N.A.	N.A.	N.A.		
Minor sealed surface faults	Stripping > 5 m <sup>2</sup> in area with approximately 50% loss of aggregate.	6 mths	N.A.	N.A.	N.A.	N.A.		
	"Crocodile" cracking > 1 m² in area	6 mths	N.A.	N.A.	N.A.	N.A.		
	When bleeding and seal pick up is occurring or imminent; or seal is flushing and there is evident loss of vehicle traction, for an area > 5 m <sup>2</sup> .	6 mths	N.A.	N.A.	N.A.	N.A.		
Isolated pavement	On sealed traffic lane > 100 mm under 3 m straight edge	72 hrs	N.A.	N.A.	N.A.	N.A.		
failures and deformation	All other surface level variations > 2m <sup>2</sup> and > 50 mm deep under a 1.2 m straight edge or rut or depressions that holds water	12 mths	N.A.	N.A.	N.A.	N.A.		

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		Response time						
Defect	Intervention level	Sealed roads	Gravel roads	Minor gravel	Formed roads	Unformed roads		
		RSC,TSC,RSA,TSA	RGC, RGA, TGA	RGM, TGM	RF,TF	RUF,TUF		
Unsealed shoulder - isolated faults	When edge drops onto unsealed shoulder > 100mm in depth under a 1.2 m straight edge	72 hrs	N.A	N.A	N.A	N.A		
	When edge drops onto unsealed shoulder >60mm in depth under a 1.2 m straight edge over 20m length	3 mths	N.A	N.A	N.A	N.A		
	When shoulder subgrade is exposed or slippery for > 50 m <sup>2</sup>	12 mths	N.A	N.A	N.A	N.A		
	Potholes, roughness, scouring and > 75mm deep under a 1.2 m straight edge or when holds water	3 mths	N.A	N.A	N.A	N.A		
Unsealed pavements								
Potholes unsealed roads	When in traffic lane >500mm dia. or > 150mm deep	NA	4 wks	4 wks	N.A	N.A		
	Surface scours, potholes or rutting >100 mm in depth > 300 mm diameter	N.A	3 mths	6 mths	12 mths	N/A		
	Corrugations >50 mm in depth for >200 m of road surface	N.A	6 mths	12 mths	N.A	N.A		
	Loose material >50 mm in depth for >200 m	N.A	6 mths	12 mths	N.A	N.A		
	When >100 <300 m <sup>2</sup> in 1 km is slippery or bare subgrade exposed	N.A	6 mths	12 mths	N.A	N.A		
Signs and delineation								
Signs - illegible or missing	Bridge load limit signs are ineffective	72 hrs	4 wks	4 wks	3 mths	N.A		
-	Non-Regulatory Signs Missing signs or signs which are illegible at 150m under low beam of car headlights or in daylight.	12 mths	12 mths	12 mths	12 mths	N.A		

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			Re	sponse time		
Defect	Intervention level	Sealed roads	Gravel roads	Minor gravel	Formed roads	Unformed roads
		Sealed roads         Gravel roads         gravel         roads         roads           RSC,TSC,RSA,TSA         RGC, RGA, TGA         RGM, TGM         RF,TF         RU           ander or         3 mths         3 mths         6 mths         N.A           ander or         4 wks         4 wks         3 mths         N/A         N.A           ander or         4 wks         4 wks         3 mths         N/A         N/A           ander or         4 wks         3 mths         N/A         N/A         N/A           ander or         4 wks         3 mths         N/A         N/A         N/A           ander or         4 wks         4 wks         3 mths         3 mths         12 mths           ander or         4 wks         4 wks         3 mths         3 mths         12 mths           ander or         72 hrs         4 wks         4 wks         3 mths         3 mths         6 mths           ander or         72 hrs         4 wks         4 wks         3 mths         6 mths         0 mths	RUF,TUF			
	Warning & hazard signs Missing signs or signs which are illegible at 150m under low beam of car headlights or in daylight at curves or intersections or on the approaches to railway level crossings.	3 mths	3 mths	3 mths	6 mths	N.A
	Regulatory signs Missing signs or signs which are illegible at 150m under low beam of car headlights or in daylight at curves & intersections	4 wks	4 wks	3 mths	N/A	N.A
Guide posts or delineators	Missing on curves.	4 wks	4 wks	3 mths	N/A	N/A
nissing or not clearly visible at 150m at night	When >2 posts in a row are missing	6 mths	6 mths	6 mths	N/A	N/A
on low beam.	Every missing culvert marker post.	6 mths	6 mths	6 mths	6 mths	N/A
inemarking and pavement markings - llegible or missing	Linemarking and pavement markings not clearly visible at 50m	12 mths	N.A	N.A	N.A	N.A
Vegetation						
Roadside vegetation	Fallen branches/trees on road surface	72 hrs	4 wks	4 wks	3 mths	12 mths
ree, bushes and grass	Branches, bushes or saplings obstruct safe intersection sight distance or restrict view of regulatory, warning or hazard signs.	3 mths	3 mths	3 mths	6 mths	N/A
	Roadside vegetation obstructs sight distance at railway level crossings.	4 wks	4 wks	3 mths	3 mths	N.A
	Branches infringe into the vegetation clearance envelope	12 mths	12 mths	12 mths	12 mths	N.A
	Sight distances obstructed by grass.	4 wks				N.A
	Grass >300mm high on shoulders.	12 mths	N.A	N.A	N.A	N.A

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		Response time				
Defect	Intervention level	Sealed roads	Gravel roads	Minor gravel	Formed roads	Unformed roads
		RSC,TSC,RSA,TSA	RGC, RGA, TGA	RGM, TGM	RF,TF	RUF,TUF
Drainage						
Road surface drainage and verges	Where ponding of water is adversely affecting the safety aspects for road users or causing identifiable deterioration of the road formation	12 mths	12 mths	12 mths	12 mths	N.A
	When drains are < 75% operating capacity	12 mths	12 mths	12 mths	12 mths	N.A
	When culverts and pits are <75% of operating capacity.	12 mths	12 mths	12 mths	12 mths	N.A
	Culverts and pits become none functional or creates a danger to public	6 mths	6 mths	6 mths	6 mths	N.A
Bridge maintenance						
Damaged bridge component	When damage affects structural performance. Missing or damaged bridge deck plank. Protruding deck spikes.	72 hrs	4 wks	4 wks	3 mths	N.A
Obstructed deck drainage	Scuppers blocked or partially blocked	6 mths	6 mths	6 mths	6 mths	N.A
Split /cracked deck planks	Defect affects > 10% of area of a deck plank.	6 mths	6 mths	6 mths	6 mths	N.A
Settled or damaged running or wearing surface	Settling or depression > 50mm under 1.5m straight edge	6 mths	6 mths	6 mths	6 mths	N.A
Broken, misaligned railing or posts	All visible faults which affect traffic safety	6 mths	6 mths	6 mths	6 mths	N.A
Loose, missing rail connectors	Rail connectors loose or missing	6 mths	6 mths	6 mths	6 mths	N.A
Spalled concrete above deck	Spalling which exposes steel reinforcing	12 mths	12 mths	12 mths	12 mths	N.A
Obstructed stream flow	>25% blocked	6 mths	6 mths	6 mths	6 mths	N.A
Minor scours in pavement	All scours	6 mths	6 mths	6 mths	6 mths	N.A
Subsidence in abutment fill	Subsidence or pothole in traffic lane >50 mm deep under 1.2m straight edge	4 wks	4 wks	3 mths	3 mths	N.A

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	Defect intervention levels and res	sponse times for road	ds and bridges			
		Response time				
Defect	Intervention level	Sealed roads	Gravel roads	Minor gravel	Formed roads	Unformed roads
		RSC,TSC,RSA,TSA	RGC, RGA, TGA	RGM, TGM	RF,TF	RUF,TUF
Other						
Vandalism, graffiti	All graffiti	12 mths	12 mths	12 mths	12 mths	
Road openings	Reinstate the sealed surface when notified	4 wks	4 wks	3 mths	3 mths	6 mths
Litter control	Deposit of litter or rubbish > 1m <sup>3</sup>	3 mths	3 mths	3 mths	6 mths	6 mths
Roadside weeds and rabbit	s					
Wheel Cactus (Opuntia robusta)	When infestation exceeds greater than 100m in length within a road segment.	ARP	ARP	ARP	ARP	ARP
Patersons Curse (Echium plantagineum)	When infestation exceeds greater than 100m in length within a road segment.	ARP	ARP	ARP	ARP	ARP
Rabbit (Oryctolagus cuniculus)	Any rabbit warren with signs of activity in a road segment.	ARP	ARP	ARP	ARP	ARP

Glossary of terms and definitions			
Weeks	Working weeks.		
Hours	Any hours of time.		
ARP	As resources permit		
Vegetation clearance envelope	Area to a height of 5 metres above the road surface between outside edges of shoulders.		

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# 12.7 Defect intervention levels and response times for footpaths

D. C.		Response times			
Defect	Intervention levels	Town Business & Strategic Footpaths	Town Residential Footpaths		
Footpaths					
Subsided, heaved and	Lips or step in path surface levels >30mm	4 wks	3 mths		
scoured	Lips or step in path surface levels >20mm	3 mths	6 mths		
	Depressions >300mm diameter and >50mm depth	3 mths	6 mths		
	Mounding,>40mm under 1.2m straight edge	4 wks	3 mths		
	Mounding, >30mm under 1.2m straight edge	3 mths	6 mths		
Cracking	Longitudinal cracking >20mm wide over 300mm length	6 mths	12 mths		
Edge breaks and edge drops or lips	Reduction in original footpath width >300mm over a 20m length	6 mths	12 mths		
•	Edge drop > 100mm over 20m length	3 mths	6 mths		
	Edge lip > 25mm above the footpath surface level	6 mths	12 mths		
Loose material	Loose material >15mm deep on sealed footpath surface	3 mths	6 mths		
Vegetation	Foliage < 2.5m above footpath	3 mths	6 mths		
	Foliage < 150mm from outside edge of path	3 mths	6 mths		

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# Municipal Road Management Plan Review Report

# Road Management Plan Review Report (2017)

# 1. Background

The Road Management Act 2004 (the Act) provides opportunity for Municipal Councils to develop a Road Management Plan (RMP) to establish a system to manage the road network for which the Council is coordinating and responsible authority and to allow a system to prioritise road functions. The RMP is based on Council's policy and operational objectives and sets relevant standards in relation to Council's road management function.

The Road Management (General) Regulation 2016 (the Regulation) requires Councils to conduct a review of its RMP during the same period as the Council Plan in accordance with the Local Government Act 1989.

### 2. Road Management Plan Review

A review of Loddon Shire Council's RMP was undertaken by Technical Services in accordance with the Act and the Regulation and under delegated authority provided by S6 Instrument of Delegation, provision r.8(1) as of June 2017.

The review of the document included the following

- Consultations to review the Council's current RMP intervention levels, response times, inspection frequencies, work flow and administrative updates. The following individuals, departments and groups were consulted.
  - Manager Operations
  - Director Operations
  - o Loddon Leaders (Council's group of departmental Managers)
  - Management Executive Group (MEG)
  - Councillors
- Analysis and consideration of guidance material from Municipal Association of Victoria (MAV)
- · Benchmarking Council's road Management Plan with other similar neighbouring Councils
- Recommendation by Macquarie Lawyers

The findings of the review outline some opportunities to improve the Road Management Plan to reduce the hazard/risk exposure for the general public and reduce risk exposure to Council.

During an Ordinary Council meeting held in April 2017, Council resolved to seek public comment regarding some reduction and some increment in levels of service as warranted by current RMP. The proposed changes in levels of service are attached.

#### 3. Recommendations

As a result of the review, the following recommendations are made:

- The RMP be amended as detailed in the appendix 1, 2 and 3.
- The process of amendment shall be pursuant to the Act and the Regulation. This process requires consultation phase which Council has already initiated.

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# 4. Appendices

- 1. Road Management Plan Administrative Amendments
- 2. Road Management Plan Grading Frequency Amendments
- 3. Road Management Plan Intervention Response Time Amendments
- 4. Road Management Plan 2013

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#### 8.8 ACCESS ON NANKERVILLS ROAD, CAMPBELLS FOREST

File Number: 14/01/001

Author: Indivar Dhakal, Manager Technical Services

Authoriser: Steven Phillips, A/Director Operations

Attachments: Nil

#### RECOMMENDATION

# That

- 1. Council resolve to remove the section of Nankervills Road between Campbells Road and Loddon Valley Highway at Campbells Forest from Council's Register of Public Roads.
- 2. The Department of Environment, Land, Water and Planning be advised that Council does not consent to the lease the road reserve to the adjacent landowner.
- 3. Council approve the installation of bollards to restrict vehicular access but allows unrestricted public pedestrian access on the road reserve.

#### **CONFLICT OF INTEREST**

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

#### PREVIOUS COUNCIL DISCUSSION

Council resolved to advertise seeking public comment regarding the proposed permanent closure of Nankervills Road, Campbells Forest at the Council meeting held on January 2017. Council subsequently resolved to defer the proposed closure to seek further report on continued public access on Nankervills Road at the Council meeting held on April 2017.

#### **BACKGROUND**

Nankervills Road Campbells Forest is located between Loddon Valley Highway and Campbells Rd and is a 580 metre long road classified as "Rural Formed". The road is gazetted as a public road in Council's road register, but the existing condition of the road is not suitable for vehicular movement.

The purpose of a "Rural Formed' road as specified in Council's Road Asset Management Plan 2017 (RAMP) has a functional use of providing access to undeveloped non-residential properties. The road does not provide a primary access to any of the adjacent undeveloped properties.

The adjoining property on both sides of the entirety of the road is owned by the same owner. The owner has shown interest in leasing the road reserve through the Department of Environment, Land, Water and Planning (DELWP).

Council received 5 submissions of which 4 were objections and 1 was in support of road closure. The objections were primarily based on the need of the section of the road as a shortcut, fire access, stock movement and concerns around preservation of an old footbridge.

Council resolved to seek a further report on continued public access.

#### ISSUES/DISCUSSION

The adjacent property owner has shown interest in leasing the reserve if consent is provided by the Council. This process is however, carried out by DELWP. Under the Section 400 of the Land Act 1958, DELWP must get consent from Council in the form of Schedule 4 to declare that the road is unused and not required for public traffic.

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In addition, DELWP will seek Council's consent and consult with Council regarding the required conditions of a lease. In a standard road reserve lease, public pedestrian access and fire access shall be maintained at all time. Only vehicular access to members of the public will be restricted.

The preferred option is to remove the section of road from Council's register of public roads but not agree to lease the road reserve and restrict vehicular access by the installation of bollards on both ends of the reserve. This will ensure pedestrian access but will restrict vehicular access on the section. However, there will be some relatively minor cost associated with the bollards' installation and ongoing maintenance of the infrastructure.

An alternative approach is that the road is removed from the Council's register of public roads and consent be provided to DELWP to lease the road reserve to the adjacent landowner subject to a lease condition that allows for and does not restrict public pedestrian access on the road reserve.

A further option would be to maintain the status quo; this will require the ongoing maintenance of the road as a rural formed road and will require the installation of a low flow culvert and suitable overflow structure or formation of a floodway.

#### **COST/BENEFITS**

The recommendation will incur a small cost of approximately \$1,000 to Council. This cost could be met by the Councils local road maintenance program.

The cost of installing a low flow culvert and suitable overflow structure or floodway would be approximately \$10,000 to \$50,000 depending on the requirements of the North Central Catchment Management Authority.

#### **RISK ANALYSIS**

There is no significant risk associated with the removal Nankervills Road from Council's register of public roads. The members of the public did raise concerns over fire safety. If the section of the road is to be leased, the road reserve can be required to have unlocked gates which can be opened for pedestrian and fire access at any time.

The option to not agree to the reserve being leased and the installation of bollards as suggested will allow pedestrian access whilst restricting vehicle access.

However, if public vehicular access is maintained without installing the culvert, it may impose significant risk to the safety of the road users.

#### **CONSULTATION AND ENGAGEMENT**

The issue has been discussed with the members of the public, Councillors during Council meeting and DELWP.

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#### 8.9 BARRAPORT RECREATION RESERVE

File Number: 16/04/008

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Barraport Recreation Reserve POZI map

2. Barraport Recreation Reserve Plan

#### **RECOMMENDATION**

That Council transfer Barraport Recreation Reserve to Alan Leslie Boyle for nil consideration and approve the affixing of the Council seal to any related documentation.

#### **CONFLICT OF INTEREST**

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

#### PREVIOUS COUNCIL DISCUSSION

On 3 October 1951 the Shire of Gordon agreed to accept a gift of land from Mr F L Boyle. Barraport Recreation Reserve (the Reserve) was created in 1952.

#### **BACKGROUND**

By letter dated 12 November 1991 the Shire of Gordon asked Mr Boyle to indicate whether he would like the land transferred back to him. At the time, Council indicated that the land was of no use to Council nor was it likely it would be of value to Council in the future. Council further stated that it was unclear whether the Reserve had ever been used for its intended purpose.

# ISSUES/DISCUSSION

Recently Council has been approached by Dorothy and Alan Boyle who have requested that Barraport Recreation Reserve be transferred to Alan Leslie Boyle, the son of F L Boyle. Mr and Mrs Boyle are concerned that the property is currently unused and the fences are in disrepair.

The property is currently owned by Council and valued at \$16,000.

Council does not have any strategic need for the property.

#### **COST/BENEFITS**

Some legal costs are associated with the transfer.

#### **RISK ANALYSIS**

There is a risk that Council will receive complaints about the maintenance of the Reserve should it remain in Council's ownership.

#### **CONSULTATION AND ENGAGEMENT**

The adjoining landowner has requested that the Reserve be transferred to them. Relevant Council staff have been consulted.

Item 8.9 Page 224



# Pozi - Loddon



# roperty

# **3ARRAPORT WEST ROAD BARRAPORT**

DDRESS BARRAPORT WEST ROAD BARRAPORT

ROPERTY NUMBER 14802110

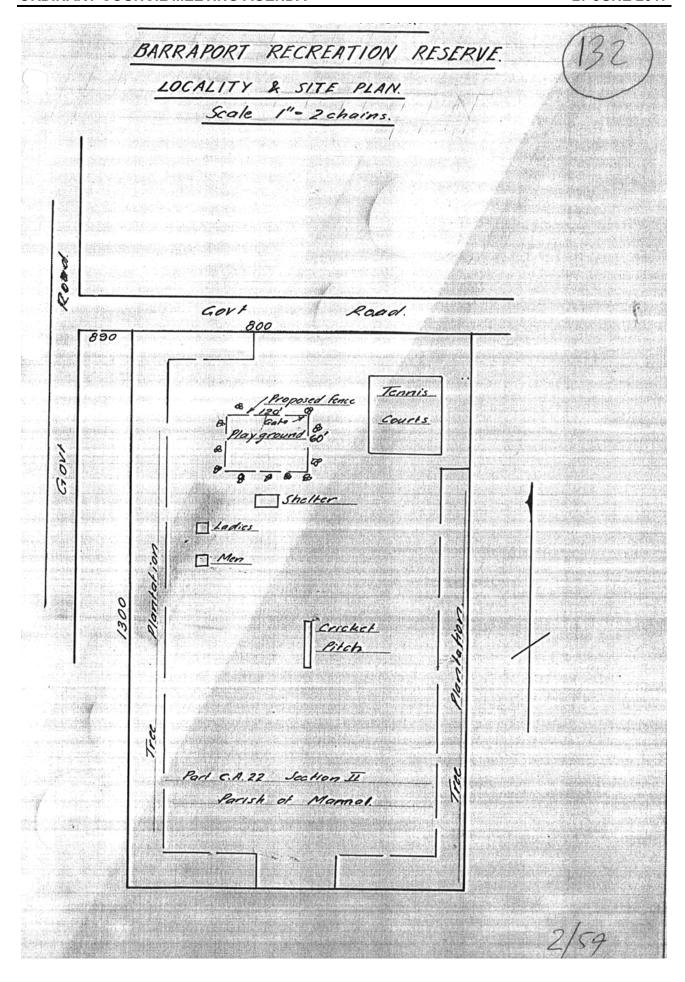
LANNING PROPERTY REPORT services.land.vic.gov.au/landchannel/con..

'ROPERTYNUMBER 14802110 :LIENTOWNERID 3791

)WNERNAME Loddon Shire Council
BOXORSTREETADDRESS PO Box 21Level .OCALITY Wedderburn

TATE VIC OSTCODE 3518

Disclaimer: This content is provided for information purposes only. No claim is made as to the accuracy or authenticity of the content. http://loddon.pozi.com/?layers=aerial2014&z=17&lon=143.62991&lat=-36.01163&click=143.62840,-36.01189
Tue .lun 06 2017 09:53:18 GMT+1000 (AUS Fastern Standard Time)



Item 8.9- Attachment 2 Page 226

#### 9 INFORMATION REPORTS

#### 9.1 BOORT BYPASS ROUTE

File Number: 14/01/001

Author: Indivar Dhakal, Manager Technical Services

Authoriser: Steven Phillips, A/Director Operations

Attachments: Nil

#### RECOMMENDATION

That Council note the progress regarding Boort bypass route study project.

#### **CONFLICT OF INTEREST**

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

#### PREVIOUS COUNCIL DISCUSSION

Council resolved at the April Ordinary Meeting as follows:

- That Council resolve in principle to undertake a study for a by-pass route for heavy vehicles in Boort.
- 2. That a project brief be prepared for suitably qualified traffic consultants to undertake the study and the brief be submitted for Council consideration at the Council meeting 27 June 2017.
- 3. That advice be given by public advertisement regarding the current status relating to the use of Lakeview Street pending further consideration of the matter.

#### **BACKGROUND**

Due to heavy volume of traffic on Lakeview Street, Boort, Council officers recommended to implement a permanent load restriction. There were a number of concerns raised by the local community members regarding the load restriction and safety of the residents if heavy vehicles were to be diverted on to the market precinct of the town. Council officers then recommended to the Council to undertake an investigation into the feasibility of a heavy vehicle bypass route in Boort to identify possible options, design and cost of the project.

#### ISSUES/DISCUSSION

A project brief is being prepared and will be finalised for consideration by Council at the 25 July 2017 meeting. There has been a delay in preparing the scope documents due to competing priorities.

In order to ensure that the project brief encompasses all matters required by Council, officers have commenced development of a scoping brief in consultation with Bendigo based consultants who may be interested in delivering the project.

Council will be kept informed with any further development in the process.

#### **COST/BENEFITS**

There is no cost associated with this report.

# **RISK ANALYSIS**

There is no significant risk identified with this information report.

# **CONSULTATION AND ENGAGEMENT**

Council officers are engaged with consultants who may have the capacity to deliver the bypass route study along with design and associated cost.

# 9.2 STRATEGIC RISKS REPORT

File Number: 02/02/001

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

#### **RECOMMENDATION**

That Council receives and notes the Strategic Risks Report

# **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

Council receives quarterly Risk Management Reports following each Audit Committee meeting which includes strategic risks.

#### **BACKGROUND**

The Local Government Performance Reporting Framework has a requirement on Council to report six monthly its strategic business risks, their likelihood and consequence and risk minimisation strategies.

Below is the Risk Matrix as well as the Risk Definition Legend from Council's Risk Management Policy:

#### **Risk Matrix**

			Consequence criteria					
		1 – Insignificant	2 – Minor	3 – Moderate	4 – Major	5 – Catastrophic		
			Overall Rating					
ria	A: Almost Certain	Medium (11)	High (16)	High (20)	Very High (23)	Very High (25)		
Criteria	B: Likely	Medium (7)	Medium (12)	High (17)	High (21)	Very High (24)		
	C: Possible	Low (4)	Medium (8)	Medium (13)	High (18)	High (22)		
Likelihood	D: Unlikely	Low (2)	Low (5)	Medium (9)	Medium (14)	High (19)		
Ę	E: Rare	Low (1)	Low (3)	Low (6)	Medium (10)	Medium (15)		

# **Risk Definition Legend**

Risk Color	Level	Description
		Take reasonable steps to mitigate and monitor the risk. Institute permanent controls in the long term (may be administrative if hazard has low frequency, rare likelihood, and insignificant consequence).
		Take reasonable steps to mitigate the risk. Until elimination, substitution, or engineering controls can be implemented, institute administrative or personal protective equipment controls.
	HIAN	Act immediately to mitigate the risk. Either eliminate, substitute, or implement engineering control measures.
		Act immediately to mitigate the risk. Either eliminate, substitute, or implement engineering control measures.

# ISSUES/DISCUSSION

As part of the development of the 2017-2021 Council Plan, a number of strategic risks were identified.

These risks were assessed by Councillors and senior management staff at the Council forum on 13 June 2017 using Council's Risk Management Policy. The risk assessment and mitigation strategies are set out below.

# Risk: Managing for population decline

Loddon Shire's population is in long-term decline and ageing faster than the rest of Victoria. Arresting these two trends will not result from adopting a 'business-as-usual' approach to the future. As leaders within the Shire, Council are at a fundamental fork in the road and need to honestly address the challenges facing the region: "Are we managing the decline or going for growth?"

Going for growth requires the bold pursuit of compelling vision of prosperous, vibrant and engaged communities. It requires the bold pursuit of tourism, economic development and demographic objectives designed to turn around the fortunes of the region.

This risk was also identified during the development of the 2013-2017 Council Plan and was assessed as:

Consequence: Moderate
 Likelihood: Possible
 Overall Rating: Medium

Three risk mitigation strategies (CAR's – Corrective Action Requests) were identified to address the risk:

CAR 1	Officer	Status
Attracting businesses to Loddon Shire Council	Manager Executive and Commercial Services	In Progress Council has an officer dedicated to working with potential new businesses
CAR 2	Officer	Status
Adoption of the Settlement Strategy to facilitate the availability of housing blocks to attract residents  CAR 3  Improving streetscapes to improve the attractiveness of townships	Manager Development and Compliance Officer Manager Technical Services	In Progress The Settlement Strategy is currently being prepared.  Status In Progress Wedderburn is currently
		undergoing streetscape improvements.
CAR 4	Officer	Status
Undertake a program of service delivery reviews to respond to changing levels of service	Director Corporate Services	In Progress A program of reviews has been scheduled for the next four years.

# Risk: Federal and State Government Budgetary Pressures

Approximately two-thirds of Loddon Shire's budget is reliant upon state and federal government grants. With the Australia's economy facing fundamental challenges including an ageing population, declining consumerism and changing structural dynamics, government budgets are likely to remain under considerable stress into the foreseeable future. Consequently, opportunities for funding are likely to become more challenging and competition for funding is only likely to become more intense.

Such a likely outcome places pressure on Loddon Shire to maintain its excellent record at securing adequate financial support to deliver community amenities. Developing and communicating a compelling vision for the future will be critical to securing funding support in the future.

This risk was also identified during the development of the 2013-2017 Council Plan and was assessed as:

Consequence: Minor
 Likelihood: Possible
 Overall Rating: Medium

Two risk mitigation strategies (CAR's – Corrective Action Requests) were identified during the development of the 2013-2017 Council Plan:

CAR 1	Officer	Status
Adoption of a Government Engagement	Director Corporate	COMPLETE
Stakeholder Policy	Services	
CAR 2	Officer	Status
Annually review the Long Term Financial	Manager Finance	COMPLETE
Plan to ensure that only current ongoing		
funding is included in the plan		

As a result of the completed status of the Corrective Action Requests, the likelihood has been revised down from possible to unlikely resulting in a lower overall rating of low rather than medium.

Consequence: MinorLikelihood: UnlikelyOverall Rating: Low

# **Risk: Lack of Community Communication and Consultation**

Facing external existential challenges and internal budgetary pressures, it's essential that Council be transparent with its communities and effectively communicate why the objectives and actions outlined in this plan are so necessary. Many people are resistant to change and the success of Council's plans are reliant on community understanding and buy-in to Council's vision for the future. Without such support, many Council initiatives are likely to be met with community resistance.

One risk mitigation strategy was identified to address the risk:

CAR 1	Officer	Status
Maintain section in Council Report template that requires commentary on	Manager Executive and Commercial	COMPLETE
consultation and engagement undertaken	Services	
in relation to matters considered by Council		

Consequence: MinorLikelihood: UnlikelyOverall Rating: Low

# **Risk: Climate Variability**

Loddon Shire is particularly vulnerable to volatile or sustained weather conditions such as floods or drought. Both extreme conditions represent challenges to agricultural output, tourism, regional prosperity and attractiveness, and to the upkeep of community infrastructure and amenities.

This risk was also identified during the development of the 2013-2017 Council Plan and was assessed as:

• Consequence: Insignificant

Likelihood: UnlikelyRisk Rating: Low

One risk mitigation strategy was identified to address this risk:

CAR 1	Officer	Status
Advocate on behalf of the community for secure piped water.	Chief Executive Officer	WORK IN PROGESS Council is currently working with Grampians Wimmera Mallee Water and Goulburn Murray Water in securing piped water to communities and farmers in the Loddon
		Shire.

There was no change to the risk assessment.

#### **COST/BENEFITS**

The benefit of identifying strategic risks is to prepare Council for their occurrence.

#### **RISK ANALYSIS**

The identification and monitoring of Council's strategic risks should reduce the impact of those risks should Council encounter them in the future.

# **CONSULTATION AND ENGAGEMENT**

The Council, with assistance from the Management Executive Group, assessed the new strategic risks at the Council Forum on 13 June 2017 and did not identify any further strategic risks.

### 10 COMPLIANCE REPORTS

#### 10.1 ADOPTION OF COUNCIL PLAN 2017-2021

File Number: 02/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Draft Council Plan 2017 to 2021

2. Council Plan Submission from Rod Poxon

#### RECOMMENDATION

That Council:

- 1. Thank Mr Rod Poxon for his submission
- 2. Amend the draft Council Plan in accordance with the proposals in this report
- 3. Adopt the Loddon Shire Council Plan 2017-2021
- 4. Forward a copy of the approved Council Plan to the Minister for Local Government

#### **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

The draft Council Plan was considered at the meeting on 26 April 2017 when Council resolved to advertise the draft for public comment.

#### **BACKGROUND**

Section 125 of the Local Government Act 1989 (The Act) requires Council to prepare and approve a Council Plan within the period of 6 months after each general election or by the next 30 June, whichever is later.

A person has a right to make a submission under section 223 of The Act on the proposed Council Plan. The Council must ensure that, for at least 28 days after the public notice is published under section 223 a copy of the proposed Council Plan is:

- available for inspection by the public at the Council office and any district offices;
- published on the Council's Internet website
- and any other place required by the regulations

Under section 223(1) of The Act, if a person is given a right to make a submission to the Council under this section (whether under this or any other Act)—

- a) the Council must publish a public notice—
  - (i) specifying the matter in respect of which the right to make a submission applies;
  - (ii) containing the prescribed details in respect of that matter;
  - (iii) specifying the date by which submissions are to be submitted, being a date which is not less than 28 days after the date on which the public notice is published;
  - (iv) stating that a person making a submission is entitled to request in the submission that the person wishes to appear in person, or to be represented by a person specified in the submission, at a meeting to be heard in support of the submission;

- b) if a request has been made under paragraph (a)(iv), the Council must—
  - (i) provide the person with the opportunity to be heard in support of the submission in accordance with the request at a meeting of the Council or of a committee determined by the Council:
  - (ii) fix the day, time and place of the meeting;
  - (iii) give reasonable notice of the day, time and place of the meeting to each person who made a request;
- c) if the committee determined under paragraph (b)(i) is not responsible for making the decision in respect of which the submissions have been made, the committee must provide a report on its proceedings, including a summary of hearings, to the Council or the special committee which is responsible for making the decision;
- d) the Council or special committee responsible for making the decision must—
  - (i) consider all the submissions made under this section and any report made under paragraph (c);
  - (ii) notify in writing, each person who has made a separate submission, and in the case of a submission made on behalf of a number of persons, one of those persons, of the decision and the reasons for that decision.

#### ISSUES/DISCUSSION

One written submission was made while informal feedback was received from a number of parties.

The author of the written submission was offered the opportunity to be heard in support of the submission at the Council Forum on 13 June 2017 but declined the opportunity.

The proposed responses to both the written submission and the informal feedback have been set out below and added to the draft Council Plan as tracked changes.

**Submission**: The only written submission was received from Mr Rod Poxon. A copy of the submission is attached. The submission suggests that:

"it's essential for the new Loddon Council Plan to contain a commitment to Aboriginal Reconciliation, and the Plan ideally should outline the processes that Loddon will adopt to develop a Statement Of Reconciliation and associated aboriginal related policies.

 Response: added action and strategic indicator to the Council Plan Theme of Sustainability under the "Social sustainability" strategy as follows:

Action	Strategic Indicator
Develop a Reconciliation Action Plan at the 'Reflect' level	Acceptance of the Reconciliation Action Plan by Reconciliation Australia

Feedback: Feedback from staff, councillors and community groups suggested:

- inclusion of literacy data
  - Response: none unable to locate Loddon specific data
- adding reference to libraries as lifestyle infrastructure
  - **Response**: none included at a high level in 6.4.1
- adding Draft Library Plan 2017-2021 as an external document

- Response: add at 4.1
- adding 'facilitating major partnerships within community' as an action in the sustainability theme and multipurpose facilities
  - Response: none included at a high level in 6.4.4
- changing page 5 paragraph 4 to insert Korong Vale, Laanecoorie and Eddington (these towns listed on top of the tourism event brochures being consistent)
  - Response: added at 2.1 paragraph 4
- changing page 5 Loddon Shire is on 3 highways, Calder, Loddon Valley and Wimmera (Wimmera is a main route heading for South Australia, transport and travellers utilise this highway)
  - Response: added at 2.1 paragraph 6
- changing page 19 Natural resources to reference two main Parks Terrick Terrick National Park and Kooyoora State Park (consider adding Kooyoora State Park into the document)
  - Response: added at 4.3 "Natural resources" heading
- changing page 19 Proximity and accessibility consider adding Wimmera Highway as tourism from Bendigo, Melbourne and South Australia access our region via Wimmera Highway
  - Response: added at 4.3 "Proximity and accessibility"
- including reference to materials in draft Loddon and Buloke Education and Training Needs Analysis
  - **Response**: added action at 6.4.4 "Work with the Local Learning and Employment Network to address employment, education and training opportunities"
- changing action for "Attractive housing policies" strategy to "Prepare Settlement Strategy to
  provide a suitable supply of residential land in and around towns" and changing the
  strategic indicators to "Provision of vacant land zoned for residential development in and
  around towns" and "New residential development in and around towns"
  - Response: added at 6.4.1
- add paragraph to explain the role of the Local Learning and Employment Network
  - Response: added at 4.3
- add reference to arterial roads in addition to major highways
  - Response: added at 2.1 and 4.3
- change "Continue to support provision of library services" to "Continue the provision of library services"
  - Response: added at page 6.4.3
- change "Actively promote policies and activities which facilitate community harmony and engagement" to "Actively promote policies and activities which facilitate community health, harmony and engagement" and add action and strategic indicator to incorporate Municipal Health and Wellbeing Plan
  - Response: added at 6.4.4
- update the Strategic Resource Plan to reflect the Victorian Grants Commission changes as outlined in the report on the Draft Budget.
  - Response: added at chapter 7

A tracked changes version of the Draft Council Plan noting the above responses is **attached**. A version with the tracked changes accepted and graphic design completed will be provided to the Minister.

#### **COST/BENEFITS**

Benefits in preparing a carefully drafted Council Plan are realised throughout the life of the plan. The plan will provide strategic direction for Council over the next four years and will ensure that the investment of Council's scarce resources is optimised.

### **RISK ANALYSIS**

The Council Plan is the core document for Council activities over the next four years. Completion of the plan is a basic obligation prescribed to councils under the *Local Government Act 1989*.

#### **CONSULTATION AND ENGAGEMENT**

The Council Plan was on public notice for the period 1 May to 29 May. Significant consultation and engagement has occurred throughout its development and is documented in the draft plan.

# LODDON SHIRE COUNCIL

# **DRAFT COUNCIL PLAN 2017-2021**



#### DOCUMENT INFORMATION

DOCUMENT TYPE: Strategic document

DOCUMENT STATUS: Draft

POLICY OWNER POSITION: Chief Executive Officer

INTERNAL COMMITTEE

Not applicable

ENDORSEMENT: APPROVED BY:

Council

DATE ADOPTED: Click here to enter date of approval

VERSION NUMBER: Choose an item.

REVIEW DATE: Click here to enter a date.

DATE RESCINDED: Click here to enter a date.

RELATED STRATEGIC Annual Budget 2017/18

DOCUMENTS, POLICIES OR

/ iiiidai Baagot 20

PROCEDURES:

RELATED LEGISLATION: Local Government Act 1989

EVIDENCE OF APPROVAL:

Signed by Chief Executive Officer

FILE LOCATION: K:\DIRECTOR CORPORATE SERVICES\Council Plan\STR Council Plan 2017 to 2021 v1 DRAFT.docx

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

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

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#### MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

Welcome to the Council Plan for 2017 – 2021 and thank you for taking the time to read about your Council's future directions. Along with related strategic documents, the Plan will guide the direction of Loddon Shire for the next four years.

This Plan has been a collaborative effort with an active contribution being made in its formulation by the community, Councillors and staff. Consideration has been given to the long term challenges facing our community, including infrastructure, community engagement and sustainable living into

In developing the Plan, the existing vision and mission of Council were reviewed and modified. The new vision is "to have a prosperous, vibrant and engaged community" and the mission is "to enhance the sustainability and liveability of Loddon Shire." This Plan identifies five Strategic Themes, each with an Objective to provide direction and focus for Council to achieve its vision and mission. These Strategic Themes with their respective objectives are:

Strategic Theme	Strategic Objective
Population	Grow and invigorate Loddon's population
Economic Prosperity	Support development of a prosperous and diverse economy
Liveability	Develop attractive, vibrant and well-serviced communities
Sustainability	Provide leadership which contributes to the sustainability of our region
High Performance Organisation	Implement frameworks which enable sound decision making and support a high performing and customer-focused organisation

There are numerous strategies, actions and indicators that flesh out the content of the Plan and assist in providing guidance for Council in directing its efforts and resources for the next four years.

A few of the aspects of the document that are indicative of what Council is intending to achieve over the term of the Plan are:

- Maintain high quality roads and other facilities with a target of achieving 95% or more of road defects completed within timeframe allocated and undertaking complete reviews of Asset Management Plans;
- Develop a volunteer strategy, which recognises the reliance of the community on volunteerism;
- Work with Loddon Campaspe Regional Partnership to examine opportunities for transport for smaller communities to improve of mobility and access;
- Implement streetscape projects in key townships and manage the rectification of unsightly premises to improve the character and appearance of our townships;
- Undertake continuous improvement initiatives to enhance the internal operations of Council, including software purchases and upgrades as outlined in the IT Strategy.

We must continue to operate prudently, but the implementation of the Council Plan will go a long way towards being successful in achieving our vision "to have a prosperous, vibrant and engaged community.



Councillor Neil Beattie Mayor of Loddon Shire Council



Phil Pinyon Chief Executive Officer

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#### 1 INTRODUCTION

# 1.1 Vision

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

#### 1.2 Mission

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

#### 1.3 Values

Loddon Shire is guided by the following values in everything it does. We strive for:

Leadership	Means acting ethically, dealing with suspected wrongdoing, doing the thing even in the face of adversity, giving proper advice fearlessly, takinitiative, being innovative and acting strategically			
Integrity	Means obeying the law, following the intention of policies and procedures, fully disclosing actual or potential conflicts of interest, acting honestly and responsibly and observing organisational values and codes of conduct			
Accountability	Means having justifiable reasons for decisions and actions, obtaining value to money, continuously improving, keeping proper records, and submitting to scrutiny			
Impartiality	Means being fair by being fully informed, considering only relevant matters, and dispassionately assessing without fear, favour or bias			
Respect	Means being open to feedback and other views, communicating with clarity and sensitivity, giving all relevant information, providing reasons for decisions, collaborating and working effectively in teams, being courteous and being punctual			

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#### 2 ABOUT OUR COMMUNITY

#### 2.1 Our location

Loddon Shire is within the Central Victorian Goldfields which is part of the area known as Victoria's 'Golden Triangle'. It has an area of almost 6,700 square kilometres.



Figure 1: Loddon Shire within Victoria

Loddon Shire is within the Loddon Mallee Regional Development Australia region which constitutes almost a quarter of the state and is a region known for the highest number of small towns in Victoria.

The geography of the Shire is diverse with rolling hills and Box Ironbark forests, granite outcrops, pockets of premium agricultural land as well as the river in the south which brings tourist and lifestyle benefits. In contrast the northern part of the Shire features broad flat plains of dry land, wetlands, rivers, lakes, woodlands and irrigated farming areas as well as granite outcrops and well preserved heritage and cultural features.

The municipality is a 'community of communities', comprising a number of small towns dispersed throughout the shire including the towns of Bridgewater, Inglewood, Wedderburn, Korong Vale, Dingee, Mitiamo, Serpentine, Newbridge, Tarnagulla, Laanecoorie, Eddington, Boort, Pyramid Hill and other surrounding towns and communities. These townships are diverse but connected by our Council which strengthens them as a whole.

The northern part of the Shire holds valuable irrigation infrastructure and is connected to the Murray Darling irrigation system. This supports intensive agriculture including dairy and horticulture.

Two-Three major highway arteries run through the Shire; the Calder Highway which is the main passage through the Mallee and Sunraysia; and the Loddon Valley Highway which runs through to Kerang and connects with the Murray Valley Highway; and the Wimmera Highway which runs through the south of the Shire and links with the Western District and on to South Australia. These have a long history of being major transport routes and today connect with Melbourne carrying road freight and passenger traffic. In addition to these major highway arteries there are many other arterial roads which support the liveability of the Shire. The southern parts of the Shire are approximately half an hour from the greater Bendigo region and the Shire is well-

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connected to Melbourne with a freeway connecting Bendigo with Melbourne, and a reliable and frequent passenger rail service.

The towns within the southern portion of the Shire are steeped in 150 years of gold rush and farming history and have strong cultural and heritage links, with the goldfields influencing past wealth and prosperity along with hardship and pioneering traditions.

The Shire enjoys a Mediterranean climate with warm summers and fine sunny winter days. The average rainfall in the Shire is approximately 500mm.

#### 2.2 Our people

The release of the 2016 census data is anticipated after the adoption of this Council Plan therefore the 2011 census provides the most recent demographic data on the people in our Shire. Updated information reflecting the 2016 census will be provided via a link on the Loddon Shire Council website after it becomes available. Some data is provided that relies upon profile id as referenced.

#### 2.2.1 Population

The estimated residential population of Loddon Shire is 7,2831. This is made up of an estimated residential population of more than 2,750 in the north of the Shire compared with over 4,670 in the south.2



Figure 2: Loddon Shire population areas

#### 2.2.2 Age

The median age of the population is 50<sup>3</sup>, 9 years older than the median age for regional Victoria and 13 years older than the median age for Victoria and Australia.

The Shire has a lower percentage of non-english speaking backgrounds (4%) than regional Victoria (6%), Victoria (20%) and Australia (16%).

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http://profile.id.com.au/loddon/population-estimate

http://profile.id.com.au/loddon/population?WebID=10

http://profile.id.com.au/loddon/highlights

<sup>4</sup> http://profile.id.com.au/loddon/highlights

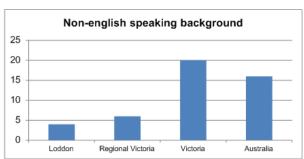


Table 1: Loddon Shire english speaking background

#### 2.2.4 Education

University attendance is 1% compared to 2% for regional Victoria, 5% for Victoria and 4% for Australia.

#### 2.2.5 Employment

Of the 2,932 people living in Loddon Shire in 2011 who were employed, 61% worked full-time and 36% worked part-time.6

In 2011 the unemployment rate was equal to the national average (5.6%)<sup>7</sup> however in the 2016 September quarter, the unemployment rate in Loddon Shire was 6.49%.

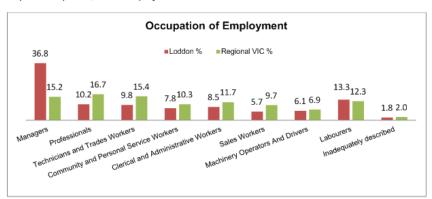


Table 2: Loddon Shire occupation groups

# 2.2.6 Unpaid work

Unpaid work includes volunteering, domestic work, care and childcare. Loddon has a higher rate of volunteerism than regional Victoria8, a higher rate of people doing more than 30 hours of unpaid domestic work per week (15.9% versus 12.3% for regional Victoria)9, a higher rate of assistance provided to a person with a disability, long term illness or old age in 2011 (13.3%

http://profile.id.com.au/loddon/highlights http://profile.id.com.au/loddon/employment-status

http://profile.id.com.au/loddon/highlights

http://profile.id.com.au/loddon/volunteering 9 http://profile.id.com.au/loddon/domestic-work

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versus 12.4% for regional Victoria) $^{10}$  and almost a quarter (23.4%) of the population aged over 15 years provided unpaid childcare $^{11}$ .

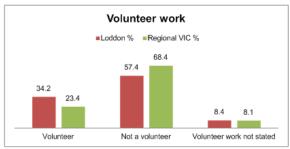


Table 3: Loddon Shire volunteer work

#### 2.2.7 Income

Loddon Shire has a median weekly household income of \$402, less than half the median for regional Victoria (\$926) and less than a third of the median for Victoria (\$1214) and Australia (\$1230)<sup>12</sup>.

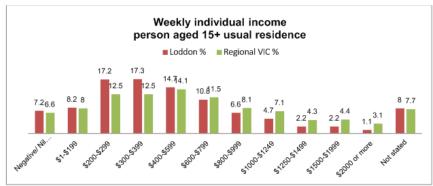


Table 4: Loddon Shire weekly individual income persons aged 15+ usual residence

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<sup>10</sup> http://profile.id.com.au/loddon/unpaid-care

http://profile.id.com.au/loddon/unpaid-childcare thtp://profile.id.com.au/loddon/highlights

#### 2.2.8 Households

Couples with children represent 22% of the population compared with 27% in regional Victoria 21% in Victoria and 31% in Australia<sup>13</sup>. There is a higher percentage of older couples without children (14%) than regional Victoria (11%), Victoria (9%) and Australia (9%)<sup>14</sup>.

People living in Loddon are less likely to have a mortgage (23%) than regional Victoria (32%), Victoria (34%), Australia (33%)<sup>15</sup> and more likely to have a lower median weekly rent (\$103) than regional Victoria (\$192), Victoria (\$280) and Australia (\$289)<sup>16</sup>.

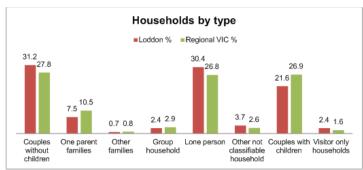


Table 5: Households by type

#### 2.2.9 Journey to work

In 2011, of the 2,490 people who worked in Loddon Shire, 1,963 or 78.8% also lived in the area.  $^{17}$  By contrast 647 (22.0%) of Loddon Shire's working residents travelled outside of the area to work.  $^{16}$ 

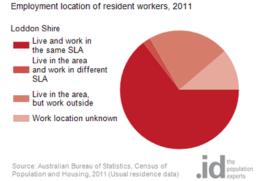


Figure 3: Journey to work

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<sup>13</sup> http://profile.id.com.au/loddon/highlights

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<sup>15</sup> http://profile.id.com.au/loddon/highlights

<sup>16</sup> http://profile.id.com.au/loddon/highlights
17 http://profile.id.com.au/loddon/workers

<sup>18</sup> http://profile.id.com.au/loddon/residents

#### 2.2.10 Socio-Economic Indexes For Areas (SEIFA)

The SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of census characteristics. It provides a general view of the relative level of disadvantage in one area compared to others, and is used to advocate for an area based on its level of disadvantage.

The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations.

A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage.

The Shire's SEIFA Index of Disadvantage as at 2011 is 934 compared with regional Victoria (978), Victoria (1010) and Australia (1002)<sup>19</sup>.



Table 6: SEIFA index

#### 2.3 Our economy

In 2011 Agriculture, Forestry and Fishing was the largest employer in Loddon Shire, making up 43.9% of total employment. This represents a decline from 46.8% in 2006. Health care/social assistance, education/training, retail trade, and manufacturing make up the rest of the top 5 and a further 30.9%.

#### 2.3.1 Gross product

Loddon Shire's Gross Regional Product is estimated at \$0.41 billion, which represents 0.1% of the state's GSP (Gross State Product).<sup>21</sup>

#### 2.3.2 Employment

There were 3,048 jobs located in the Loddon Shire in the year ending June 2015. $^{22}$  In the 2016 September quarter, the unemployment rate in Loddon Shire was 6.49%. $^{23}$ 

#### 2.3.3 Building approvals

The Shire's building approvals are used as an indicator of the general level of residential development, economic activity, employment and investment. Residential building activity depends on many factors that vary with the state of the economy including interest rates, availability of mortgage funds, government spending, and business investment. The Shire has maintained a consistent level of residential building approvals over recent years.<sup>24</sup>

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<sup>19</sup> http://profile.id.com.au/loddon/highlights

http://economy.id.com.au/loddon/employment-census

<sup>21</sup> http://economy.id.com.au/loddon

http://economy.id.com.au/loddon/local-jobs

http://economy.id.com.au/loddon/unemployment
 http://profile.id.com.au/loddon/building-approvals

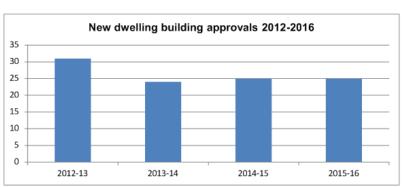


Table 7: Loddon Shire new dwelling building approvals 2012-2016

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#### 3 ABOUT COUNCIL

Council is made up of five publicly elected Councillors who each serve a four year term. The day-to-day operations of the organisation are led by the Chief Executive Officer, who is appointed by Council. Council provides more than 100 different community services and functions, ranging from town planning and local laws to swimming pools, maternal and child health and roads.

In designing this Council Plan, it was important to clearly articulate the scope of Council's role, that is, 'why we exist'. The Council Plan aims to guide Council in our varied roles of:

#### 3.1 Councillors

Councillor Geoff Curnow

Tarnagulla Ward Geoff Curnow has a family history to be proud of – his Cornish forebears have been in the Laanecoorie district for 150 years and he is the third generation of his own family to farm the home property since it was taken up in 1914. Educated at Laanecoorie and Maryborough, Cr Curnow returned to the farm while still in his teens and has amassed a wealth of agricultural knowledge.

Today, together with wife Merna, he runs a prime lamb enterprise paired with some grain production at Laanecoorie. He is a keen traveller and finds great enjoyment in his contacts with people through his community work.

Cr Curnow served as Mayor during 2011-2013.



Councillor Gavan Holt

Wedderburn Ward Gavan Holt is a fifth-generation resident in the Wedderburn district with an extensive family history of local government involvement.

Cr Holt was elected to Loddon Shire Council in 2003 and re-elected in 2005, 2008, 2012 and 2016. He served as Mayor in 2005-07, 2009-11 and 2013-15.

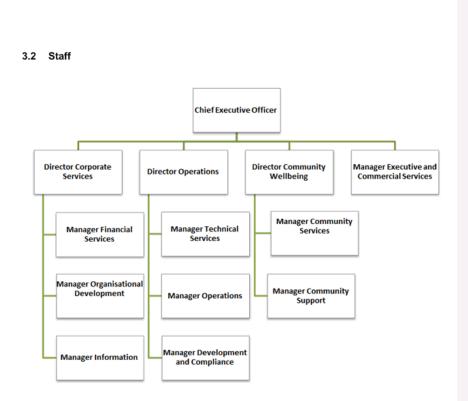
After completing a commerce degree from the University of Melbourne, he taught for 10 years at various secondary schools across Victoria and he is now a businessman with interests in farming, investment and hotels.

He lists his personal interests as politics, international affairs, travel and sport.

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Councillor Neil Beattie Boort Ward	Neil Beattie was first elected in 2005 and re-elected in 2008, 2012 and 2016.  Cr Beattie lives at Catumnal, west of Boort, running a dryland and irrigation farm along with a trucking operation.  He is chairman of the Little Lake Boort Management Committee, a member of the Boort Football Club, and a life member of the North Central Football League, in addition to representing Council on several other committees.  Cr Beattie was elected as Mayor in November 2015 and in 2016 for a further term.
Councillor Cheryl McKinnon Terrick Ward	Cheryl McKinnon was raised on a sheep and dairy farm at Dingee and moved to Pyramid Hill in 1976, when she married local farmer Glenn McKinnon.  The couple now run an irrigated property producing prime lambs and vealers alongside dryland cropping of canola, wheat and barley.  Cr McKinnon worked at Pyramid Hill College for many years assisting students with disabilities and later moved to Central Victoria Group Training's Youth Connections program. She also established and ran the Coffee Bank in Pyramid Hill from early 2008 to mid-2009.  A grandmother of two, Cr McKinnon lists among her personal interests horses, music and woodwork.
Councillor Colleen Condliffe Inglewood Ward	Colleen Condliffe lives with husband Robert at Salisbury West, running a dryland cropping enterprise and a dairy herd of 200-plus cows.  Among her many community interests, she is a member of the Country Women's Association, has been active in numerous farming bodies, has completed the Loddon Murray Leadership Program and was the first woman elected to Loddon Shire Council.  Mrs Condliffe formed the Landcare group at Salisbury West and organised the 1997 Women on Farms Gathering at Bendigo. In 2005-06, she completed the Australian Rural Leadership Program and, in 2009, her name was added to the Victorian Honour Roll for Women.  Mother of four children and a grandmother to seven, Mrs Condliffe is a keen tennis player and football follower.

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#### 4 ABOUT OUR CONTEXT

The Council Plan has been informed by a range of strategic documents and trends.

#### 4.1 Strategic documents

Key strategic documents include:

#### **Council documents**

- · Asset Management Strategy
- · Audit Committee Charter
- Bridges Asset Management Plan
- Building Asset Management Plan
- Business Continuity Framework
- Climate Proofing Sport and Recreational Facilities strategy
- Community Access and Inclusion Plan
- · Community Care Strategy
- · Councillor Code of Conduct
- Domestic Animal Management Plan
- Domestic Wastewater Management
  Plan
- Economic Development Strategy
- Environmental Sustainability Strategy
- Event Management a Guide for Organisers of Events
- Footpath Asset Management Plan
- Healthy Minds Network Strategic Plan
- Loddon Visitor Information Centre Business Plan
- Municipal Early Years Plan

#### **External documents**

Bendigo Region Destination
 Management Plan

- Municipal Emergency Management Plan
- · Municipal Fire Management Plan
- Municipal Public Health and Wellbeing Plan
- Nature Tourism Plan
- · Neighbourhood Safer Places Plan
- Parks Asset Management Plan
- · Performance Reporting Framework
- Project Management Framework
- Recreation Strategy
- Risk Management Framework
- Road Asset Management Plan
- · Road Management Plan
- Rural Zones Review
- · Social Media Strategy
- Staff and Contractors Code of Conduct
- Strategic Document Policy and Procedure Framework
- Swimming Pool Development Plan
- Tourism Strategy
- · Waste Management Strategy
- Youth Strategy
- Loddon Mallee Regional Strategic Plan 2015-2018
- Goldfields Library Plan 2017-2021

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#### 4.2 Trends

This section of the plan outlines key factors in the social environment which could have a significant impact in shaping outcomes in Loddon Shire over the next four years. These factors were identified during consultation with the community, councillors and staff and provide the broad context against which the Council Plan was developed.

#### · Population ageing and decline

Census figures estimate the population of Loddon Shire has declined by 8% in the past decade. Such a decline reduces the capacity of Council to raise revenue through rates, and increases the per capita cost of maintaining regional infrastructure and amenities.

The median age of people in the Shire is 50, which is 9 years higher than the regional Victoria average and 13 years higher than the state average. An ageing population is a global trend impacting western countries, however Loddon's demographic profile is expected to continue to age faster than the state average.

#### This has influenced the Council Plan by:

- retaining, growing and diversifying Loddon Shire's population is a key strategic objective for Council
- attracting young families to the region is critical through the provision of quality infrastructure, facilities and services.
- retaining youth and attracting young families is a key to ensuring greater balance to Loddon's demographic profile.

#### Urbanisation and changing social values

Urbanisation refers to the global trend towards migration to major city centres. Urbanisation has been the great trend of Australian lifestyles over the past century, and all population forecasts naturally predict this movement to continue. Whether or not this continues at the same pace is the question. The urbanisation movement has coincided with the rise of materialism and historically, Australians have had to flock to cities in search of employment, education, entertainment and for connection to family and friends.

However, the rise of other influencing factors, unique to 2017, means that the mere extrapolation of urban appeal into the future cannot be guaranteed. These factors include:

- emerging post-materialistic values which place greater emphasis on lifestyle factors over economic achievement
- an ageing population aspiring to retire in so-called lifestyle regions
- housing affordability issues which force people to look beyond urban centres and suburbs to find housing that they can financially manage.

#### How has this influenced the Council Plan?

- Urban growth over the next decade is likely to be slower than in preceding decades as more and more people choose to live in regional and coastal areas.
- Loddon Shire, with its abundance of space and proximity to Bendigo and Melbourne, is well placed to take advantage of the growing appeal of regional living.
- The Council Plan places an emphasis on improving liveability in Loddon to attract 'tree-changer'.
- The Council Plan places an emphasis on advocating for improved essential services such as aged care, child care, education, and transport services to improve the appeal of Loddon Shire to prospective residents.

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#### · Technology and innovation

Technological innovation is somewhat of a double-edged sword for the Loddon community. On the one hand, innovation in farming has led to automation and job losses in agribusinesses throughout the Shire. However, technology offers the opportunity for Loddon to take advantage of increasingly online and mobile lifestyles which lessen the relationship between geography, employment, income and connectedness. The rise of an entrepreneurial and knowledge economy, enabled by technology is seeing the rise of 'e-changers', individuals and entrepreneurs who are able to work remotely and are increasingly choosing to live in regional locations.

#### How has this influenced the Council Plan?

- The Council Plan places an emphasis on improving liveability in Loddon to attract 'echanger'.
- The Council Plan places an emphasis on advocating for improved services such as NBN and mobile coverage to improve the appeal of Loddon Shire to prospective residents and employers.

#### Economy

The Australian economy is likely to feel the mounting impact of technological efficiency on employment and community morale. As a result, there are likely to be growing incidences of employee displacement and social isolation caused by innovation, digital disruption, and the global drive for productivity efficiencies.

As Australian industries, particularly large employing traditional institutions, are impacted by the rolling impact of workforce automation, a social epidemic of 21<sup>st</sup> century illiteracy could emerge. That is, people without the 21<sup>st</sup> century skills or knowledge that enable them to cope or prosper in times of dynamic economic change become the new illiterates.

As a result of such a scenario, a sustained period of rising unemployment, low interest rates, low wages growth, and low economic growth is plausible. Consequently, there are likely to be increasing feelings of social displacement throughout Australian communities ("Where do I fit in?") and a growing desire for a sense of community belonging and connection.

#### How has this influenced the Council Plan?

- Supporting development of a prosperous and diverse economy is a council planning priority.
- Realising Loddon's tourism potential is a priority for diversifying and developing the economy as Council seeks to capitalise on our natural, historical and cultural assets.
- Facilitating improvement in the business capabilities of Loddon traders and entrepreneurs is seen as essential to building resilience within our economy.
- Optimising the potential for all residents to pursue economic and lifestyle choices by advocating for quality childcare services.
- The Council Plan recognises the critical importance of fostering community pride and resilience by encouraging opportunities for community engagement and inclusion.

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#### Budgetary constraints

Challenging economic conditions, combined with an ageing population will ensure that all Australian governments will be under budgetary pressures for the foreseeable future. This is against a backdrop of rising expectations in terms of the infrastructure and services individuals want from their governments.

#### How has this influenced the Council Plan?

- With approximately two-thirds of revenue coming from external government sources, Loddon Shire Council will be under increasing pressure to secure adequate federal and state funding which support infrastructure and service delivery.
- The Council Plan commits to ensuring the economic viability of Loddon Shire Council
  operations and seeks to address expenditure by undertaking comprehensive service
  delivery reviews across Council.
- The Council Plan recognises the challenging funding environment by pledging to improve the awareness of local businesses to available grants and to provide support and guidance for securing such grants.

#### Transparency

Transparency refers to the increasing exposure of an individual's, organisation's or industry's behaviours. Essentially, the trend of transparency, enabled by the development of technology and greater curiosity and standards from the public, calls on all organisations to be open and honest in their communications with customers or constituents.

#### How has this influenced the Council Plan?

- The Council Plan recognises the importance of improving communications with Loddon residents
- The Council Plan also recognises how critical community understanding, buy-in, and support for the plan is in terms of successful execution and achievement of its ultimate goals.

#### · Environment and sustainability

Environmental awareness, sustainability and social responsibility have been emerging social trends for the past twenty years. Increasingly, individuals and governments have become aware of the need to practise sustainable behaviours which maintain and support our natural resources.

#### How has this influenced the Council Plan?

- The Council Plan emphasises the need to effectively support our natural assets and to deliver adequate, efficient and sustainable waste management services.
- The Council Plan recognises the opportunities to capitalise on Loddon's abundance of land, wind and sun by promoting economic opportunities in emerging renewable energy industries.
- Council seeks to achieve social sustainability by promoting policies and activities which facilitate community harmony and engagement.

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#### 4.3 Strengths

Loddon Shire is a region of many varied strengths and the Council Plan has been designed to capitalise on the opportunities these strategic advantages present.

#### · Goldfields heritage

The Shire is within the Central Victorian Goldfields which is part of the area known as Victoria's 'Golden Triangle'. Towns within the southern part of the Shire are steeped in 150 years of goldfields history and remain popular with weekend prospectors to this day. A number of historic landmarks, buildings, huts and houses reinforce images of Australia's pioneering gold rush days. Such an authentic history provides opportunities to further develop goldfields tourism.

#### Natural resources

Loddon's abundance of water resources including the Loddon River, Boort lakes, Laanecoorie Reservoir and Skinners Flat provide the platform for strategic tourism positioning around a 'festival of water'. These resources are supported by state and national parks including Terrick Terrick National Park, Kooyoora State Park and Leaghur State Park, which provide the platform to position and promote Loddon Shire as 'Victoria's natural playground'.

Loddon Shire enjoys a Mediterranean climate which lends itself to take advantage of strategic opportunities in emerging renewable energy industries.

#### · Indigenous culture

Opportunities to further develop indigenous tourism exist with cultural landmarks such as the Boort scarred trees in the northern part of the Shire.

#### · Space, time and affordability

The Shire is approximately 6,700 square kilometres, offering abundant space and extremely low population density. As Australia's capital cities become increasingly dense and congested, as lifestyles become busier, and as the aspiration for metropolitan home ownership becomes unreachable for many, Loddon Shire can appeal to prospective residents looking for space, personal time and affordable housing.

#### Proximity and accessibility

The south eastern part of Loddon Shire is a comfortable 30-minute drive from the major regional centre of Bendigo, and is approximately 2 hours north-west of Melbourne. Proximity to Bendigo in particular, presents opportunities for population growth in fringe towns to the West of Bendigo. <a href="Two-Three">Two-Three</a> major highway arterials cut across the Shire providing access to strategic freight routes. <a href="Numerous other arterial roads enable access to all parts of the Shire">Numerous other arterial roads enable access to all parts of the Shire</a>. <a href="Three are also">Three are also</a> opportunities to capitalise further on existing rail corridors.

#### Agribusiness

The region upholds a strong and diverse agricultural sector supported by large areas of flat, fertile and affordable land. Access to irrigation water in areas to the north of the Shire supports highly productive, diverse agricultural and horticultural enterprises. Water security initiatives currently being implemented in the southern part of the Shire open up further opportunities for intensive farming and value-adding industries in the future.

#### Council reputation

Loddon Shire Council enjoys an enviable reputation as a 'can do' council, providing high quality services to its constituents, and executing its funding commitments successfully. Council has a sound reputation with regards to financial management, active consultation with its community, and is renowned as a training ground for high quality staff by other councils.

# North Central Local Learning and Employment Network

Loddon Shire Council has a strong relationship with the North Central Local Learning and Employment Network. This relationship helps to ensure the support of young people in the

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Shire through the improvement of their participation, engagement, attainment and transition outcomes.

#### 4.4 Risks

This section outlines some of the potential challenges or threats to Council achieving their objectives outlined in this plan.

#### · Managing for growth

Loddon Shire's population is in long-term decline and ageing faster than the rest of Victoria. Arresting these two trends will not result from adopting a 'business-as-usual' approach to the future. As leaders within the Shire, Council are at a fundamental fork in the road and need to honestly address the challenges facing the region: "Are we managing the decline or going for growth?"

Going for growth requires the bold pursuit of a compelling vision of prosperous, vibrant and engaged communities. It requires the pursuit of tourism, economic development and demographic objectives designed to turn around the fortunes of the region.

#### • Federal and State Government budgetary pressures

Approximately two-thirds of Loddon Shire's budget is reliant upon state and federal government grants. With Australia's economy facing fundamental challenges including an ageing population, declining consumerism and changing structural dynamics, government budgets are likely to remain under considerable stress into the foreseeable future. Consequently, opportunities for funding are likely to become more challenging and competition for funding is only likely to become more intense.

Such a likely outcome places pressure on Loddon Shire to maintain its excellent record at securing adequate financial support to deliver community facilities. Developing and communicating a compelling vision for the future will be critical to securing funding support in the future.

# • Community communication and consultation

Facing external challenges and internal budgetary pressures, it's essential that Council be transparent with its communities and effectively communicates why the objectives and actions outlined in this plan are so necessary. Many people are resistant to change and the success of Council's plans are reliant on community understanding and buy-in to Council's vision for the future. Without such support, many Council initiatives are likely to be met with community resistance.

#### · Climate variability

Loddon Shire is particularly vulnerable to volatile or sustained weather conditions such as floods or drought. Both extreme conditions represent challenges to agricultural output, tourism, regional prosperity and attractiveness, and to the upkeep of community infrastructure and amenities.

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# **65 ABOUT THE COUNCIL PLAN**

According to the Municipal Association of Victoria, a Council Plan is:

"the 'Peak' Plan...that clearly identifies what the Council is planning to achieve in the next 4 years, as part of a longer-term journey"

The agreed purpose of this Council Plan is to outline the five Councillors' collective aims for this four year term and to inform the annual business plans of Council management.

#### 6.45.1 Strategic planning framework

The Council Plan is not developed in isolation. It sits within a broader planning framework as illustrated below, and should be read in conjunction with the Strategic Resource Plan.



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#### 6.25.2 Developing the Council Plan

The Council Plan 2017-2021 was developed with the input of everyone it affects – Councillors, Council staff, and importantly, the community. Council undertook a community consultation project, asking the community "What is your great idea for Loddon Shire?"

A significant amount of consultation has occurred in developing the 2017-2021 Council Plan.

#### Interviews

In December 2016 and January 2017 thirteen senior staff and all Councillors were interviewed to gain an understanding of the key issues, strengths and opportunities facing Loddon Shire Council and its community. Key themes emerging from the interviews include:

- · purpose: providing relevant community services to enhance lifestyles
- key trends: ageing population, declining population; farming consolidation
- significant developments in next five years: water security; shared council service arrangements; rationalisation of services and facilities; increased tourism
- prosperous future: quality services and infrastructure in strategic locations; good job prospects; prospering industries; active, healthy, engaged community; improved visual aspects of towns and streetscapes
- major decisions on the horizon: service delivery reviews; strategic asset management; streetscapes
- · constraints: financial capability/rate capping; attracting and retaining quality staff
- core competencies: respected as deliverers/a 'can do' Council; responsible Council; financial management.

#### Community and business leaders workshop

On 6 March 2017 a workshop with community leaders and business leaders was held, attracting strong representation from each ward and various businesses and community groups.

Ward/group	Number
Boort	13
Inglewood	18
Tarnagulla	9
Terricks	13
Wedderburn	16
Agencies	7
Council Staff and Councillors	18
Total	94

Key themes emerging from the workshop included:

- a prosperous Loddon economy
- · a healthy, engaged Loddon community
- a vibrant and sustainable built and natural environment.

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#### Community input

Community members were invited to contribute ideas for the Council Plan and vote on them through an online OurSay Forum from 26 March 2017 to 2 April 2017. A commitment was made that the top 10 ideas would help inform the Council Plan. A total of 34 ideas were submitted and 137 votes cast. The top 10 ideas include:

1. Implement Donaldson Park Masterplan

- 2. Advocate for access to quality childcare
- 3. Improve availability of aged care facilities
- Advocate for improved public transport 4.
- Advocate for access to quality childcare (same idea as #2, different submitter)
- Provide work experience opportunities within Council 6.
- Investigate creation of community gardens
- 8. Maximise the solar potential of our region
- Support farmers to remain vital citizens of our communities
- 10. Promote our region as a tourism destination with natural assets.

#### Youth engagement

Youth were also invited to contribute ideas. A workshop was conducted attracting 14 participants. Surveys were also distributed to youth attending Council's pools with two returned by the end of the survey period. Key issues identified by youth include:

- lack of employment opportunities, part time work after school, work placements along with limited career options/role models in the community
- transport options limited, having to travel to study and work
- more entertainment/community events needed to bring people together.

#### Site visits

Councillors and staff toured the Shire to gain an understanding of strategic issues affecting the Shire. Feedback provided as a result of the tour included:

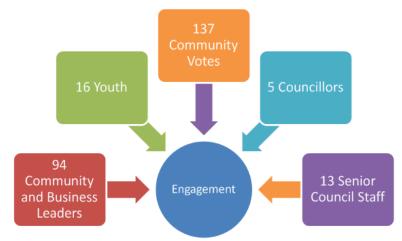
- advocate for NBN for all regions
- support City of Greater Bendigo plans to extend living and rail links to Marong
- infrastructure spend in growth areas
- establish agreed service levels with community and focus spending for long term benefits
- better long term costing on projects
- don't always listen to the squeaky wheel
- make our streetscapes appealing including private dwellings on main streets
- clean up unsightly buildings and yards
- attract labouring businesses to the area for employment
- concentrate on main towns improving services and the appeal to attract new residents
- promote water recreation areas
- resolve infrastructure management at key water recreation areas
- pride in township appearance signage, footpaths, manicured public spaces, no 'unsightly' premises
- good road access farm to market and town to town
- economic development job opportunities be proactive in pursuing investment in
- get the systems, process and resources right so that we are maintaining our infrastructure sustainably.

All of the feedback and information the community provided was collated, with common themes and issues identified to pin-point the great ideas that matter most to our community.

This information was then presented to Councillors, who reviewed it further, finalising our Strategic Objectives, Strategies, Strategic Indicators and Actions.

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These details were outlined in a Draft Council Plan document. The community was given the opportunity to review the Draft Council Plan and share their ideas on it with Council before the final Council Plan 2017-2021 was officially endorsed and adopted by Council.



The Council Plan sets out how we will work towards our vision to be a prosperous, vibrant and engaged community over the next four years.

It will be used to guide management and delivery of Council services and functions and inform Council's annual planning and budget processes.

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#### 6.35.3 Strategy map

The 2017-2021 Council Plan is built around five high level strategic objectives grouped into five strategic themes. Each strategic theme has a number of strategic indicators and strategies. Each strategy has objectives and actions.

# Theme Strategic Objective Strategies Action/s Strategic Indicator/s

#### Strategic Themes

Strategic Themes are an area in which the organisation must excel in order to achieve its vision/mission.

#### Strategic Objectives

The Council Plan is structured around five Strategic Objectives that we will strive towards.

#### Strategies

Within each Strategic Objective are a number of Strategies. Each strategy has one or more actions.

# Actions

Actions are what we will do to deliver against each strategy.

# Strategic Indicators

Each Action has a number of Strategic Indicators.

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# 6.45.4 The next four years

# Strategic Themes and Objectives

Strategic Themes and Objectives outline the strategies necessary for Loddon Shire Council to achieve its vision and mission over the years 2017-2021.

In all, five Strategic Themes and Objectives have been identified:

Strategic Theme	Strategic Objective
Population	Grow and invigorate Loddon's population
Economic Prosperity	Support development of a prosperous and diverse economy
Liveability	Develop attractive, vibrant and well-serviced communities
Sustainability	Provide leadership which contributes to the sustainability of our region
High Performance Organisation	Implement frameworks which enable sound decision making and support a high performing and customer-focused organisation

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# 6.4.15.4.1 Theme - Population

Strategic Objective: Grow and invigorate Loddon's population

Strategies	Actions	Strategic Indicators	
Population growth and diversity Develop a more balanced and sustainable demographic profile	Advocate for the provision of quality facilities and services which attract and retain families	Implement the Donaldson Park Master Plan	
Quality childcare services Optimise the potential for all residents to pursue employment opportunities and lifestyle choices	Develop feasibility study, business case and advocacy strategy for required level of childcare services	Complete feasibility study for childcare services Complete business case for childcare services	Formatted: Highlight
Infrastructure, amenities and services Support community needs with high standard infrastructure, facilities, services and programs	Maintain high quality roads, buildings, parks and gardens, and provide quality amenities and recreation facilities	95% or more of road defects completed within timeframe allocated Complete reviews of Asset Management Plans	
Attractive housing policies Encourage population growth by improving the ease of transition for new residents	Ensure positive and sustainable outcomes are achieved through appropriate use of regulations, permits and controls Prepare Settlement Strategy to provide a suitable supply of residential land in and around towns	90%-or-more of Council planning decisions upheld at VCAT  Review the Settlement Strategy Provision of vacant land zoned for residential development in and around towns  New residential development in and around towns	
Public transport services Improve the mobility and accessibility of residents to lifestyle needs and choices	Determine the level of community need for additional public transport and advocate for appropriate public transport services	Complete feasibility study on increase to public transport  Work in collaboration with Loddon Campaspe Regional Partnership to examine opportunities for transport for smaller communities	Formatted: Highlight

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# 6.4.25.4.2 Theme: Economic Prosperity

Strategic Objective: Support development of a prosperous and diverse economy

Strategies Actions		Strategic Indicators		
Tourism Realise Loddon's tourism potential by supporting and promoting our natural, historical and cultural assets	Develop a comprehensive, cohesive and compelling story which positions and promotes Loddon Shire as 'Victoria's natural playground'	Complete a review of the Tourism Strategy		
Economic development Encourage economic development by providing support which facilitates business initiatives and growth	Attract new business opportunities and maintain support for traditional industries	Maintain and enhance resources to ensure timely processing of planning and building applications  Continue to provide forums for business networks that provide training and support		
Water security Secure adequate water access to maintain the viability of diverse economic activities	cure adequate water cess to maintain the bility of diverse  Ongoing advocacy for water security initiatives which support			
Economic infrastructure Support the delivery of key public infrastructure that facilitates improved economic returns	Advocate for, and where appropriate, deliver quality roads and strategic freight routes and improved reliability and capacity of essential services	Review Road Asset Management Plan  Pursue advocacy opportunities for essential infrastructure and services		
Business capability Facilitate improvement in the business capabilities of Loddon traders and entrepreneurs	Provide support to existing business to encourage take up of self-improvement opportunities	Provide communication and training opportunities about available grants and tender processes  Develop and implement a policy to provide a framework to access Council's heritage loans scheme		

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# 6.4.35.4.3 Theme: Liveability

Strategic Objective: Develop attractive, vibrant and well-serviced communities

	Strategies	Actions	Strategic Indicators	
			Implement streetscape	Formatted: Highligh
	Township appearance Ensure our townships are presented to a high standard	Improve character and appearance of townships	improvements in key townships Identify and manage	
			rectification of unsightly premises	
I			Develop a volunteer strategy	
	Community engagement Build relationships and foster community engagement, pride and	Support and promote initiatives which encourage community inclusion and engagement	Explore opportunities to rejuvenate a Youth Council in partnership with 'Youth Building Places and Spaces' project	
ı	resilience	insideren and engagement	Continue to supportthe	Formatted: Highligh
			provision of library services	Formatted: Highligh
			Provide opportunities for the community to develop community gardens	
	Lifestyle infrastructure Provide quality infrastructure which supports the desired lifestyles of our residents	Identify appropriate levels of service across all infrastructure categories within relevant Asset Management Plans	Develop a plan for rationalisation of unnecessary assets with a direction towards future use of multi-purpose facilities	
	Water security Secure adequate water access which supports lifestyle needs and recreational choices	Advocate for ongoing water security initiatives which support liveability in Loddon	Pursue advocacy opportunities for water security initiatives which support lifestyle needs and recreation choices as they arise	

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# 6.4.45.4.4 Theme: Sustainability

Strategic Objective: Provide leadership which contributes to the sustainability of our region

Strategies	Actions	Strategic Indicators
Economic sustainability Ensure the ongoing economic viability of Loddon Shire Council operations	Undertake comprehensive service delivery reviews across council	Complete a minimum of three service delivery reviews per year
Environmental sustainability Deliver adequate, efficient	Identify and manage issues impacting on the environment	Complete Urban Drainage Asset Management Plan
and sustainable environment and waste management services	Complete roadside management plan and associated works programs and policies	Complete Roadside Management Plan
	Promote multi-purpose facility sharing opportunities which meet community needs	Review the Small Towns Policy
	Extend the community planning focus to develop a holistic and realistic longer term vision for Loddon Shire communities	Complete a long term community plan for Loddon Shire
Social sustainability Actively promote policies and activities which	Ensure appropriate levels of support for smaller communities	Review the Community Support Policy
facilitate community health, harmony and engagement	Work with the Local Learning and Employment Network to address employment, education and training opportunities in the community	Input into the Loddon and Buloke Education and Training Needs Analysis Project
	Develop a Reconciliation Action Plan at the 'Reflect' level	Acceptance of the Reconciliation Action Plan by Reconciliation Australia
	Collaborate with key stakeholders in the preparation of the Municipal Public Health and Wellbeing Plan	Adopt the Municipal Public Health and Wellbeing Plan

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# 6.4.55.4.5 Theme: High Performance Organisation

**Strategic Objectives:** Implement frameworks which enable sound decision making and support a high performing and customer-focused organisation

Strategies	Actions	Strategic Indicators
Financial management Practise responsible and sustainable financial behaviours	Deliver responsible cash flow management	Prepare an annual budget with a budgeted cash surplus
Quality customer service Improve communication with community and customers	Create better opportunities for the community to access council information, services and support	Review the Customer Service Charter and develop a Customer Service Strategy  Review the Communication and Community Engagement Policy
IT infrastructure Improve internal and external service delivery	Implement the software purchases and upgrades as identified within the IT strategy	Upgrade finance, human resource, document management and payroll software Replace phone system
Leadership and representation Deliver results in line with the direction of Council	Implement Council Plan	80% of Strategic Indicators met by 30 June 2021
Organisational development Develop the necessary culture and capabilities to achieve Council's strategic and operational objectives	lop the necessary re and capabilities to ve Council's strategic  Continue to develop a high-performance culture	
Compliance and reporting Meet our legislative requirements and improve internal efficiencies	porting Identify and implement opportunities to streamline processes which improve	

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# **76\_STRATEGIC RESOURCE PLAN**

# 7.16.1 Budgeted Comprehensive Income Statement

	Forecast	Budget	Strategic Resource Plan Projec		Projections
	2016/17	2017/18	2018/19	2019/20	2020/21
Income					
Rates and charges	\$10,105,251	\$10,406,865	\$10,537,935	\$10,767,370	\$11,002,049
Statutory fees and fines	\$257,417	\$248,670	\$254,887	\$261,259	\$267,790
User fees	\$1,744,874	\$1,432,607	\$1,213,297	\$1,246,296	\$1,280,391
Grants - operating	\$14,004,302	\$5,830,781	\$9,830,312	\$10,025,832	\$10,225,262
Grants - capital	\$6,150,476	\$3,296,530	\$7,134,608	\$2,733,422	\$2,496,756
Contributions - monetary	\$115,331	\$15,000	\$384,000	\$100,000	\$108,000
Net gain/(loss) on disposal of property, infrastructure, plant and					
equipment	\$0	\$0	\$0	\$0	\$0
Share of net profits/(losses) of					
associates and joint ventures	\$0	\$0	\$0	\$0	\$0
Other income	\$1,424,947	\$1,393,967	\$1,434,965	\$1,443,995	\$1,453,211
Total income	\$33,802,598	\$22,624,420	\$30,790,004	\$26,578,174	\$26,833,459
Expenses					
Employee costs	\$10,212,285	\$10,809,393	\$11,135,429	\$11,587,133	\$12,050,383
Materials and services	\$10,212,014	\$8,606,761	\$7,773,026	\$7,849,834	\$8,309,711
Bad and doubtful debts	\$0	\$0	\$0	\$0	\$0
Depreciation and amortisation	\$8,757,634	\$8,976,575	\$9,200,989	\$9,431,017	\$9,666,790
Borrowing costs	\$0	\$0	\$0	\$0	\$0
Other expenses	\$299,116	\$304,738	\$310,473	\$316,322	\$322,289
Total expenses	\$29,481,049	\$28,697,467	\$28,419,917	\$29,184,306	\$30,349,173
Surplus/(deficit) for the year	\$4,321,549	(\$6,073,047)	\$2,370,087	(\$2,606,132)	(\$3,515,714)
Other comprehensive income					
Net asset revaluation					
increment/(decrement)	\$0	\$0	\$0	\$0	\$0
Shares of other comprehensive					•
income of associates and joint					
ventures	\$0	\$0	\$0	\$0	\$0
Total comprehensive result	\$4,321,549	(\$6,073,047)	\$2,370,087	(\$2,606,132)	(\$3,515,714)

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# 7.26.2 Budgeted Balance Sheet

	Forecast		Strat	Plan	
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Assets					
Current assets					
Cash and cash equivalents	\$14,496,633	\$9,005,797	\$6,255,484	\$4,394,899	\$1,218,284
Trade and other receivables	\$732,553	\$511,609	\$587,101	\$502.684	\$507,605
Other financial assets	\$0	\$0	\$0	\$0	\$0
Inventories	\$62,523	-	\$56,427	\$53,606	
Non-current assets classified as		+,	¥,	4,	,
held for sale	\$190,356	\$190,356	\$190,356	\$190,356	\$190,356
Total current assets	\$15,482,065	\$9,767,159	\$7,089,368	\$5,141,545	\$1,967,171
104104114114	<b>\$10,102,000</b>	40,101,100	41,000,000	<b>40,141,040</b>	<b>\$1,001,111</b>
Non-current assets					
Trade and other receivables	\$87,000	\$0	\$0	\$0	\$0
Investments in associates and	907,000	- 00	ΨΟ	ΨΟ	ΨΟ
joint ventures	\$362,225	\$362,225	\$362,225	\$362,225	\$362,225
Property, infrastructure, plant and	9302,223	ψ302,223	Ψ502,225	\$502,225	ψ302,223
equipment	\$320 537 638	\$330.056.407	\$345,217,039	\$355 162 013	\$365 745 441
Intangible assets	\$1,654,362				
Total non-current assets			\$347,233,626		
Total assets			\$354,322,994		
Total assets	\$330,123,290	\$341,040,133	\$334,322,554	\$302,320,143	\$305,725,155
Liabilities					
Current liabilities					
Trade and other payables	\$339,721	\$292.895	\$272,191	\$275,995	\$291,291
Trust funds and deposits	\$263,239	\$250,077	\$237,573	\$225,695	\$214,410
Provisions	\$2,064,708	\$1,999,895	\$1,932,291	\$1,861,983	\$1,788,863
Interest bearing loans and	02,001,100	\$1,000,000	\$1,002,E01	01,001,000	\$ 1,1 00,000
borrowings	\$0	so	\$0	\$0	\$0
Total current liabilities	\$2,667,668	\$2,542,867	\$2,442,055	\$2,363,673	\$2,294,564
	7=,000,000	4=,01=,001	4=1=1000	4=,000,000	72,201,000
Non-current liabilities					
Provisions	\$2,605,475	\$2.898.347	\$3,204,510	\$3,523,953	\$3,857,259
Interest bearing loans and					,
borrowings	\$0	S0	\$0	\$0	\$0
Total non-current liabilities	\$2,605,475	\$2,898,347	\$3,204,510	\$3,523,953	\$3,857,259
Total liabilities	\$5,273,143		\$5,646,565	\$5,887,626	\$6,151,823
	V-)=,	<b>*</b> 1,,=	, , , , , , , , , , , , ,	<b>41,111,111</b>	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
NET ASSETS	\$332,850,147	\$336,398,939	\$348,676,429	\$356,432,519	\$363,577,376
				, , , , ,	
Equity					
	\$104,969,130	\$103 270 779	\$104,631,429	\$101 597 035	\$98,593,222
Accumulated surplus				0.01,001,000	400,000,EEE
Accumulated surplus Asset revaluation reserve			\$237 295 771	\$247 657 993	\$258 318 564
Accumulated surplus Asset revaluation reserve Other reserves		\$227,388,368	\$237,295,771 \$6,749,229		\$258,318,564 \$6,665,590

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# 7.36.3 Budgeted Statement of Changes in Equity

		Accumulated	Revaluation	Other
2018	Total	surplus	reserve	reserves
Balance at beginning of the				
financial year	\$332,850,146	\$104,969,130	\$217,766,528	\$10,114,488
Surplus/ (deficit) for the year	(\$6,073,047)	(\$6,073,047)	\$0	\$0
Net asset revaluation increment /				
(decrement)	\$9,621,840	\$0	\$9,621,840	\$0
Transfer to other reserves	\$0	(\$2,182,392)	\$0	\$2,182,392
Transfer from other reserves	\$0	\$6,557,088	\$0	(\$6,557,088)
Balance at end of financial year	\$336,398,939	\$103,270,779	\$227,388,368	\$5,739,792

2019	Total	Accumulated surplus	Revaluation reserve	Other reserves
Balance at beginning of the				
financial year	\$336,398,939	\$103,270,779	\$227,388,368	\$5,739,792
Surplus/ (deficit) for the year	\$2,370,087	\$2,370,087	\$0	\$0
Net as set revaluation increment / (decrement)	\$9,907,403	\$0	\$9,907,403	\$0
Transfer to other reserves	\$0	(\$2,405,871)	\$0	\$2,405,871
Transfer from other reserves	\$0	\$1,396,434	\$0	(\$1,396,434)
Balance at end of financial year	\$348,676,429	\$104,631,429	\$237,295,771	\$6,749,229

	Accumulated	Revaluation	Other
Total	surplus	reserve	reserves
\$348,676,429	\$104,631,429	\$237,295,771	\$6,749,229
(\$2,606,132)	\$2,606,132	\$0	\$0
\$10,362,222	\$0	\$10,362,222	\$0
\$0	(\$2,031,303)	\$0	\$2,031,303
\$0	\$1,603,041	\$0	(\$1,603,041)
\$356,432,519	\$106,809,299	\$247,657,993	\$7,177,491
	\$348,676,429 (\$2,606,132) \$10,362,222 \$0 \$0	Total         surplus           \$348,676,429         \$104,631,429           (\$2,606,132)         \$2,606,132           \$10,362,222         \$0           \$0         (\$2,031,303)           \$0         \$1,603,041	Total         surplus         reserve           \$348,676,429         \$104,631,429         \$237,295,771           (\$2,606,132)         \$2,606,132         \$0           \$10,362,222         \$0         \$10,362,222           \$0         (\$2,031,303)         \$0

2021	Total	Accumulated surplus	Revaluation reserve	Other reserves
Balance at beginning of the financial year	\$356 433 540	\$106,809,299	\$247.657.002	\$7,177,491
Surplus/ (deficit) for the year	(\$3,515,714)		\$0	\$7,177,491
Net asset revaluation increment / (decrement)	\$10,660,571	\$0	\$10,660,571	\$0
Transfer to other reserves	\$0	(\$1,986,437)	\$0	\$1,986,437
Transfer from other reserves	\$0	\$2,498,338	\$0	(\$2,498,338)
Balance at end of financial year	\$363,577,376	\$103,805,486	\$258,318,564	\$6,665,590

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# 7.46.4 Budgeted Statement of Cash Flows

	Forecast		Strat	egic Resource	Plan
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Cash flows from operating activ	ities				
Receipts					
Rates and charges	\$10,108,261	\$10,585,996	\$10,394,599	\$10,809,043	\$11,015,627
Statutory fees and fines	\$408,553	\$275,938	\$243,736	\$274,926	\$272,654
User fees	\$1,667,621	\$1,561,584	\$1,164,441	\$1,309,210	\$1,303,785
Grants - operating	\$14,290,291	\$5,899,468	\$10,026,919	\$10,226,349	\$10,429,767
Grants - capital	\$6,723,111	\$3,410,389	\$7,277,300	\$2,788,090	\$2,546,691
Contributions - monetary	\$117,638	\$15,300	\$391,680	\$102,000	\$110,160
Interest received	\$497,078	\$378,000	\$378,759	\$380,653	\$382,557
Trust funds and deposits taken	\$0	\$0	\$0	\$0	\$0
Other receipts	\$1,153,419		\$1,077,329	\$1,084,608	\$1,092,066
Net GST refund/payment	(\$145,017)	(\$100,428)	(\$132,926)	(\$116,043)	(\$117,027)
Operating receipts	\$34,820,955	\$23,062,532	\$30,821,837	\$26,858,836	\$27,036,280
operating receipte	<b>VO 1,020,000</b>	<b>\$20,002,002</b>	400,021,001	<b>\$20,000,000</b>	<b>\$2.7,000,200</b>
Payments					
Employee costs	(\$10.165.275)	(\$10.619.581)	(\$10,935,882)	(\$11 377 790)	(\$11,830,785)
Materials and services	(\$10,763,273)		(\$7,946,073)		(\$8,458,889)
Trust funds and deposits repaid	(\$13,855)	(\$13,162)	(\$12,504)	(\$11,878)	(\$11,285)
Other payments	(\$299,662)	(\$304,738)	(\$310,473)	(\$316,322)	(\$322,289)
Operating payments		, , , , ,	(\$19,204,932)		, ,
Operating payments	(\$20,731,946)	(\$19,764,664)	(\$19,204,932)	(\$19,705,652)	(\$20,623,246)
Net cash provided by/(used in)					
operating activities	\$14,089,009	\$3,297,668	\$11,616,905	\$7,153,184	\$6,413,032
operating activities	\$14,069,009	\$3,297,000	\$11,616,903	\$7,155,164	\$6,413,032
Cook flows from Investigate activi	tion.				
Cash flows from investing activity	ties		I		l
infrastructure, plant and	(\$47.260.00Z)	(\$0.072.E04)	(\$14.454.040)	(60.042.760)	/\$0.590.647V
equipment	(\$17,368,087)	(\$8,873,504)	(\$14,454,218)	(\$9,013,769)	(\$9,589,647)
equipment infrastructure, plant and	, , , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		1,000	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
equipment infrastructure, plant and equipment	\$0	\$0	\$0	\$0	\$0
equipment infrastructure, plant and equipment Decrease in term deposits	\$0 \$1,750,000	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0
equipment infrastructure, plant and equipment Decrease in term deposits advances	\$0	\$0	\$0	\$0	\$0 \$0
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in)	\$0 \$1,750,000 \$69,000	\$0 \$0 \$79,000	\$0 \$0 \$87,000	\$0 \$0 \$0	\$0 \$0 \$0
equipment infrastructure, plant and equipment Decrease in term deposits advances	\$0 \$1,750,000	\$0 \$0 \$79,000	\$0 \$0	\$0 \$0 \$0	\$0 \$0
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities	\$0 \$1,750,000 \$69,000 (\$15,543,087)	\$0 \$0 \$79,000	\$0 \$0 \$87,000	\$0 \$0 \$0	\$0 \$0 \$0
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activi	\$0 \$1,750,000 \$69,000 (\$15,543,087)	\$0 \$0 \$79,000 (\$8,788,504)	\$0 \$0 \$87,000 (\$14,367,218)	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 (\$9,589,647)
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activi Finance costs	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties	\$0 \$0 \$79,000 (\$8,788,504)	\$0 \$0 \$87,000 (\$14,367,218)	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 (\$9,589,647)
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activi Finance costs Proceeds from borrowings	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0	\$0 \$0 \$79,000 (\$8,788,504)	\$0 \$0 \$87,000 (\$14,367,218)	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 (\$9,589,647)
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activitinance costs Proceeds from borrowings Repayment of borrowings	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties	\$0 \$0 \$79,000 (\$8,788,504)	\$0 \$0 \$87,000 (\$14,367,218)	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 (\$9,589,647)
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activitien Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in)	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0 \$0	\$0 \$0 \$79,000 (\$8,788,504) \$0 \$0 \$0	\$0 \$0 \$87,000 (\$14,367,218) \$0 \$0 \$0	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activitinance costs Proceeds from borrowings Repayment of borrowings	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0	\$0 \$0 \$79,000 (\$8,788,504)	\$0 \$0 \$87,000 (\$14,367,218)	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 (\$9,589,647)
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activitien Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0 \$0	\$0 \$0 \$79,000 (\$8,788,504) \$0 \$0 \$0	\$0 \$0 \$87,000 (\$14,367,218) \$0 \$0 \$0	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activities Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0 \$0	\$0 \$0 \$79,000 (\$8,788,504) \$0 \$0 \$0	\$0 \$0 \$87,000 (\$14,367,218) \$0 \$0 \$0	\$0 \$0 \$0 (\$9,013,769) \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activities Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash and cash equivalents	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0 \$0	\$0 \$0 \$79,000 (\$8,788,504) \$0 \$0 \$0	\$0 \$0 \$87,000 (\$14,367,218) \$0 \$0 \$0	\$0 \$0 \$0 (\$9,013,769)	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activit Finance costs Proceeds from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0 \$0 \$0	\$0 \$0 \$79,000 (\$8,788,504) \$0 \$0 \$0 \$0 (\$5,490,836)	\$0 \$0 \$87,000 (\$14,367,218) \$0 \$0 \$0 \$0 (\$2,750,313)	\$0 \$0 \$0 (\$9,013,769) \$0 \$0 \$0 (\$1,860,585)	\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
equipment infrastructure, plant and equipment Decrease in term deposits advances Net cash provided by/(used in) investing activities  Cash flows from financing activities  Cash flows from borrowings Repayment of borrowings Net cash provided by (used in) financing activities  Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the year	\$0 \$1,750,000 \$69,000 (\$15,543,087) ties \$0 \$0	\$0 \$0 \$79,000 (\$8,788,504) \$0 \$0 \$0	\$0 \$0 \$87,000 (\$14,367,218) \$0 \$0 \$0	\$0 \$0 \$0 (\$9,013,769) \$0 \$0	\$0 \$0 \$0 (\$9,589,647) \$0 \$0 \$0 (\$3,176,615)
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# 7.56.5 Budgeted Statement of Capital Works

	Forecast		Strate	egic Resource F	Plan
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Capital works areas					
Carried forward works from					
previous years	\$6,143,370	\$645,500	\$0	\$0	\$0
Land and buildings	\$1,035,325	\$793,500	\$410,000	\$410,000	\$1,660,000
Office furniture and equipment	\$253,353	\$317,363	\$92,101	\$92,154	\$92,208
Plant and equipment	\$1,763,077	\$844,100	\$834,100	\$1,251,681	\$1,620,275
Footpaths	\$497,467	\$293,755	\$249,699	\$261,057	\$278,185
Roadworks	\$7,153,362	\$3,767,452	\$3,470,988	\$3,268,521	\$3,307,913
Urban and road drainage	\$254,650	\$1,558,000	\$5,250,000	\$350,000	\$350,000
Recreation, leisure and					
community facilities	\$187,380	\$790,000	\$3,163,000	\$420,000	\$1,045,000
Parks, open space and					
streetscapes	\$404,600	\$354,500	\$1,215,000	\$3,270,000	\$1,630,000
Other infrastructure	\$0	\$0	\$0	\$0	\$0
Total capital works	\$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581
Represented by:					
New asset expenditure	\$2,086,777	\$1,051,100	\$846,201	\$1,263,835	\$1,632,483
Asset renewal expenditure	\$4,727,261	\$3,488,562	\$2,474,904	\$2,327,273	\$2,451,617
Asset expansion expenditure	\$7,048,293	\$4,469,008	\$5,815,000	\$2,920,000	\$2,130,000
Asset upgrade expenditure	\$3,830,253	\$355,500	\$5,548,783	\$2,812,305	\$3,769,481
Total capital works expenditure	\$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581
•					
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	Forecast		Strategic Resource Plan		Plan
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Expenditure type					
Labour	\$269,940	\$316,989	\$273,461	\$267,294	\$269,751
Oncost	\$190,995	\$183,966	\$144,400	\$141,155	\$142,449
Plant	\$585,619	\$639,733	\$577,317	\$561,064	\$564,845
Creditors	\$6,765,690	\$4,231,651	\$4,576,604	\$3,406,205	\$4,300,556
Contractors	\$9,880,340	\$3,991,831	\$9,113,106	\$4,947,695	\$4,705,980
Total capital works expenditure	\$17,692,584	\$9,364,170	\$14,684,888	\$9,323,413	\$9,983,581

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# 7.66.6 Budgeted Statement of Human Resources

	Forecast		Strategic Resource Plan		Plan
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Staff expenditure					
Employee labour - operating	\$9,942,345	\$10,492,404	\$10,861,968	\$11,319,839	\$11,780,632
Employee labour - capital	\$269,940	\$316,989	\$273,461	\$267,294	\$269,751
Total staff expenditure*	\$10,212,285	\$10,809,393	\$11,135,429	\$11,587,133	\$12,050,383
Staff numbers EFT**	EFT	EFT	EFT	EFT	EFT
Employees	135.09	135.09	135.09	135.09	135.09
Total staff numbers EFT	135.09	135.09	135.09	135.09	135.09
* Excludes employee oncost	** Equivalent Ful	l Time			

A summary of human resources expenditure categories according to the organisation structure of Council is included below:

Department	Budget 2017/18	Permanent Full Time	Permanent Part Time
Staff cost			
Economic development and tourism	\$569,861	\$331,298	\$238,563
Leadership	\$367,876	\$272,262	\$95,614
Works and infrastructure	\$3,024,421	\$3,024,421	\$0
Good management	\$2,794,073	\$2,010,192	\$783,881
Environment	\$342,799	\$251,634	\$91,165
Community services and recreation	\$3,393,374	\$1,240,596	\$2,152,778
Total permanent staff expenditure	\$10,492,404	\$7,130,403	\$3,362,001
Casuals and other expenditure	\$0		
Capitalised labour costs	\$316,989		
Total expenditure	\$10,809,393		

A summary of the number of equivalent (FTE) Council staff in relation to the above expenditure is included below:

	Budget	Permanent	Permanent
Department	2017/18	Full Time	Part Time
Staff cost			
Economic development and			
tourism	\$569,861	\$331,298	\$238,563
Leadership	\$367,876	\$272,262	\$95,614
Works and infrastructure	\$3,024,421	\$3,024,421	\$0
Good management	\$2,794,073	\$2,010,192	\$783,881
Environment	\$342,799	\$251,634	\$91,165
Community services and			
recreation	\$3,393,374	\$1,240,596	\$2,152,778
Total permanent staff			
expenditure	\$10,492,404	\$7,130,403	\$3,362,001
Casuals and other expenditure	\$0		
Capitalised labour costs	\$316,989		
Total expenditure	\$10,809,393		

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# 7.76.7 Budgeted Statement of Reserves

	Forecast		Strate	egic Resource F	Plan
	Actual	Budget		Projections	
	2016/17	2017/18	2018/19	2019/20	2020/21
Discretionary					
Land and buildings reserve	\$283,400	\$618,400	\$653,400	\$653,400	\$203,400
reserve	\$27,919	\$35,919	\$43,919	\$51,919	\$59,919
Unspent grants reserve	\$4,060,524	\$0	\$0	\$0	\$0
Capital expenditure reserve	\$0	\$0	\$0	\$0	\$0
Rates reserve	\$0	\$0	\$0	\$0	\$0
Information technology reserve	\$1,113,000	\$955,000	\$1,014,000	\$1,073,000	\$1,132,000
Valuations reserve	\$202,914	\$57,914	\$19,914	\$114,914	\$76,914
Units reserve	\$72,955	\$80,682	\$88,195	\$95,472	\$102,491
Economic development reserve	\$178,180	\$118,180	\$203,180	\$288,180	\$233,180
Skinner's flat reserve	\$12,908	\$12,908	\$12,908	\$12,908	\$12,908
Community planning reserve	\$0	\$0	\$0	\$0	\$0
Plant replacement reserve	\$610,518	\$912,078	\$1,234,888	\$1,270,109	\$1,020,856
Fleet replacement reserve	\$513,120	\$543,126	\$558,132	\$582,276	\$672,382
GSP restoration reserve	\$786,698	\$507,607	\$989,676	\$1,071,159	\$1,154,215
Urban drainage reserve	\$316,127	\$108,127	\$108,127	\$108,127	\$108,127
Landfill rehabilitation reserve	\$274,047	\$308,417	\$375,657	\$375,657	\$409,277
Lake Boort water reserve	\$17,815	\$17,815	\$17,815	\$17,815	\$17,815
Reserves improvement reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
reserve	\$246,567	\$15,823	\$15,242	\$14,759	\$14,310
Superannuation liability reserve	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Unspent contributions reserve	\$0	\$0	\$0	\$0	\$0
War memorial reserve	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Heritage loan scheme reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Major projects reserve	\$44,796	\$44,796	\$44,796	\$44,796	\$44,796
Unsightly premises enforcement					
provision reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Swimming pool major projects					
reserve	\$50,000	\$100,000	\$100,000	\$100,000	\$100,000
Total discretionary reserves	\$10,114,488	\$5,739,792	\$6,782,849	\$7,177,491	\$6,665,590

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#### **Christine Coombes**

From: poxon.rod@gmail.com on behalf of rod poxon <rod.poxon@jetts.com.au>

Sent: Tuesday, 6 June 2017 5:19 PM

To: Sharon Morrison
Subject: Council Plan submission

Follow Up Flag: Follow up Flag Status: Flagged

Hi Sharon

I'd like to submit feedback on the Draft Loddon Council Plan. I believe there's a gaping hole in Loddons policy framework centred on Aboriginal Reconciliation. And what a coincidence that across Australia right now, we're recognising and celebrating National Reconciliation Week.

So I propose that it's essential for the new Loddon Council Plan to contain a commitment to Aboriginal Reconciliation, and the Plan ideally should outline the processes that Loddon will adopt to develop a Statement Of Reconciliation and associated aboriginal related policies. Loddon has a lot of catching up to do in this important area - Cardinia Council (referenced below) developed and published their Aboriginal policy statements way back in 1997! And Loddon Council is out of step with many of its peer organisations by not having a Statement Of Acknowledgement for use at various functions and events.

Why is it so important? Well in Loddon I've witnessed first hand problems caused by the lack of policy and direction in the area of Aboriginal Reconciliation. In and around Boort there have been regrettable incidents at public meetings and events where Aboriginal representation has been present. Council and our community in general do not appear to have the necessary training and education to properly respond to Aboriginal related issues. Yet Loddon is actively seeking to increase visitation into the Shire through the establishment and growth of Aboriginal related tourism - this is a major contradiction is it not? The Boort Scar Trees project is a case in point - it was great to see that the Loddon Council media consultant got this remarkable story on to the front page of national newspapers, yet Loddon has not formally recognised the local Aboriginal people (and their heritage) who were responsible for those scar trees!

I'm hopeful that Loddon can embrace Aboriginal Reconciliation within the new Council Plan. The Cardinia Shire Council approach documented below could be a good place to start. Please note that this submission is a personal one; it is not on behalf of any organisation.

Regards

#### Rod Poxon

# Aboriginal policy statements

# Cardinia Shire Council Statement of Reconciliation

At the Council meeting on 18 February 1997 Council made a statement of reconciliation that was sent to the Council for Aboriginal Reconciliation in support of the Australian Reconciliation Convention.

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It states that Council:

- Recognises that the Boonwurrung and Wurundjeri Tribes are the original inhabitants of the Cardinia region.
- Acknowledges the right of Indigenous, and indeed all Australians, to live according to their own values and customs,
   subject to the law.
- · Commits Cardinia Shire Council to respecting Aboriginal sacred sites, special places and objects.
- Supports the reconciliation process which promotes mutual respect and understanding of the Aboriginal peoples and of all ethnic groups and their history and culture in our community.

# Aboriginal acknowledgement

Objective: To establish a Statement of Acknowledgement for use at Council civic functions.

**Background:** Acknowledgement statements at civic functions can help promote greater appreciation of Aboriginal culture in the wider community, show respect for Aboriginal people living in the municipality, and can lead to better community relationships to assist the reconciliation process. A Statement of Acknowledgement is a way the wider community can acknowledge the culture and ongoing relationship of traditional people to the land and sea of an area. It is a symbolic gesture as part of the ongoing reconciliation process for use at official Council events.

**Details:** This Statement of Acknowledgement is to be used at the beginning of all civic functions conducted by Cardinia Shire Council including citizenship ceremonies, monthly Council meetings or other formal occasions hosted by Council. The statement will read: "Cardinia Shire Council respectfully acknowledges that we are on the traditional land of the Boonwurrung and Wurundjeri people". When Council is not the host organisation, but where Aboriginal acknowledgement is considered respectful (for example where Aboriginal issues are topical or Aboriginal persons are present) or where the site of meeting rests outside Cardinia Shire boundaries, the statement may best be considered as: "Cardinia Shire respectfully acknowledges the traditional owners of this land."

# Aboriginal flag flying

**Objective:** To establish a protocol for flying the Aboriginal flag on a permanent basis at the Council offices and on suitable occasions at other civic centres.

**Background:** The Aboriginal flag is proclaimed as a 'Flag of Australia' under Section 5 of the Flags Act. It is recognised for its importance to Aboriginal people and as a symbol of identity. The black represents the Aboriginal people, the red symbolises the earth and their spiritual relationship to the land, while the yellow embodies the sun, the giver of life.

**Details:** Council will display the Aboriginal flag for purposes of recognition of Aboriginal people as the traditional owners of the land on which Cardinia Shire is located. This will include: displaying the flag on a permanent basis in the Council Chambers; by flying at other civic places as determined during special events including Reconciliation Week and NAIDOC Week; and by flying the flag at half mast, following a request from the relevant local Aboriginal community organisation, to mark the passing of an esteemed local elder.

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#### 10.2 MAY 2017 AUDIT COMMITTEE MEETING OVERVIEW

File Number: 06/02/003

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Minutes of February 2017 Audit Committee Meeting

2. Follow Up of Agreed Actions from Prior Year Internal Audit Reports

3. Review of Salary Oncost Rate, Project Costing and Budgeting Process

4. Outstanding Actions Report May 2017

5. Internal Audit Program 2015-2019 (2017-2018 focus)

6. External Audit Strategy

7. Audit Committee Charter

8. Performance Reporting Framework

9. Risk Management Report

#### RECOMMENDATION

That Council:

- 1. receives and notes the February 2017 Audit Committee Meeting Report
- 2. endorses the performance improvement recommendations documented in the:
  - (a) Follow up of Agreed Actions from Prior Year Internal Audit Reports and
  - (b) Review of Salary Oncost Rate, Project Costing and Budgeting Process
- 3. receives and notes the Outstanding Actions Report May 2017
- 4. receives and notes the Internal Audit Plan
- 5. receives and notes the External Audit Strategy
- 6. endorses the Audit Committee Charter version 5
- 7. endorses the Performance Reporting Framework version 2
- 8. receives and notes the Risk Management Report

## **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

Council was provided with a summary of the February 2017 Audit Committee Meeting at the Ordinary Meeting held on 28 February 2017.

#### **BACKGROUND**

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

The committee is made up of four independent community members, and Cr Gavan Holt, as Council's representative. Council's Chief Executive Officer and Director Corporate Services attend the meetings in an advisory capacity.

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

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

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

#### ISSUES/DISCUSSION

The agenda for the May 2017 meeting included the following:

#### Appointment of the Chair

Mr Ken Belfrage was elected chair of the Audit Committee for the next 12 months. This election was adopted by Council at the May 2017 Council meeting.

Review of the Follow up of Agreed Actions from Prior Year Internal Audits undertaken in March 2017 (the Follow Up Review)

Mr Mark Holloway of HLB Mann Judd provided a report on the findings of the Follow Up Review.

There were 39 recommendations reviewed from six previous audits. It was noted that Council has addressed 19 recommendations and has plans for the remaining recommendations to be completed by December 2017.

The Audit Committee noted that staff workloads must be managed in achieving completion of actions as part of their workplace duties and functions.

Review of Salary Oncost Rate, Project Costing and Budgeting Process (the On Cost Review)

Mr Mark Holloway of HLB Mann Judd provided a report on the findings of the On Cost Review.

There were 3 risks identified and all were assessed with a high risk rating.

The Audit Committee noted that while the review seemed clinical, it was acknowledged that the recommendations will assist in improving internal accounting and reporting.

# **Outstanding Actions Report**

Director Corporate Services Sharon Morrison provided a report on outstanding audit actions. It was noted that since the August 2016 Audit Committee meeting, 35 actions have been completed and new software is currently being installed to more easily monitor and report on audit actions.

The Audit Committee noted that a streamlined report in the future would be welcomed.

#### Internal Audit Plan

Mr Mark Holloway of HLB Mann Judd provided a copy of the Internal Audit Plan 2015-2019 (2017-2018 focus).

The Audit Committee agreed that the proposed reviews would benefit Council.

# External Audit Strategy

Mr Martin Thompson of Crowe Horwath discussed the External Audit Strategy and indicated that the main areas of focus would be Related Parties Disclosure and Enhanced Auditor's Report.

The Audit Committee noted the main areas of focus.

#### Audit Committee Charter

The Audit Committee Charter was discussed and it was noted that its references to individuals could be included in an Appendix to the Charter. This change has been made and is attached to this report with the suggested changes.

# Loddon Performance Reporting Framework

The Audit Committee considered version 2 of the Loddon Performance Reporting Framework.

The Committee noted the proposed Reporting Framework.

# Performance Survey Summary for 2016/17

The Committee members considered and noted the results of the survey.

#### Draft Council Plan

Director Corporate Service Sharon Morrison provided an overview of the draft Council Plan 2017-2021.

The Committee particularly noted the importance of a volunteer strategy.

# **Draft Budget**

Manager Financial Services Deanne Caserta provided an overview of the draft Budget 2017/18.

The Committee noted that an increase in valuations does not improve rate revenue to Council due to the overall rate cap applied by the State Government.

#### Monthly Finance Report for January 2017

The committee noted the report for the period ending 30 April 2017.

# Risk Management Report

The committee considered the report and noted there are 9 high risks outstanding, many of which relate to the new Child Safe Standards which are currently being addressed.

#### Other agenda items

Other agenda items, some of which are standard items included:

- staff presentation
- fraud report
- · major lawsuits report

#### Next review

The next internal audit is scheduled to commence 10 July and will review Occupational Health and Safety.

#### **COST/BENEFITS**

There are costs associated with the Audit Committee and internal audit function.

However, in most cases, actions resulting from audit reviews do not bear any new costs as they are undertaken by current staff.

The benefits that the internal audit function provides Council are:

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

a reduction in risk in areas relating to audit reviews.

# **RISK ANALYSIS**

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

# **CONSULTATION AND ENGAGEMENT**

Nil

Reference: 02/17



# **Audit Committee Minutes**

9.15am, 16/02/2017, Kooyoora Meeting Room, Wedderburn Office

Present: Ken Belfrage - Chair

Rodney Baker - Community Member David Peterson – Community Member Rod Poxon – Community Member

Sharon Morrison – Director Corporate Services

Ian McLauchlan - Director Operations

Cr Gavan Holt – Council's Audit Committee Representative

Mark Holloway, HLB Mann Judd

Lynne Habner, A/Manager Executive and Commercial Services

#### Apologies:

## 1. Welcome and apologies

The Chair welcomed committee members and noted an apology from Phil Pinyon.

#### 2. Declaration of interests

No committee members or staff declared any conflicts of interest.

# 3. Minutes of the previous meeting

#### Resolution:

That the minutes of the meeting held on 17 November 2016 be accepted.

Moved: Rodney Baker Seconded: David Peterson Carried

#### 4. Actions arising from minutes

Sharon Morrison provided some explanation around progress of actions.

# 5. Audit report - Privacy responsibilities

Mark Holloway provided a report on the findings of the review, which identified that Council fully complied with 16 of 41 key criteria. He emphasised that most of the areas of non-compliance are able to be addressed through the development of policies and procedures, including a privacy policy and a complaints handling policy.

Some work is required on Council's data security policies and ongoing reviews of user access to information systems as staffing changes. Staff awareness and training upon induction is also important. It was acknowledged that many actions are under way in addressing the recommendations provided in the review.

Committee members noted the amount of work evident in the recommendations, and discussed the importance of security of IT systems. Mrs Morrison advised that the development of new policies is well advanced. The committee discussed specific examples of how privacy matters would be managed under a privacy policy.

Signed

Ken Belfrage Page 1 of 5

#### 6. Annual report of Audit Committee

The Committee considered the report for 2016 that will be provided to Council at its next meeting. Subject to minor amendments suggested, the committee agreed for the report to be submitted to Council.

#### 7. Assess format of agenda

The Committee considered the agenda currently being used, and expressed satisfaction with the format.

## 8. Draft performance survey for 2016/17

The Committee considered the draft survey for 2016/17 and agreed that it adequately addresses its needs. The "exceeds expectations" score was considered unnecessary and could be removed while the "meets expectations" rating could be changed to "satisfactory".

#### 9. Council's performance reporting framework

Sharon Morrison explained how the report has been simplified to assist understanding, and identified changes to some of the elements that are being reported. The Committee was satisfied that the report shows that there are no anomalies. The Committee noted the report.

#### 10. Updated Internal Audit Plan

Sharon Morrison presented the plan for future internal audit reviews. The Committee agreed that the plan reflects its intended approach to reviews.

## 11. Overview of the Long Term Financial Plan

Sharon Morrison presented the 10-year Long Term Financial Plan based in the 2016/17 original budget. The budget surplus of \$150,000 has been incorporated within the plan. Assumptions include rate capping of 2% per year and labour costs increased by 4%. The accumulated deficit over the 10 years is predicted to total \$23.8 million.

The Committee discussed the forecast, and noted the variability of expenditure and available funding that may impact on the actual results over time. Cr Holt commented that the matter of sustainability of local government is a key focus across the sector, and noted that Rural Councils Victoria has prepared a budget submission with an aim of assisting councils operating under the rate capping framework. Factors such as garbage and recycling charges were also discussed.

The Committee noted the Long Term Financial Plan.

#### 12. Monthly Finance Report – January 2017

The Committee noted the report, and that actual expenditure, currently below the budget activity for the time of year is expected to be either revised or expenditure to be in line with original budget.

#### 13. Staff presentation: Ian McLauchlan, Director Operations

Ian McLauchlan gave an overview of the Operations directorate and activities of interest to the Audit Committee. The three departments within Operations are Technical Services, Development and Compliance, and Operations (former Works department). He reported that the current Capital Works Program totals \$7.5 million, and there is also \$4.6 million in maintenance operations.

Key activities include enforcement of unsightly properties, building enforcement and auditing planning permits. A Project/Contract Officer has been recruited to address issues relating to administration and management of contracts and projects.

The draft Road Asset Management Plan is currently available for public comment, and the development of the Building Asset Management Plan will be based on data modelling that is currently under way. Mr McLauchlan discussed other strategic plans being developed, and advised that the Road Management Plan has been suspended due to the recent floods impacting on resources and priorities.

Ken Belfrage Page 2 of 5

Item 10.2- Attachment 1

Signed

## 14. Risk management report – Charter 2.5(vii)

Sharon Morrison presented the Risk Management Report, including occupational health and safety incident reports and WorkSafe matters. There are 5 high risks outstanding, and the Committee noted that the recent recruitments including the Project Management Coordinator will address several of the 25 overdue outstanding risks.

The Committee noted the risk management report and praised the work done recently to improve alignment of the various elements of the report.

#### 15. Section 86 bank account balances

Sharon Morrison explained discussions held with the external auditor, which concluded that risks in this matter are being managed appropriately.

#### 16. Levels of Authority Delegations

The Committee noted the instrument of delegations and outcomes of a recent review of the provisions including the reduction of the special cases purchasing delegation from \$200,000 down to \$100,000.

#### 17. List of existing shared services

Sharon Morrison presented the list of collaborative arrangements that Council staff have in place, which is expected to expand in future.

The Committee noted the report provided for information.

#### 18. VAGO report "Local Government: 2015/16 Audit Snapshot"

The Committee noted the report.

# 19. Fraud report - Charter 2.5(xv)

Sharon Morrison advised there is nothing to report.

# 20. Review of major lawsuits facing Council - Charter 2.5(xvii)

Ian McLauchlan reported the following updates:

- Brooke Street Inglewood: legal action to recover costs of works performed by Council.
   Council was able to reach a settlement with the owner, and has received a payment.
- Greyhound breeding establishment: officers have removed animals from the property and are in the process of removing infrastructure that could be used for dog breeding purposes.
- Wedderburn streetscape project: VCAT hearing outcome was received recently, which
  required that the fence at Jacka Park should remain. A planning permit has been issued
  and works will commence within a fortnight.
- Bridgewater dog breeding facility: a hearing in the Supreme Court will address placing a ten
  year ban on the owner, not scheduled yet.
- Illegal removal of vegetation near Wedderburn: Council will prosecute for breach of the Planning and Environment Act and the requirements for vegetation offsets.
- Hay Australia nuisance complaint: has now been resolved to the satisfaction of Council through improvements being made by Hay Australia.
- Inglewood Town Hall: there is a potential for litigation regarding defects in the building.

#### 21. Items raised by Council that may impact the Audit Committee

Cr Holt had nothing to report.

# 22. Professional development needs of committee members

Committee members considered there were no development needs at this time.

Signed

Ken Belfrage Page 3 of 5

#### 23. General business

David Peterson advised that this would be his last meeting due to his retirement from the Committee, and commented how much he has enjoyed his eight years on the committee. The Chair thanked David for his contribution and participation on the Committee.

Mr Poxon asked if there were any lessons from the Wedderburn streetscape project that will inform the other proposed streetscape projects in the Shire. Mr McLauchlan advised that the project management framework will address many of the issues that led to the problems experienced, including a checklist that identifies the consultative and legal matters that should be considered in managing such a project.

#### 24. Items referred to Council

Items that will be referred to Council:

- Minutes of November 2016 meeting
- Audit Report

   Privacy Responsibilities
- · Annual Report of Audit Committee
- July 2016 to December 2016 Performance Reporting Framework results
- Internal Audit Plan
- Risk Management Report

#### 25. Next review

The next review will be a follow up of prior year internal audit recommendations.

#### 26. Next meeting

Date of next meeting: 18 May 2017.

Signed Ken Belfrage
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	Outstanding actions carried forward						
Meeting ref.	Item	Officer	Completed/comments				
1 08/16	Audit report – Purchasing and issue of stores and small equipment from Council depots: identify the costs of transactions to determine the level of risk to Council before investigating electronic purchasing system.	Sharon Morrison	Work in progress				
2 11/16	Audit report – Review of Accounts Payable/Purchasing - the committee requested a report to the next meeting in relation to the reasonableness test and a sample set of items susceptible to fraud	Sharon Morrison	Work in progress				

Signed Ken Belfrage Page 5 of 5

# **Loddon Shire Council**

# Follow-up of Agreed Actions from Prior Year Internal Audit Reports

May 2017







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Inherent limitation – the nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence.

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## **Executive Summary**

### Introduction

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

This review was performed to determine the extent and adequacy of remedial actions taken by Loddon Shire Council (the Council) in addressing the audit findings and recommendations contained in reports from the FY2014-2015 and FY2015-2016 internal audit programs.

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

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

In line with the FY2016-17 Internal Audit Program approved by the Audit Committee of Loddon Shire Council, HLB Mann Judd, Internal Auditors, have completed a follow-up of previous internal audit recommendations.

### **Approach**

We assessed the adequacy and status of management actions addressing recommendations as contained in internal audit reports from the FY2014-2015 and FY2015-2016 internal audit programs through reviewing relevant documentary evidence and discussion with Council officers.



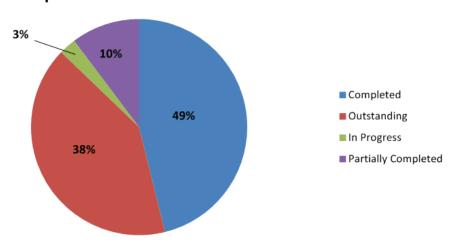
### **Analysis of Implementation Status of Recommendations**

Overall, we noted that 62% of the recommendations are completed/partially completed/in progress and 38% of the recommendations are outstanding.

We understand that steps to address the recommendations in the Review of Local Laws, Review of Contract Management, Review of Building Services and Review of Succession Planning & Workforce Development have commenced and the next step is to complete the implementation of the action plans identified.

The chart below summarises the implementation status as at February 2017:

## **Implementation Status of Recommendations**



The following table summarises the number of recommendations for the 6 audits and the percentage of completion as at February 2017:

Audit Augus		Recommendations								
Audit Areas	Total	Completed	Partially Completed	In Progress	Outstanding	% Completion				
FY2014-2015										
Review of Project Management (June 2014)	12	11	-	-	1	92%				
Review of Local Laws (September 2014)	8	4	-	-	4	50%				



	Recommendations					
Audit Areas	Total	Completed	Partially Completed	In Progress	Outstanding	% Completion
Review of Contract Management (December 2014)	9	-	4	-	5	0%
Review of Induction, Performance Review and Performance Management Processes (March 2015)	3	3	-	-	-	100%
FY2015-16						
Review of Succession Planning and Workforce Development (October 2015)	1	-	-	-	1	0%
Review of Building Management Services (March 2016)	6	1	-	1	4	0%
Total	39	19	4	1	15	49%

In general, our status review confirmed that:

- The Council had addressed 19 (or 49%) of the 39 recommendations highlighted in the previous internal audit reports;
- The Council had partially completed 4 (or 10%) of the recommendations in previous internal audit reports;
- 1 (or 3%) of remedial actions was still in progress and not passed its due by date; and
- 15 (or 38%) of remedial actions to recommendations are outstanding.

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



## **Objectives and Procedures**

### **Objectives**

The objective of this review was to assess the progress made by the Council in implementing the recommendations contained in the following audit reports from the 2014-2015 and 2015-16 internal audit programs:

### FY2014-2015

- 1. Review of Project Management (June 2014);
- 2. Review of Local Laws (September 2014);
- 3. Review of Contract Management (December 2014);
- Review of Induction, Performance Review and Performance Management Processes (March 2015);

### FY2015-2016

- 5. Review of Succession Planning and Workforce Development (October 2015); and
- 6. Review of Building Management Services (March 2016).

### **Procedures**

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

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



# **Table A – Outstanding/Partially Completed/In Progress**

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Review of Project Manager	ment (June 2014)				
A projects register is not maintained for the Council.	We recommend that management should:  1. Establish a projects register for the Council such that key information on projects are formally captured and used for reporting purposes.	Low	Action 12/1:  A project database template developed as part of the Project Management Framework will allow for reporting all defined projects. As part of this process, we will investigate whether Council's existing Contracts Database could be developed further to incorporate additional elements that will provide this reporting data.  Projects required to be included in this database will depend on size of project.	Responsibility: Executive Assistant to the CEO (in consultation with business units across Council) Timeframe: November 2015 AC Meeting	Status as at Feb 2017: Outstanding Our review noted that:  Action 12/1: There was no projects register maintained for the Council. We understand that the projects register will be put in place with the implementation of the Contracts Management System.  Management Response: Projects register to be put in place as part of the Contracts Management System implementation. A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures  Responsibility: Director Operations and Project Management Coordinator  Revised Timeframe: 30 June 2017

	Vlann Judd usiness and Financial Advisers				
Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Review of Local Laws (Sep	otember 2014)				
Inadequate     procedures to guide     staff on processes     required to implement     the Council's     Enforcement of Local     Laws Policy.	1. Document and formalise procedure documents on key processes, which govern the administration and enforcement of local laws and animal management to address the shortcomings highlighted under Observation; and  2. Review procedures on a regular basis to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.	Moderate	A project plan for development of the suggested procedures will be developed and provided to Audit Committee.  This plan will be monitored until all actions are complete.  Action 2/1:  Project plan for the development of procedures.	Responsibility: Tyson Sutton Timeframe: November 2014 AC meeting	Status as at Feb 2017: Outstanding Our review noted that:  Action 2/1: There was no formalised procedure or key processes governing the administration and enforcement of local laws and animal management. We understand that due to staff turnover, the project for the development of procedures was not carried out. The Council indicated that a review will be conducted to ensure that a formalised procedure on key processes governing the administration and enforcement of local laws and animal management is put in place.  Management Response: Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.  Responsible Officer: Manager Development and Compliance Revised Timeframe: 31 August 2017

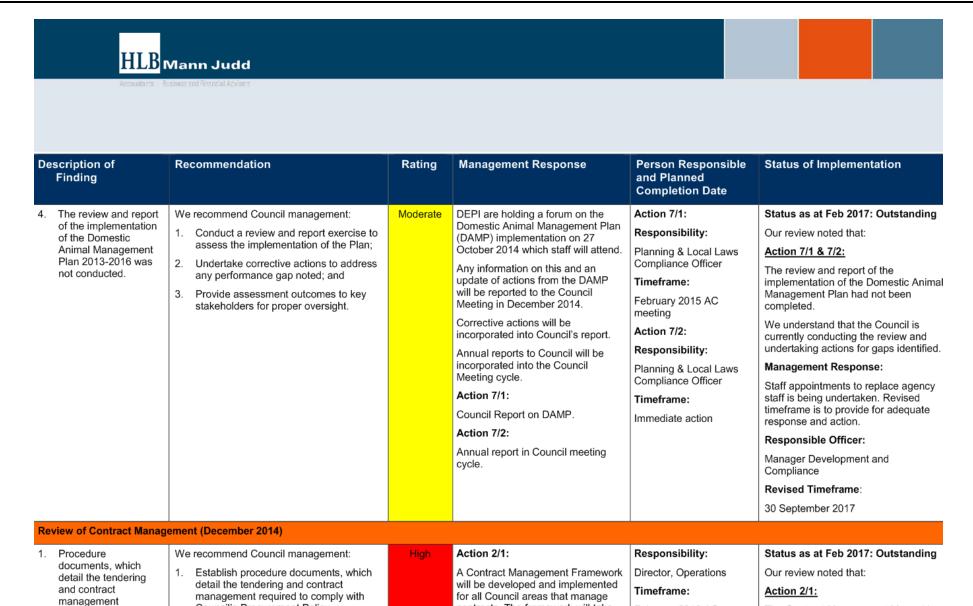


Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
A risk methodology/approach has not been emphasized and formalised in the Council's local laws framework.	<ol> <li>We recommend Council management:         <ol> <li>Develop a risk methodology/approach to be applied consistently to enforcement activities;</li> <li>Document processes for assessing and prioritising cases within relevant policies and procedures; and</li> </ol> </li> <li>Obtain adequate approvals before implementing policies and procedures across the organisation.</li> </ol>	Moderate	The risk methodology will be incorporated into the enforcement policy.  A procedure for assessing and prioritising cases will be developed.  The policy will be approved by Council, while procedures will be approved by the MEG.  Action 4/1:  Risk methodology development.  Action 4/2:  Procedure development.	Action 4/1: Responsibility: Manager Planning & Local Laws Timeframe: May 2015 AC Meeting Action 4/2: Responsibility: Manager Planning & Local Laws Timeframe: May 2015 AC Meeting	Status as at Feb 2017: Outstanding Our review noted that:  Action 4/1: The risk methodology has not been incorporated into the enforcement policy.  Action 4/2: The procedure for assessing and prioritising cases has not been developed.  Management Response: Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.  Responsible Officer:  Manager Development and Compliance  Revised Timeframe: 31 August 2017
An annual audit program to ensure compliance with permit conditions has not been established.	We recommend Council management:  1. Establish an annual audit program to ensure compliance with permit conditions (in line with the Council's policy).  Note: A risk methodology (consistent	Moderate	An annual audit program for all local laws related matters will be developed.  Following adoption of the program, the annual audits will commence, and compliance will be reported to	Action 6/1: Responsibility: Planning & Local Laws Compliance Officer and Local Laws & Fire	Status as at Feb 2017: Outstanding Our review noted that:  Action 6/1: An annual audit program for all local laws related matters had not been

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	with Audit Finding No. 4) should be adopted in the development of such program; and  2. Conduct the annual audit and provide updates to key stakeholders accordingly for proper oversight.		Council at least annually.  Action 6/1: Audit program developed.  Action 6/2: Annual audits commenced.  Action 6/3: Report to Council on annual audits.	Prevention Officer Timeframe: February 2015 AC meeting Action 6/2: Responsibility: Planning & Local Laws Compliance Officer and Local Laws & Fire Prevention Officer Timeframe: November 2014 AC meeting Action 6/3: Responsibility: Planning & Local Laws Compliance Officer and Local Laws & Fire Prevention Officer Timeframe: November 2015 AC meeting (after a full year cycle for audit program)	established.  Action 6/2:  Annual audits have not commenced.  Action 6/3:  Report to Council on annual audit was not done, as annual audits have not commenced.  We understand that Council had not been able to fill the Local Law/Plannin & Compliance Officer position. For enforcement issues, a contractor was hired on ad-hoc basis. For planning, a planning contract consultant was used. Thus, it did not have the resources to establish and implement the annual audit program.  Management Response:  Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.  Responsible Officer:  Manager Development and Compliance  Revised Timeframe:  31 August 2017

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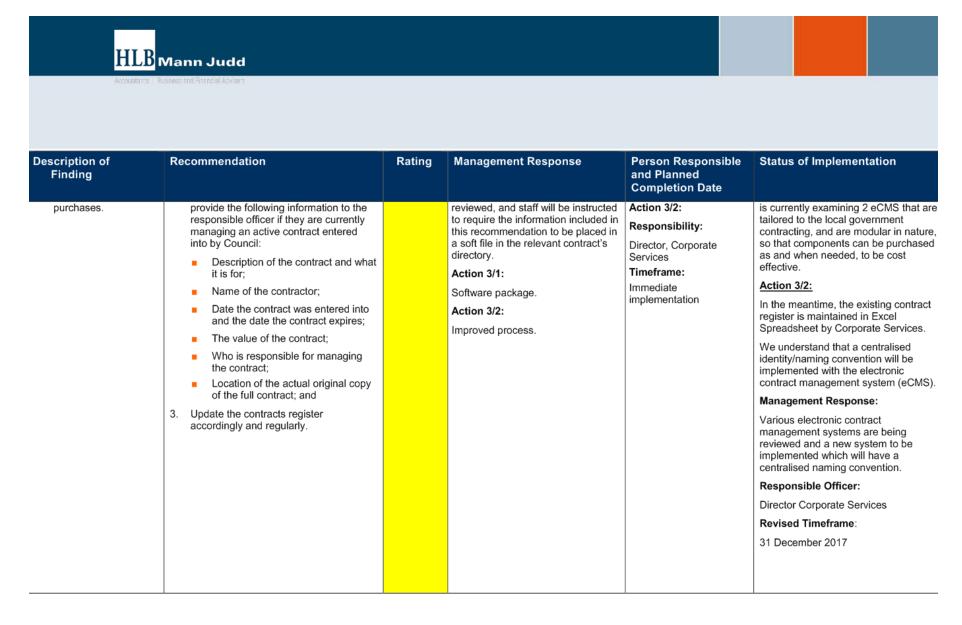
February 2016 AC

The Contract Management Manual has

Council's Procurement Policy



	scription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	processes on how to	requirements;		into account the nature and size of	Meeting	not been implemented.
	achieve Council's Procurement Policy requirements, have not been established.	Develop checklists, forms and templates to guide the implementation of procedures;		different projects to determine the complexity of the required documentation and reporting requirements.		We understand from the Project Management Coordinator that the development of new checklists, forms and workflows has commenced and
		Obtain adequate approvals and endorsements from relevant stakeholders before implementation; and		The framework will incorporate formal policies, procedures and relevant checklists to govern the		existing templates are being reviewed, as project contract management process gaps are identified.
		Review procedures on a regular basis		management of contracts.		Management Response:
		(i.e. annually or biennially) to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.	(i.e. annually or biennially) to ensure they remain relevant, meet the needs of users, and address any emerging issues	Publication, relevant training and review of the framework will follow Council's Strategic Document, Policy and Procedure Framework.		A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures.
						Responsible Officer:
						Director Operations
						Revised Timeframe:
						30 June 2017
2.	The Council's	We recommend Council management	Moderate	Council will explore the opportunity	Action 3/1:	Status as at Feb 2017: Outstanding
	contracts register does not summarise all contracts entered into by the organisation and contains information related to immature	perform housekeeping on the contracts register by performing the following:		to purchase a formal proprietary contract management software	Responsibility:	Our review noted that:
		1. Centralise the assignment of a contract number before a folder is created under the "Contract Management" directory on the chared drive:		package for the organisation to compliment the contract	Director, Operations	Action 3/1:
				management framework which will	Timeframe:	The electronic contract management
				be developed over the next year.	November 2015 AC	system (eCMS) has not been implemented.
	tendering or low value	Request staff across the organisation to		In the meantime, the process for allocating contract numbers will be	Meeting	The Project Management Coordinator



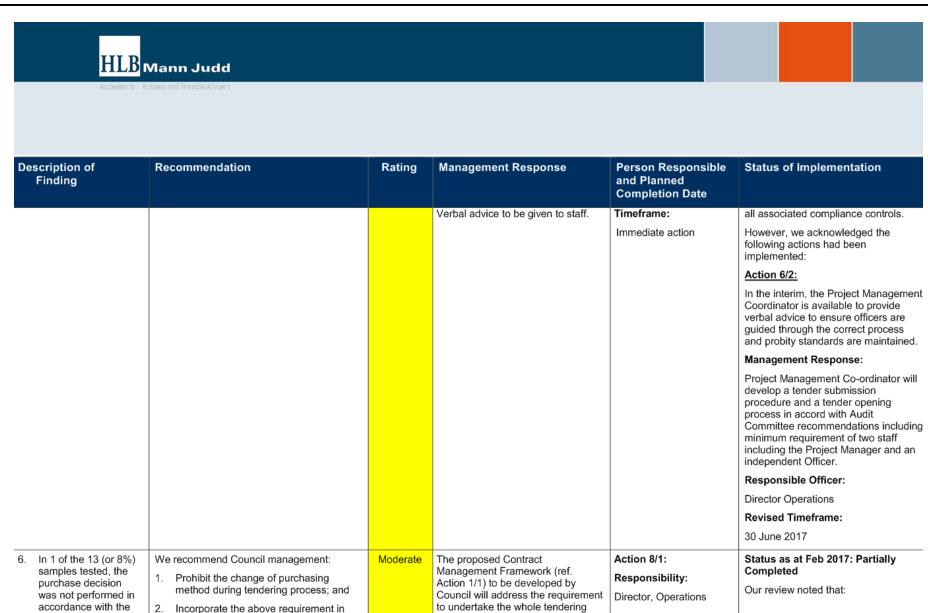
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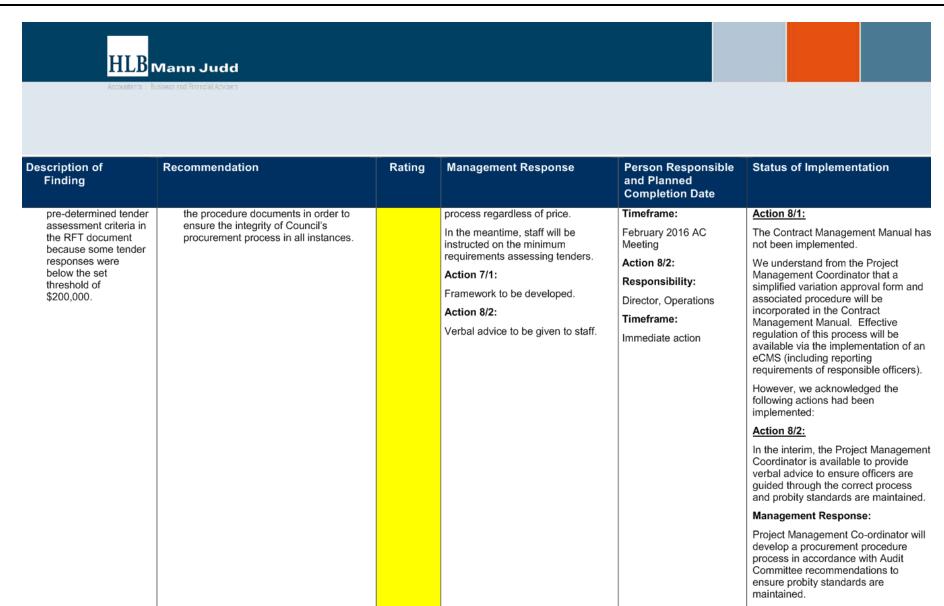
Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation												
Key activities	We recommend Council management:	Moderate	Action 4/1:	Responsibility:	Status as at Feb 2017: Outstanding												
(including managing conflict of interest	Consider introducing activities as     bightighted under Observation in its		The proposed Contract	Director, Operations	Our review noted that:												
during tender assessment stage,	highlighted under Observation in its procedure documents, which detail the		Management Framework (ref. Action 1/1) to be developed by	Timeframe:	Action 4/1:												
contract mobilisation, KPIs and	tendering and contract management processes that are yet to be established.		Council will address the items listed in this recommendation.	February 2016 AC Meeting	The Contract Management Manual has not been implemented.												
,			in this recommendation.		We understand from the Project Management Coordinator that the key activities that reflect good contract management practices under the MAV Procurement — Contract Management Guidelines, and the Victorian Local Government Best Practice Procurement Guidelines will be incorporated into the new Contract Management Manual.  Meanwhile, the hardcopy Conflict of Interest Declaration & Confidentiality Agreement is completed during tender												
																	assessment stage.  Management Response:
					A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures.  Responsible Officer:												

	Vlann Judd usiness and Financial Advisers				
Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Director Operations  Revised Timeframe:  30 June 2017
4. In 2 of the 13 (or 15%) samples tested, tender opening procedures by 2 officers were not performed.	We recommend Council management:  Reinforce the requirement that the tender opening process is performed by an opening panel of at least 2 persons; and  Ensure this requirement is reflected in revised procedures to be developed.	Moderate	The proposed Contract Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements for opening tenders. In the meantime, staff will be instructed on the minimum requirements for opening tenders. Action 5/1: Framework to be developed. Action 5/2: Verbal advice.	Action 5/1: Responsibility: Director, Operations Timeframe: February 2016 AC Meeting Action 5/2: Responsibility: Director, Operations Timeframe: Immediate action	Status as at Feb 2017: Partiall Completed  Our review noted that:  Action 5/1:  The Contract Management Manual ha not been implemented.  We understand from the Project Management Coordinator that the procedure for opening and registration of tenders will be captured in the Contract Management Manual, and wivary depending on if an eCMS (including e-procurement portal) is implemented, and/or a physical tender box remains.  However, we do acknowledge that the following actions had been implemented:  Action 5/2:  In the interim, the Project Management Coordinator is available to oversee all tender opening events to ensure officers are guided through the correct process and probity standards are maintained.

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Management Response:  There is no need to wait for the Manual to be implemented to reinforce the tender opening process requirements.  Project Management Co-ordinator will develop a tender submission procedure and a tender opening process in accordance with Audit Committee recommendations including minimum requirement of two staff including the Project Manager and an independent Officer:  Responsible Officer:  Director Operations  Revised Timeframe:  30 June 2017
Noted a range of 1 to 4 panel members were appointed for the assessment of tender responses.	Develop guidelines which specifically address the required membership of assessment panels (e.g. number of members, and competencies); and     Ensure these requirements are appropriately communicated and enforced.	Moderate	The proposed Contract Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements for evaluation panels. In the meantime, staff will be instructed on the minimum requirements for evaluation panels. Action 6/1: Framework to be developed. Action 6/2:	Action 6/1: Responsibility: Director, Operations Timeframe: February 2016 AC Meeting Action 6/2: Responsibility: Director, Operations	Action 6: Partially Completed Our review noted that: Action 6/1: The Contract Management Manual has not been implemented. We understand from the Project Management Coordinator that the structure of the Contract Management Manual will include a tender evaluation section, incorporating the appointment of evaluation panels, the responsibilities of panel members, and



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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Responsible Officer:
					Director Operations
					Revised Timeframe:
					30 June 2017
7. We observed poor recordkeeping during our detailed testing where documents (both electronic and hardcopy) were not stored and labelled properly, and some evidentiary documents could not be located due to staff leaving the organisation.	1. Reinforce the need for effective and comprehensive record keeping practices with relevant staff members;  2. Introduce a contract management checklist to guide good contract administration across the organisation and to ensure each step of the contract management process has been completed and evidenced; and  3. Conduct a periodic self-assessment or peer review on a sample of contract files to assess the performance of contract managers in relation to record keeping.	Moderate	The proposed Contract Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements in relation to records management for contracts.  Council intends to purchase a new electronic content management system this year, and it is believed that this will also help with records management compliance.  In the meantime, staff will be instructed on the minimum requirements for records management of contracts.  Action 9/1: Framework to be developed.	Action 9/1: Responsibility: Director, Operations Timeframe: February 2016 AC Meeting Action 9/2: Responsibility: Director, Operations Timeframe: Immediate action Action 9/3: Responsibility:	Status as at Feb 2017: Partially Completed  Our review noted that:  Action 9/1:  The Contract Management Manual hanot been implemented.  We understand from the Project Management Coordinator that the updated record (electronic and physical) management process going forward would be captured in the Contract Management Manual, and enforce the recordkeeping activities prescribed in the current Records Management Policy. Procedural checklists will enable auditing for compliance.
			Action 9/2: Verbal advice to be given to staff. Action 9/3: Purchase and install ECMS.	Manager Information Timeframe: November 2015 AC Meeting	Additionally, to encourage a more compliant system, it is suggested that instances of non-compliance by responsible officers (relating to this riaction, and others) could be reported and reviewed as part of the annual staff development review process.

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	B Mann Judd  atts - Business and Financial Advisers				
escription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Action 9/3:
					The eCMS has not been implement
					We understand from the Project Management Coordinator that once implemented, the eCMS will assist regulating this process.
					However, we do acknowledge that following actions had been implemented:
					Action 9/2:
					In the interim, the Project Manager Coordinator is available to provide verbal advice to ensure officers are guided through the correct process and probity standards are maintain
					Management Response:
					A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework will incorporate a Contract Management Framework, including records required, checklist and compliance audit procedures.
					Responsible Officer:
					Director Operations
					Revised Timeframe:
					30 June 2017

	Vlann Judd usiness and Fitancial Advisers				
Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Review of Succession Plan	nning and Workforce Development (October	2015)			
An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.	<ol> <li>We recommend Council management:         <ol> <li>Assess the need to establish a workforce strategy;</li> <li>Appoint a responsible officer and required management support;</li> <li>Establish a workforce strategy, which should address the shortcomings highlighted under <i>Observation</i>. A guide to workforce planning and management is included in <i>Appendix B, C and D</i> for information purposes;</li></ol></li></ol>	High	A Workforce Strategy will be developed for Council, as recommended.  Development of the strategy will be undertaken as a project with milestone dates set to reflect the Workforce Planning and Management Model at Appendix C.  Action 1/1:  Stage 1 Context and environment.  Action 1/2:  Stage 2 Current workforce profile.  Action 1/3:  Stage 3 Future workforce profile.  Action 1/4:  Stage 4 Gap analysis and closing strategies.  Action 1/5:  Stage 5 Review and evaluation.	Responsibility:  Manager Organisational Development  Timeframe:  Action 1/1: Stage 1 Context and environment  February 2016 AC Meeting  Action 1/2: Stage 2 Current workforce profile  Commenced February 2016 AC Meeting  Finalised May 2016 AC Meeting  Action 1/3: Stage 3 Future workforce profile  Commenced May 2016 AC Meeting  Finalised August 2016  AC Meeting  Finalised August 2016  AC Meeting  Finalised August 2016  AC Meeting  Action 1/4: Stage 4 Gap analysis and closing strategies  August 2016 AC Meeting  Action 1/5: Stage 5	Status as at Feb 2017: Outstanding Our review noted that:  Action 1/1 - 1/5:  There was no Workforce Strategy developed for Council as yet.  We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.  Management Response:  The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for loc Government, LGPro has sought funding for this project, it is envisage that the document should be ready for distribution for Council's to use by the end of 2017.  Revised Timeframe:  31 December 2017

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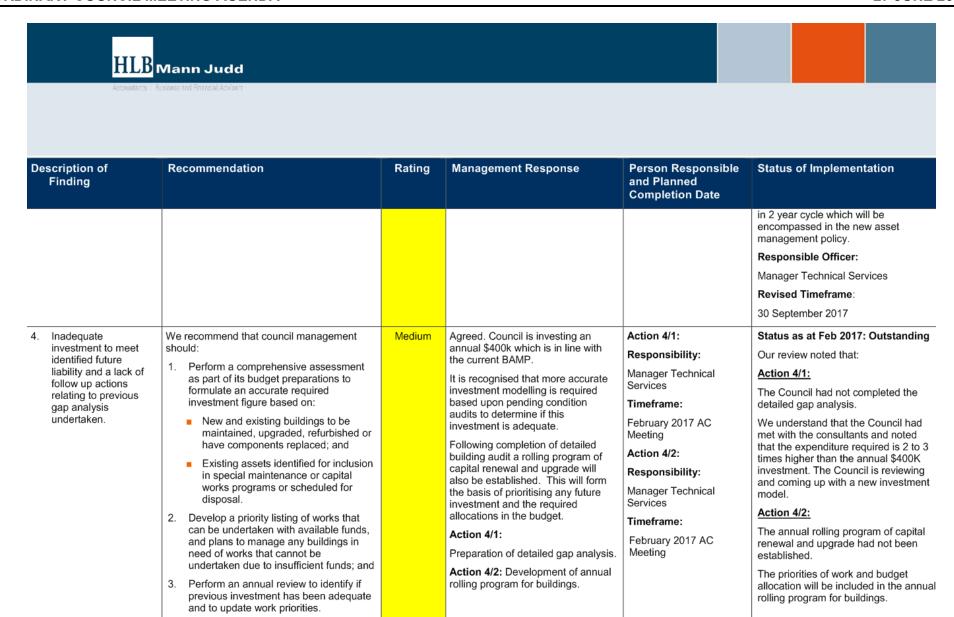
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Description of Finding	completed and those still to be implemented in terms of achieving desired organisational goals; and     Evaluate and adjust the workforce strategy regularly to ensure information remains current and is reviewed in light	Rating	Management Response	Person Responsible and Planned Completion Date  Review and evaluation  August 2016 AC Meeting	Status of Implementation
	of any developments that may affect staffing issues in the organisation.  ement Services (March 2016)				
<ol> <li>A comprehensive, centralised and accurate register of public buildings was not maintained.</li> </ol>	We recommend that council management should:  1. Undertake a review of all 3 separate registers of public buildings to ensure all public buildings for which the Council has direct or indirect responsibility for have been identified and captured;  2. Consolidate these 3 registers into one comprehensive, centralised and accurate register of public buildings and distribute accordingly across the Council	High	Council has been developing a centralised database of buildings in the past two years, and it is now ready for use throughout the organisation.  It will be the "single point of truth" for land and building assets until Council purchases an asset management system to better manage land and building assets.  The database will be "rolled out" to	Action 1/1: Responsibility: Manager Information Timeframe: August 2016 AC Meeting	Our review noted that:  Action 1/1:  The Council had combined the registers into one centralised list but had not completed the review of the li of buildings to ensure that it is comprehensive and accurate.  Management Response:
	to relevant departments; and  3. Implement a system of periodic review and update of the public building register by a delegated staff member to ensure ongoing completeness.		the broader staff with land and building asset responsibilities.  Action 1/1:  Roll out of database to staff with land and buildings responsibilities.		The land and buildings database was replaced by Assetic in late 2016. A paragraph of implementing Assetic a condition report and audit of buildings was completed by the Assets Engineer.  A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revise BAMP provided by October 2017.

A review of the BAMP outlining the

	Mann Judd Rusinass and Financial Advisers				
Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Responsible Officer:  Manager Technical Services  Revised Timeframe:  31 October 2017
2. There was an absence of routine building condition inspections undertaken.	We recommend that council management should:  1. Ensure that routine building condition inspections are completed as per the requirements of the Building Asset Management Plan;  2. Develop an appropriate building condition inspection schedule which outlines all required routine building condition inspections for all buildings which the Council has direct or indirect responsibility; and  3. Review the building condition inspection schedule on an ongoing basis to ensure inspections occur as per the outlined timeframes (no longer than a 2 year cycle).	High	Agreed. Development of scheduled building inspection program will be earmarked as a priority for the new Building Maintenance Officer on commencement of employment.  Scheduling of these inspections will also be reflected in the new building asset management system and reviewed periodically in accordance with the building hierarchy and risk.  Action 2/1: Initial building condition and maintenance audit.  Action 2/2: Scheduling of periodic follow up inspections in the asset management system after purchase of the system.	Action 2/1: Responsibility: Asset Engineer Timeframe: May 2017 AC Meeting Action 2/2: Responsibility: Asset Engineer Timeframe: August 2017 AC Meeting	Status as at Feb 2017: In Progress Our review noted that:  Action 2/1:  An initial inspection of the building condition was conducted from Sep to Nov 2016.  The results are currently being consolidated and will be presented to the Audit Committee.  Action 2/2:  There is currently no scheduling of periodic follow up inspections.  In the new Building Asset Management Plan (2017-2021) that is currently under development, it will establish routine building condition inspections and ensure review of building conditions inspection schedule on an ongoing basis to ensure inspections occurs a per the outlined timeframes.  Management Response:

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revise BAMP provided by October 2017. The building inspection regime shall be encompassed in this document.  Responsible Officer:  Manager Technical Services  Revised Timeframe:  31 October 2017
3. The Building Asset Management Plan review cycle did not allow for appropriate legislative updates to be incorporated in a timely manner.	We recommend that council management should:  1. Implement a bi-annual review process which focuses on updating any legislative and/or regulatory changes in the Building Asset Management Plan, in addition to the 4 year review cycle of the Building Asset Management Plan as a whole.	Medium	Do not agree with a wholesale review and amendment on a two-year cycle.  However, can agree to an interim two-yearly review of any legislative changes that can be recognised as an appendix to the plan.  Note: any significant changes to legislation which affects Council's building policies or plans would be reported separately to Council.  Council is in the process of updating the Building Asset Management Plan and will make allowance for this.  Action 3/1:	Action 3/1: Responsibility: Manager Technical Services Timeframe: February 2017 AC Meeting	Status as at Feb 2017: Outstanding Our review noted that:  Action 3/1: The Building Asset Management Plan had not been updated. We understand that in the updated Building Asset Management Plan, it will make allowance for an interim 2-yearly review of legislative changes. Significant changes to legislation whic affects Council's building policies or plans would be reported separately to Council and updated by the effective date of the legislation.  Management Response:
			Building Asset Management Plan update.		Council currently revises its asset management plans in 4 year cycle. However, a review can be conducted



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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Management Response:  Council recently undertook condition inspections of all building and is working towards financial modelling based on this audit. This shall form a part of the Building Asset Management Plan.  Responsible Officer:  Manager Technical Services  Revised Timeframe:  30 September 2017
5. Policies and procedures surrounding the building managemer process had not bee reviewed and update periodically.	n policies and procedures as a matter of		The policies and procedures listed are not recognised as part of Council's formal framework.  Relevant staff will be followed up in regard to their existence, and having them approved through the framework.  Action 6/1:  Relevant staff followed in relation to existence of policies and procedures listed.  Action 6/2:  Official approval of relevant policies and procedures deemed necessary for future use.	Action 6/1: Responsibility: Assets Engineer Timeframe: August 2016 AC Meeting Action 6/2: Responsibility: Assets Engineer Timeframe: August 2016 AC Meeting	Status as at Feb 2017: Outstanding Our review noted that:  Action 6/1: The new Building Asset Management Plan (2017-2021) is currently still under development. The building management compliance procedures will be documented in the Building Asset Management Plan.  Action 6/2: Approval of relevant policies and procedures had not been obtained.  Management Response: With the implementation of new system and expected revision of

	Mann Judd Rusiness and Financial Advisers				
Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					Building Asset Management Plan, procedures will be developed accordingly.
					Responsible Officer:
					Manager Technical Services
					Revised Timeframe:
					30 June 2017

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# **Table B – Completed/Not Applicable Action Items**

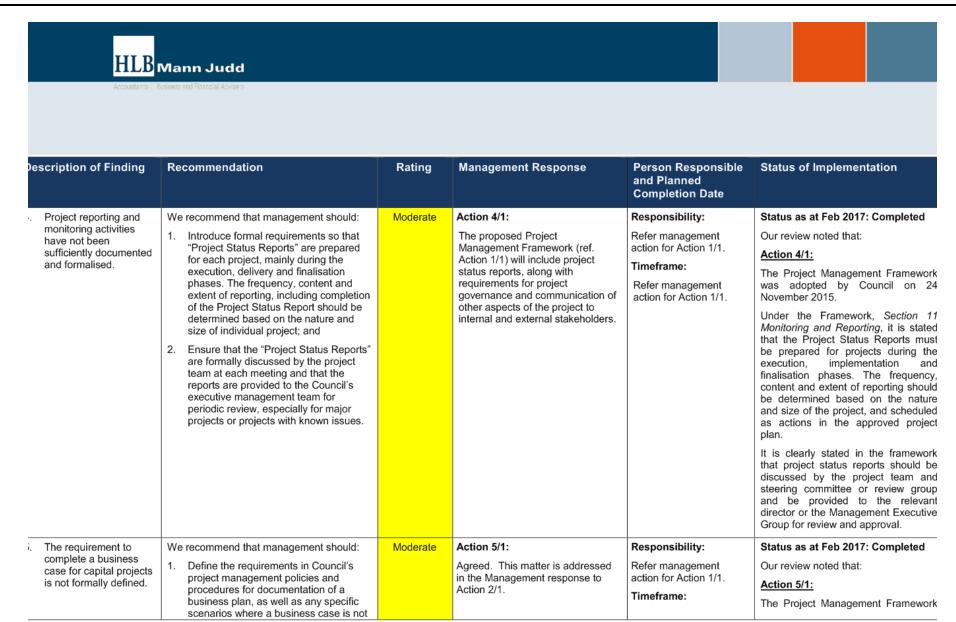
escription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
eview of Project Managem	ent (June 2014)				
Formal policies and procedures to govern project management activities have not been documented for the Council.	1. Develop formal policies, procedures and relevant checklists to govern the initiation and management of capital projects that can be implemented across the whole council for all business units;  2. Publish policies and procedures on the staff intranet for proper communication and easy reference; and  3. Review the policies and procedures on a regular basis (i.e. annually or biennially) to ensure they remain relevant, meet the needs of business and address any emerging issues for project management.	Moderate	Management Action:  Agreed.  Although there are often many forms of documentation prepared to initiate projects, there are no formal policies in place for project initiation and planning implemented across the organisation.  Action 1/1:  A Project Management Framework will be developed and implemented for all Council areas that manage projects. The framework will take into account the nature and size of different projects to determine the complexity of the required documentation and reporting requirements.  The framework will incorporate formal policies, procedures and relevant checklists to govern the initiation, execution, implementation, evaluation and review of all projects.  Publication, relevant training and review of the framework will follow Council's Strategic Document, Policy and Procedure Framework.	Responsibility:  Executive Assistant to the CEO (in consultation with business units across Council)  Timeframe:  November 2015 AC Meeting	Status as at Feb 2017: Completed Our review noted that:  Action 1/1: The Project Management Framework as adopted by Council on 2 November 2015. The framework incorporated form policies, procedures and releval checklists to govern the initiation execution and review of all projects. I particular, the framework included:  Purpose Scope Budget Implications Risk Analysis Definitions of Terms of Abbreviations Used Project Management Overview Project Initiation Project Planning Project Planning Project Execution Monitoring and Reporting Project Closure Record Keeping Training and Support

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					<ul> <li>Costing and Funding of Actions         It also included the following checklists:         Project Management Checklist         Preliminary Proposal         </li> <li>Business Case</li> <li>Project Plan</li> <li>Project Brief</li> <li>Project Status Report</li> <li>Project Closure Report</li> <li>The framework was made available on the intranet and it was scheduled to be reviewed annually.</li> </ul>
Formal processes for initiating and evaluating capital projects were not completed for a sample of major projects validated during our review.	We recommend that management should:  1. Implement a process where a business case is completed for any proposed investment in major capital works to ensure that they are based on sound decision making processes, and that they support the achievement of the Council's service delivery objectives.	Moderate	Business cases are not always prepared for projects conducted by Council, depending on the complexity of the project. However, most projects require supporting evidence in order to obtain funding or other approvals for commencement, e.g. masterplans were provided for the Bridgewater Irrigation System.  Action 2/1:  The proposed Project Management Framework (ref. Action 1/1) to be developed by Council will include a process for completion of a	Responsibility: Refer management action for Action 1/1. Timeframe: Refer management action for Action 1/1.	Status as at Feb 2017: Completed Our review noted that:  Action 2/1: The Project Management Framework was adopted by Council on 24 November 2015. Under the Framework, Section 6.4 Process to be followed for all projects it is stated that major projects require a business case to be prepared. The definition of major project was clearly stated (i.e. total value of project is greater than \$100,000 or the project will result in potentially high ongoing

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scription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation	
			business case prior to commencement of major capital works projects.		maintenance or costs to Countregardless of total value).	
					A business case template was a attached in Appendix 3.	
We noted some instances where there was a lack of proper planning for capital projects.	<ol> <li>We recommend that management should:         <ol> <li>Review the current processes governing project initiation to ensure that they are consistent, comprehensive, appropriate and can be easily followed by staff;</li> <li>Implement and enforce a specific process where a PID or project charter is required in the initiation phase of all capital projects; and</li> </ol> </li> <li>Emphasise to staff the requirements of the formal processes including the completion of a project initiation document or project charter for all capital projects.</li> </ol>	Moderate	Action 3/1:  Project initiation procedures will be part of the framework.  Some existing project prioritisation templates are currently used for some council projects, and these will be incorporated in the proposed framework, along with any other best practice project initiation procedures.	Responsibility: Refer management action for Action 1/1. Timeframe: Refer management action for Action 1/1.	Status as at Feb 2017: Completed Our review noted that:  Action 3/1:  The Project Management Framew was adopted by Council on November 2015.  Under the Framework, Section Project Initiation, the project initiation process was clearly stated. For mi projects, a preliminary proposal required, while for major projects business case is required. Appromust be obtained from Management Executive Group ensure that the project fits with Council Plan, has been initial effectively, and provides an audit the for the review and approval of projinitiations.  The framework was made available the intranet and training has be conducted within 3 months of implementation of the framew which emphasise to staff requirements of completing the project in the conduction of the project framework was made available the intranet and training has be conducted within 3 months of implementation of the framework was framework was made available the intranet and training has be conducted within 3 months of implementation of the framework was framework which emphasise to staff requirements of completing the project for the conduction of the framework was framework was framework which emphasise to staff requirements of completing the project for the framework was framework wa	

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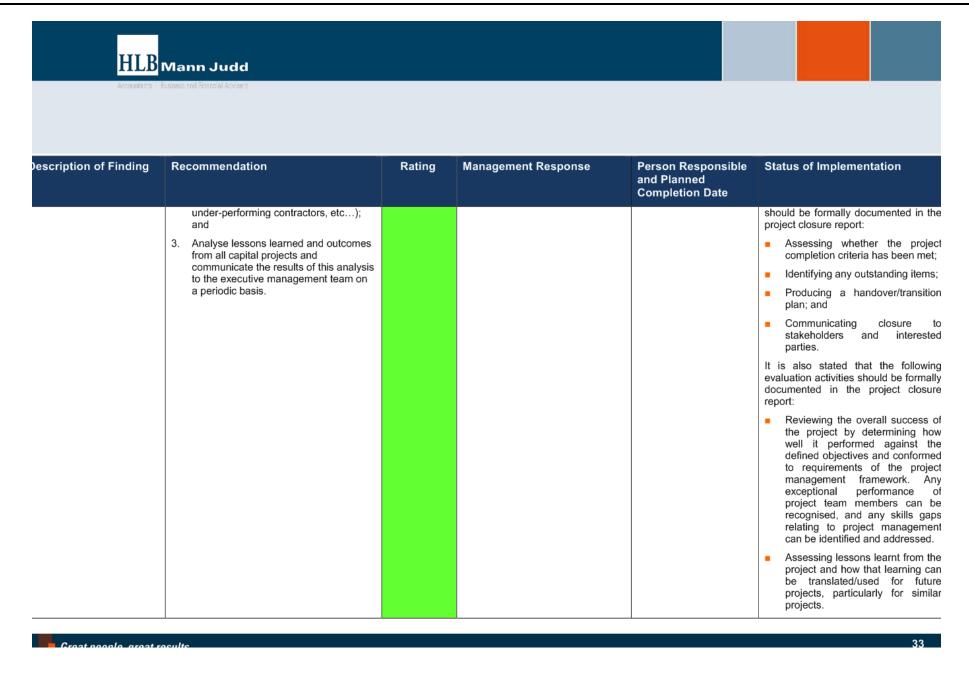
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)e	scription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
		required;  2. Ensure sign-off of business cases by the delegated officer/s and the Council to provide a proper audit trail for the review and approval of project initiations; and  3. Implement requirements across the Council so that they are being followed in all instances.			Refer management action for Action 1/1.	was adopted by Council on 24 November 2015.  Under the Framework, Section 7 Project Initiation, it is clearly stated that for minor projects, a preliminary proposal is required, while for major projects a business case is required. Approval must be obtained from the Management Executive Group to ensure that the project fits with the Council Plan, has been initiated effectively, and provides an audit trial for the review and approval of project initiations.  Under the Framework, Section 6.4 Process to be followed for all projects the definition of major project was clearly stated (i.e. total value of project is greater than \$100,000 or the project will result in potentially high ongoing maintenance or costs to Council, regardless of total value).  The framework was made available on the intranet and training has been conducted within 3 months of the implementation of the framework.
i.	Project risk assessments have not been comprehensively completed for capital works projects.	We recommend that management should:  1. Establish formal requirements to prompt and assist staff in conducting risk assessments for all capital projects;	Low	Action 6/1:  Agreed. The Project Management Framework will address the requirement for identification, assessment and management of	Responsibility: Refer management action for Action 1/1. Timeframe:	Status as at Feb 2017: Completed Our review noted that:  Action 6/1: The Project Management Framework

Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	<ol> <li>Implement and enforce the requirements across the Council so that they are being followed in all instances; and</li> <li>Maintain an up to date risk register at the project level for major projects and/or projects for which significant risks are identified following the assessment process.</li> </ol>		project risks, including maintenance of a risk register at project level.	Refer management action for Action 1/1.	was adopted by Council on 2 November 2015.  Under the Framework, Section Project Planning (Risk), it is state that in developing the project plan, the project team should document an assess foreseeable project risks, an identify actions to be taken to prever or minimise them. Mitigating actic plans should be incorporated into the tasks and timing for the project. The project team should also maintain a up-to-date risk register in the project plan, and ensure that any strategrisks are submitted for inclusion of Council's risk register for monitoring a higher level.  Under the Framework, Section of Project Execution (Risk Management it is also stated that the form identification, quantification and management of risk should occur at the strategic and operational level throughout the project execution phase. The risk analysis section of the project plan should be updated with any new or changed risks as the project progresses.  The framework was made available of the intranet and training has been conducted within 3 months of the implementation of the framework.



Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
There are no formally documented procedures to provide guidance on winding up and handover of a completed capital project.	1. Establish formal procedures to provide guidance on winding up and handover of a completed capital project; and 2. Implement requirements across the Council so that they are being followed in all instances.	Low	Action 7/1: Agreed. Refer management action for Action 1/1.	Responsibility: Refer management action for Action 1/1. Timeframe: Refer management action for Action 1/1.	Our review noted that:  Action 7/1:  The Project Management Framework was adopted by Council on 24 November 2015.  Under the framework, Section 12 Project Closure, it is stated that to wind up the project, the project closure report should include a handover/transition plan.  The framework was made available on the intranet and training has been conducted within 3 months of the implementation of the framework to ensure that the requirements are communicated across Council so that they are being followed in all instances.
Post-implementation reviews were not completed for capital projects.	<ol> <li>We recommend that management should:</li> <li>Prepare a project closure report for all capital projects. The extent of post completion activities should depend on the type and size of projects;</li> <li>Provide the project closure report to the executive management team for review to enable appropriate actions to be taken where required (e.g. provide more training, discontinue the use of</li> </ol>	Low	Action 8/1: Agreed. Refer management action for Action 1/1.	Responsibility: Refer management action for Action 1/1.  Timeframe: Refer management action for Action 1/1.	Our review noted that:  Action 8/1:  The Project Management Framework was adopted by the Council on 24 November 2015.  Under the Framework, Section 12 Project Closure, it is stated that the following activities to wind up a project



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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation		
					The project closure report must be provided to the Managemen Executive Group for review and sign off to enable appropriate actions to be taken where required (such as providing more training, or discontinuing the use of under performing contractors).		
There is an inadequate representation of council functions/departments in the evaluation of capital projects.  There is an inadequate representation of council functions and functions are represented by the council function of capital projects.	We recommend that management should:  Develop criteria which guide the selection of individuals and/or business units when putting together teams who are responsible for the evaluation of capital projects.	Low	Action 9/1: Agreed. Refer management action for Action 1/1.	Responsibility: Refer management action for Action 1/1.  Timeframe: Refer management action for Action 1/1.	Status as at Feb 2017: Completed Our review noted that:  Action 9/1:  The Project Management Framework was adopted by Council on 24 November 2015.  Under the Framework, Section 12 Project Closure, it is stated that the project evaluation can best be achieved by having a cross-functional team, made up of individuals from departments across Council, so that all Council functions are considered evaluation is transparent and objective, and the team is made up of individuals will vary depending on the project being evaluated, but consideration should be given to including:  The project manager's director;		

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Inadequate training is	We recommend that management should:	Low	Agreed.	Responsibility:	<ul> <li>Finance personnel;</li> <li>Team leader for outdoor works;</li> <li>Manager Information or delegate; and</li> <li>Manager Organisational Development or delegate.</li> <li>Status as at Feb 2017: Completed</li> </ul>
or inadequate training is provided to staff on the processes required in the capital evaluation framework.	Develop a program to provide appropriate training to staff on the application of the capital evaluation framework and on the processes required for effective initiation and planning of capital projects.	Low	Action 10/1:  Training will be provided to relevant staff following the development of the framework.	Manager Organisational Development Timeframe: May 2016 AC Meeting	Our review noted that:  Action 10/1:  Following the development of the Project Management Framework, training was provided to relevant staff within 3 months of its implementation.
There are inconsistencies in the level and type of records kept for capital projects.	We recommend that management should:  1. Include record keeping requirements as part of the policies and procedures to be implemented as part of the Council's project management framework recommended in Action number 1/1.	Low	Agreed.  Action 11/1:  Refer management action for Action 1/1.	Responsibility: Refer management action for Action 1/1. Timeframe: Refer management action for Action 1/1.	Status as at Feb 2017: Completed Our review noted that:  Action 11/1: The Project Management Framework was adopted by Council on 24 November 2015. Under the Framework, Section 13 Record Keeping, it is stated that the records that must be retained and kept together in a folder (on the electronic records management system and/or hardcopy) for each project include (but are not limited to):

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escription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
					<ul> <li>All documents required in accordance with the framework from initiation to closure and evaluation, including copies of approved variation requests and approved project status reports;</li> <li>Documents developed as part of the project plan, such as work breakdown structures and risk management registers for the project;</li> <li>Budget bids or variations;</li> <li>Correspondence and mediate relating to the project; and</li> <li>Copies of milestone or othe reports to Council, steering groups or other governance arrangements.</li> <li>At the completion of the project unnecessary working drafts of documents should be removed of deleted, and a set of final documents should be combined to create a complete file on the project.</li> </ul>

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escription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
eview of Local Laws (Sept	ember 2014)				
The quarterly report contains too much information and should be enhanced to facilitate proper oversight by the Councillors, CEO and members of the Executive Management Group.	1. Obtain feedback from the Councillors, CEO and members of the Executive Management Group on the quarterly report currently available to them;  2. Amend and provide relevant, straightforward and easy-to-understand performance reports (upon receiving feedback) to enable better management visibility over local laws operations. Examples of information that can be included in the report are (but not limited to):  Number of inspection completed;  Status statistics on local law permit applications;  Status statistics on enforcement cases;  Achievement of turnaround time;  Status and comment on open applications or enforcement cases (e.g. actions taken since the last report and the next steps);  Number of animals impounded; and  3. Document such process formally in the	High	The monthly report will be amended to eliminate much of the detail and provide an overview of departmental actions and their progress.  An initial draft will be approved by the MEG, and this will be provided to the Council with an invitation to suggest further improvements.  Action 1/1:  Amend monthly report to provide an overview of departmental actions and their progress	Responsibility: Director Operations Timeframe: February 2015 AC Meeting	Status as at Feb 2017: Completed Our review noted that:  Action 1/1:  The quarterly Local Laws an Planning Compliance Activity Repo provide Council with an update on th activities of the Local Law department with respect to local law and planning compliance action. also provides Council with a broa statistical summary of key Local Law activities and duties conducted durin the period.  In the Jan – Mar 2017 report, summary tables were included:  Current inventory of unsighting properties;  Quarterly animal management and enforcement activities;  Livestock impoundment activities and  Other Local Laws Compliance of Administrative Activity (i.e. nuisance callouts, littering of illegal dumping, fire prevention activities, local laws permits

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	relevant policies and procedures.				local laws audits)
i. Applicable requirements from the Impounding of Livestock Act 1994 and Domestic Animals Act 1994, which impact on the day-to-day activities of Council have not been formally assessed.	<ol> <li>We recommend Council management:         <ol> <li>Perform an assessment regularly on all requirements relating to the <i>Impounding of Livestock Act 1994</i> and <i>Domestic Animals Act 1994</i>;</li> <li>Identify the applicable requirements, which impact on the Council's day-to-day activities. The assessment outcomes should be documented in the Advent Manager.</li></ol></li></ol>	Moderate	Actions under the Impounding of Livestock Act 1994 and Domestic Animals Act 1994 are incorporated into Council's compliance software.  A check of the Acts' obligations will be undertaken to ensure that all obligations have been assigned correctly (to the right person, correct dates, action to be undertaken).  Once this is verified, the system will email the appropriate officer to remind him/her that an obligation is required to be completed.  The department will be provided with the two cases relating to menacing/restricted breeds.  Action 3/1:  Check of Acts' obligations  Action 3/2:  Advise department	Action 3/1: Check of Acts' obligations Responsibility: Director Corporate Services Timeframe: November 2014 AC meeting Action 3/2: Advise department Responsibility: Planning & Local Laws Compliance Officer Timeframe: Immediate action	Status as at Feb 2017: Completed Our review noted that:  Action 3/1:  Applicable requirements/obligations under the Impounding of Livestock Act 1994 and Domestic Animals Act 1994 were incorporated into Council's compliance software and assigned to the relevant officers for action.  Action 3/2:  The registration of menacing dogs was completed and details of the 2 cases related to menacing and restricted breed dogs were provided to the Department.
:. The Council's Local Law No. 4 – Environment (2008) has expired.	We recommend Council management:  Review and update the Local Law No. 4, and obtain adequate approvals from Council and key stakeholders;  Include the Local Law No. 4 in the	High	A review of Local Law No. 4 will commence as soon as practicable. Due to Council's approval processes, and the requirement for public comment (minimum 28 days), the timeframe for this action	Responsibility: Planning & Local Laws Compliance Officer and Local Laws & Fire Prevention Officer	Status as at Feb 2017: Completed Our review noted that: Action 5/1: The Local Law No. 4 was reviewed and approved by the Council in July

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
	Victorian Government Gazette; and 6. Make Local Law No. 4 available to the public (e.g. on the Council's website, or hardcopy upon request).		has been extended to mid-2015.  Advertising in the Victorian Government Gazette, and publishing on Council's website are part of the approval and publishing process adopted by Council.  Action 5/1: Review Local Law No. 4	Timeframe: May 2015 AC meeting	2015. It was adopted and published on the Council's website.
An action plan with defined milestones to guide the development and introduction of a proactive enforcement program on unsightly and dangerous properties is not in place.	We recommend Council management:  Develop an action plan with defined milestones to guide the development and introduction of a proactive enforcement program on unsightly and dangerous properties; and  Provide progress updates to key stakeholders on the action plan regularly.	Moderate	An action plan for a proactive enforcement program on unsightly and dangerous properties will be developed. It will incorporate:  Audit and identification of properties; Assessment of risk of each property; Prioritise properties for enforcement; and Incorporate regular inspection regime. Reporting to Council will be undertaken in line with the newly developed reporting template which eliminates detail, provides an overview of progress on each property and identifies next steps in the process.  Action 8/1: Action plan for	Action 8/1: Action plan for proactive enforcement Responsibility: Director Operations and Manager Planning & Local Laws Timeframe: November 2014 AC meeting	Status as at Feb 2017: Completed Our review noted that:  Action 8/1:  The action plan for proactive enforcement on unsightly and dangerous properties had been developed. It incorporated:  Audit and identification of properties that are unsightly and dangerous;  Assessment of risk of the properties;  Prioritise properties for enforcement; and  Incorporate regular inspection regime.  In the Jan- Mar 2017 quarterly report, the planning enforcements were reported to the Council and it provided

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
			proactive enforcement		an overview of progress on each property and the next action to be taken.
Review of Contract Manage	ment (December 2014)				
. A process owner has not been appointed to drive and coordinate tendering and contract management activities across the organisation.	7. Appoint a process owner to be responsible for driving Council's tendering and contract management activities across the organisation; and  8. Incorporate responsibilities into the relevant position description to ensure clear communication of council's expectations in this respect.	High	Action 1/1: This report, along with other internal audit reports, has identified gaps in the organisational structure. Contract management skills is one of those gaps; these will need to be brought into the organisation.	Responsibility: Chief Executive Officer Timeframe: February 2016 AC Meeting	Our review noted that:  Action 1/1:  The Project Management Coordinate has been appointed.  The coordinator is responsible for driving Council's tendering an contract management activities across the organisation and this has bee incorporated in the position description.
Review of Induction, Perform	mance Review and Performance Managemen	<u> </u>			
. We noted one instance out of the 3 employees tested where a new staff member was not provided with the OH&S risk management induction.	Provide staff with the necessary OH&S risk management induction on all occasions. This requirement should be reinforced to all staff with induction responsibilities.      In addition, the Council has implemented a decentralised approach to its induction where managers or supervisors are responsible for providing induction to any new	Moderate	From the audit comments, it appears that the framework for induction relating to OH&S is satisfactory; however, it is human behaviour that is letting down the process.  Council will include a training session on inducting employees generally, with a particular focus on OH&S, at the April Management and Leadership Group Meeting.	Responsibility: Manger Organisational Development Timeframe: May 2015 AC Meeting	Status as at Feb 2017: Completed Our review noted that:  Action 1/1:  At the April 2015 staff meeting induction, including requirements relating to OH&S, was discussed.  Our sample testing of 3 new employees in FY2016/17 noted that they were provided with the necessary OH&S risk management induction. No

	Mann Judd  Jusiness and Financial Advisers  Recommendation	Rating	Management Response	Person Responsible	Status of Implementation
		J		and Planned Completion Date	
	employee that commences in their area. Accordingly, we recommend Council management provide ongoing communication (i.e. a periodic refresher course) and reinforcement of the specific requirements of the induction program. This will ensure consistent application of the process in an ongoing manner.		Managers with staff who induct employees will be directed to ensure that they provide their staff with an overview of the training held at the Management and Leadership Group meeting.		exceptions were noted.
An expected timeline for the completion of an induction program for new employees has not been established.	We recommend Council management:  1. Establish a required timeline for the completion of the induction program by managers or supervisors. This timeline should be stipulated in the Induction Checklist; and  2. Communicate these requirements to relevant managers and supervisors.	Low	The Induction Checklist does state the timelines, but they are not that obvious when reading the form.  The form will be changed to identify more clearly the required timeframes, which are stipulated over days one, two, and three of employment, with the form being required to be returned to HR by the close of business at the end of week one.  This will also be included on the training at the Management and Leadership Group Meeting in April.  Action 2/1:  Change induction checklist  Action 2/2:  Training managers	Action 2/1: Change induction checklist Responsibility: Manager Organisational Development Timeframe: May 2015 AC Meeting Action 2/2: Training managers Responsibility: Manager Organisational Development Timeframe: May 2015 AC Meeting	Status as at Feb 2017: Completed Our review noted that:  Action 2/1:  The Induction Checklist has bee amended. At the start of the checklist the timeline for completion is clear stated and at the end of the checklis it is clearly stated that the form required to be returned to HR by the close of business at the end of we one.  Action 2/2:  The training on induction, including requirements relating to OH&S, we conducted at the April 2015 starmeeting.

scription of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
We noted 2 procedure documents that are either outdated or still in draft.	1. Document and formalise procedure documents, which details the processes on how to achieve the requirements in the following policies:  Staff Development Review Policy; Discipline Policy; and  2. Review the procedures on a regular basis to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise.	Low	The Staff Development Review procedure has been in draft for some time and can now be finalised and adopted.  The procedure relating to the Discipline Policy has been split into two:  • Managing misconduct, and  • Managing underperformance.  They are also in draft, and will be finalised as a priority.  All procedures will be incorporated into Council's framework which ensures regular review.  Action 3/1:  Staff Development Review Procedure  Action 3/2.1:  Managing Misconduct Procedure  Action 3/2.2:  Managing Underperformance Procedure.	Action 3/1: Staff Development Review Procedure Responsibility: Manager Organisational Development Timeframe: May 2015 AC Meeting Action 3/2.1: Managing Misconduct Procedure Responsibility: Manager Organisational Development Timeframe: July 2015 AC Meeting Action 3/2.2: Managing Underperformance Procedure Responsibility: Manager Organisational Development Timeframe: July 2015 AC Meeting	Status as at Feb 2017: Complete Our review noted that:  Action 3/1:  The Staff Development Re Procedure was approved by Management Executive Group adopted in July 2015.  Action 3/2.1:  The Managing Misconduct Proce was approved by the Manage Executive Group and adopted in 2015.  Action 3/2.2:  The Managing Underperform Procedure was approved by Management Executive Group adopted in Sep 2015.

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Description of Finding	Recommendation	Rating	Management Response	Person Responsible and Planned Completion Date	Status of Implementation
Review of Building Manager	ment Services (March 2016)				
Absence of Contractor performance review prior to the payment of invoice received.	We recommend that council management should:  1. Formalise and document a Council inspection process to assess the completeness and quality of work performed prior to the payment against the Contractor invoices.  2. In case of resource constraints, these inspections can be prioritised based on predetermined criteria (such as the nature of the work undertaken and/or PO value thresholds).	High	Agreed. Our procurement procedures will be strengthened to ensure that work is sited before payment to contractors.  Action 5/1: Strengthening of procurement procedures.	Action 5/1: Responsibility: Manager Financial Services Timeframe: August 2016 AC Meeting	Status as at Feb 2017: Completed. Our review noted that:  Action 5/1:  All invoices have a signed authorisation form added and this includes a required sign off section that the works have been received / completed prior to input into the financial system for payment. Contractor payments require a progress certificate to be completed prior to each payment as attached in Appendix 3 of the Procurement Procedure.

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## **Appendix A: Personnel Consulted**

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

Name	Title	Topic Discussed
Sharon Morrison	Director, Corporate Services	<ul> <li>Audit scope and finding</li> </ul>
Glenn Harvey	Manager Development and Compliance	Review of Local Laws
Carol Canfield	Manager Organisational Development	<ul> <li>Review of Induction, Performance Review and Performance Management Processes; and</li> </ul>
		<ul> <li>Review of Succession Planning and Workforce Development.</li> </ul>
Lynne Habner	Manager Executive and Commercial Services	<ul><li>Review of Project Management</li></ul>
Jodi Schumann	Project Management Coordinator	Review of Contract Management
Indivar Dhakal	Assets Engineer	Review of Building Management Services
Michelle Hargreaves	Administration Officer Corporate Services	<ul> <li>Summary of implementation status of agreed actions from previous internal audits reported to the Audit Committee</li> </ul>



### **Appendix B: Basis and Use of Report**

We are engaged by Loddon Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit Committee.

This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

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

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### **Loddon Shire Council**

# Review of Salary Oncost Rate, Project Costing and Budgeting Process

March 2017





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#### Disclaime

Inherent limitation – the nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence.

#### Third party reliance

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

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### **Executive Summary**

#### Introduction

Loddon Shire Council ("the Council") has engaged HLB Mann Judd to undertake a special review of the salary oncost rate, project costing process and budgeting process. The objective of the internal audit was to document and evaluate internal controls and processes relating to salary oncost, project costing and budgeting and to identify potential risks and opportunities to improve related practices.

#### **Background**

As part of the Service Delivery Review conducted internally by the Council, it was highlighted that there were concerns regarding the salary oncost rate applied, the project costing process and the budgeting process:

#### Salary Oncost Rate

The salary oncost rate charged by Council for internal budgeting and external project costing for all outdoor staff is 54%. For home carers, a 35% salary oncost rate is charged. There was concern on how the 54% salary oncost rate was derived and whether it was justifiable.

#### **Project Costing Process**

Currently, individual departments are responsible for calculating their external project costing. There was concern on whether the project costing process was effective. In particular, we were requested to review how the VicRoads Contract No. 9290 project costing was derived and whether it was justifiable.

#### **Budgeting Process**

Currently, Finance is responsible for the budgeting process, with many costs centralised at Finance and not allocated to the individual department (e.g. the salary on-costs). As such, individual departments do not have full visibility of their performance. Accordingly, there was concern on whether the budgeting process was effective.



### **Summary of Key Findings and Overall Conclusion**

The primary objective was to assess and evaluate the effectiveness and efficiency of internal controls embedded in the calculation of salary oncost rate, project costing process and budgeting process to determine whether the following audit objectives were addressed:

Audit Objectives	Related Finding		Risk F	tating*	
Addit Objectives	Related I munig	Extreme	High	Medium	Low
Determined how the salary oncost rate was derived and assessed if it was justifiable.	The salary oncost rate calculation was not updated.		Finding 1		
Determined whether the project costing process was effective.	No formal process in place to ensure that the project costing prepared by individual departments was reviewed by Finance.		Finding 2		
Determined whether the budgeting development and management process was effective.	The budgeting development and management process was centralised at Finance; and		Finding 0		
	The individual departments within the Council did not have visibility of their performances.		Finding 3		



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

#### Risk Matrix:

				Consequence		
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
	5 Frequent / almost certain					
	4 Probable / likely			$\begin{pmatrix} 1 & 2 \\ 3 \end{pmatrix}$		
Likelihood	3 Occasional / possible					
	2 Unlikely					
	1 Rare					

<sup>\*</sup> The specific criteria and definition of the risk ratings applied to individual findings are defined in **Appendix C**.

#### **Overall Conclusion**

Based on the results of the review, we noted that the Council's salary oncost rate, project costing process and budgeting process were outdated.

In line with the concerns arising from the Service Delivery Review, areas of improvement identified include:

- Reviewing the salary oncost rate to ensure that it is updated, relevant and justifiable;
- For the project costing process, develop and implement procedures requiring Finance to review the project costings, together with the relevant departmental manager, to ensure that the project costing is reasonable and justifiable; and
- For the budget development and management process, reassign the relevant costs/revenues by department whenever possible so that individual departments can have full visibility of their costs as compared to revenues and can determine whether there is a surplus/deficit on projects/services and the department's overall financial performance. The budget development and management process should also be reviewed to ensure that individual departments take ownership of their own budget.



## **Detailed Findings**

Description of Finding	Observation		Impact and Recommended Action	Management Response
The salary oncost rate calculation was not updated.	Risk Rating: High  Standard/Criteria:  Oncosts associated with salaries include annual leave, award sick leave, long service leave, WorkCover and superannuat important to include the salary oncost when calculating the labour costs for internal budgeting or external project costing.  Audit Finding:  Our review noted that:  The salary oncost rate charged by Council for internal be and external project costing is not updated. The rate charged by	ion. It is Council's	Impact:  Incorrect salary oncost rate charged could result in overbudgeting for internal budget and external project costing; and  For costing of projects with other government department (for e.g. VicRoads), the Council may not be performing a proper project costing, resulting in potential overcharging of the other government department above cost recovery.  Recommended Action:  We recommend that Council's management should:  Review the salary oncost rate calculations to ensure that they	Management Action: Recommendation 1: Management Agrees Undertake a salary oncost rate calculation review based on the 2017/18 Adopted Budget salaries and oncost charges. Responsibility: Deanne Caserta,
	54% based on a circular from the AG Chambers, Director Financ on 30 Sep 1993. It is based on the following:    Item	% 15.34 3.12 2.39	<ul> <li>are updated and justifiable; and</li> <li>Institute a process to review the salary oncost calculations once every 2 to 3 years, or when there is a significant change in the components, to ensure that the percentage applied is up-to-date and justifiable.</li> </ul>	Manager Financial Services Timeframe: 31 August 2017  Recommendation 2: Management Agrees
	Workcover (including occupational health & safety)  Superannuation (including financing cost)  Minor Plant and Equipment  Safety Equipment and Protective Clothing  Training Guarantee Levy  Total	10.97 15.67 3.50 0.99 1.50 53.48		Formulate a calculation spread sheet to be used as part of the yearly budget process to ensure that the oncost rate is correct for the next financial year and each year has a consistent approach.  Responsibility:



Description of Finding	Observation	Impact and Recommended Action	Management Response
	Our review together with Finance noted that the workcover and superannuation percentage is currently around 2% and 9.5% respectively. This would bring the salary oncost rate of outdoor staff down to about 38%, which is similar to the home carer salary oncost rate of 35%.		Deanne Caserta, Manager Financial Services Timeframe: 30 September 2017
No formal review	Risk Rating: High	Impact:	Management Action:
process in place to ensure that the project costing prepared by individual departments was reasonable and justifiable.	Standard/Criteria:  With a fairly accurate estimate of the project costing, it allows the project manager to calculate a reasonable contract price and be better able to manage the project costs within the contract price during the period of the contract, especially for projects between the Council and another government agency (i.e. VicRoads).  Audit Finding:  Our review of the project costing of the VicRoad Contract No. 9290 for routine maintenance of pavement, shoulders, roadside areas, drainage systems, road furniture and structures on various arterial roads within Loddon Shire noted that:  Some prices in the contract items (e.g. for routine maintenance of category 4 & 5 roads and initial removal of all vegetation regrowth, fallen timber and litter within grass mowing areas) had just a lump sum amount stated and were not supported by any calculations. As such, we were unable to determine if the project costing was reasonable and justifiable.  In discussion with the Operations department, we noted that based on the contract price they think is acceptable to VicRoads (i.e. past	<ul> <li>Inaccurate project costing could result in the project running at a loss, resulting in loss of monies for the Council; and</li> <li>For costing of projects with other government agencies (i.e. VicRoads), the Council may not have performed an appropriate calculation of project costs, resulting in potential overcharging of the other government agencies above cost recovery. This could be damaging should the government agency request the costing methodology used to calculate the project costs.</li> <li>Recommended Action:</li> <li>We recommend that Council's management should:</li> <li>Develop and implement a process for Finance to review the project costing methodology, together with the relevant departmental manager, to ensure that the costing is reasonable and justifiable.</li> </ul>	Recommendation 3:  Management Agrees  Finance Department to work with the Operation Department to ensure the formulated worksheets used to calculate each project han appropriate costing methodology.  This is to be included in a private/external contactor works policy and procedure that outlines the different methodologies used within each project types.  Responsibility:  Steven Phillips, Manag



Description of Finding	Observation	Impact and Recommended Action	Management Response
	individual contract item prices. The Council was not required to show VicRoads the exact project costing.		Operations
	The Operations department explained that they would need to manage the project within the contract price. If they underestimated the project cost, they would need to cut down roadworks done. If they overestimated the project cost, they could either have additional roadworks done to use up the budget or have a surplus gained from the contract. Thus, they would try to factor in some surplus so that they could get all the required roadworks done and at the same time ensure cost recovery from VicRoads.		Timeframe: 28 February 2018
	The Operations department expressed that it would be useful if there is a formal review process in place for Finance to review the project costing with them to ensure that it is reasonable and justifiable.		
. The budget	Risk Rating: High	Impact:	Management Action:
development and management	Standard/Criteria:	<ul> <li>Individual departments within the Council do not take responsibility for their own budget and do not have visibility of</li> </ul>	Recommendation 4:
process was centralised at	A budget is a systematic method of allocating financial, physical and human resources to achieve strategic goals. The budgetary process is a	their own performances, resulting in potential poor	Management Agrees
Finance; and	key component for managing resources effectively and efficiently and is a means for controlling activity, monitoring and managing financial	performances not being undetected and/or good performances being unrewarded; and	Engage an external consultant to undertake
The individual departments within the Council did not		Individual departments do not have full visibility of their costs as compared to revenues, resulting in unexplained	and develop an action plan on the current financial reporting
have visibility of their financial performances.	It is important that the individual departments within Council are held accountable for their own budget and have visibility of their	surplus/deficits.  Recommended Action:	practice. This to include the current cost centre
	performances.	We recommend that Council's management should:	structures, system accessibility, performance
	Audit Finding:	4. Review the budget development and management process to	expectations, department knowledge and capacity
	Our discussion with management noted that:	ensure that individual departments take ownership of their own budget where possible; and	along with professional
	Currently, the budget development and management process is		development and/or



escription of Finding	Observation		Impact and Recommended Action	Management Response
	centralised in the finance department. Some costs are allocated at the organisational level instead of those relevant to individual departments ( such as relevant salary on-costs). As such,	5.	Reassign relevant costs/revenues by department whenever possible so that individual departments can have full visibility of their costs as compared to revenues and determine exactly if	training requirements.  Responsibility:
	individual departments do not have full visibility of their total projects/services costs as compared to revenues and accordingly their department's overall financial performance.	there is a surplus/deficit on projects/services and the department's overall financial performance.	Deanne Caserta, Manager Financial Services	
	In particular, for the VicRoads Contract No. 9290, the Operations			Timeframe:
	Department did not have full visibility of their actual costs as compared to the revenues. Accordingly, they cannot determine whether they are operating in a surplus/deficit position.			31 December 2017
				Recommendation 5:
				Management Agrees
				Develop an implementation plan around the results gathered from the ac in recommendation for
				Responsibility:
				Deanne Caserta, Manager Financial Services
				Timeframe:
				28 February 2018

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### **Appendix A: Audit Approach and Procedures**

The approach for this engagement is presented below:

- Conducted interviews and perform walkthroughs with Council staff involved in the calculation
  of the salary oncost rate, project costing process and budgeting process to gain an
  understanding of key activities and to identify key internal controls over the related activities;
- Reviewed relevant documentation (including policies, procedures, components of the salary oncost calculations, contract, project costing, budgeting etc);
- Evaluated the results of the review to determine effectiveness and efficiency of the calculation of the salary oncost rate, project costing process and budgeting process and identify potential improvements and recommendations over the processes;
- Conducted the closing meeting with the Project Sponsor following completion of the fieldwork to discuss:
  - o Findings and potential improvements;
  - Recommendations to improve business process and internal controls;
  - o Management's proposed actions to address the findings identified; and
- Issued draft report to management which contained audit findings, recommendations and implementation plans as a basis for continual improvement of Council's processes and activities

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## **Appendix B: Personnel Consulted**

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

Name	Title	Topic Discussed
Sharon Morrison	Director, Corporate Services	<ul> <li>Audit scope and finding</li> </ul>
Steven Phillips	Manager, Operations	<ul> <li>Departmental project costing process; and</li> <li>Departmental budget development and management process.</li> </ul>
Deanne Caserta	Manager, Finance	<ul> <li>Budgeting process; and</li> <li>Process of writing-back of salary oncost for internal budgeting purpose.</li> </ul>
	Service Delivery Review	Observations from the recent Service Delivery Review; and     Salary oncost;
Rosalie Rogers	Coordinator	Budgeting development and management process with the Council; and     Project costing process.
Duncan Campbell	Management Accountant, Finance	<ul> <li>Salary oncost circular from AG Chambers on 30 Sep 1993; and</li> <li>Estimate of current salary oncost.</li> </ul>

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## **Appendix C: Finding Risk Rating Matrix**

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

Risk Rating Matrix		Consequence					
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic	
	5 Frequent / almost certain	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)	
po	4 Probable / likely	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)	
Likelihood	Occasional / possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)	
_	2 Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)	
	1 Rare	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)	

#### **Explanatory Notes to Risk Rating**

Risk Rating	Definition	Guidance	Action Required
Extreme	Issue represents a serious control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability of the process to achieve its objectives.	Material errors and departures from the organisation's policies and procedures.  Financial management / accountability / probity concerns.  Significant breach of governing legislation and regulations which may result in fines or other penalties.	Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance.  Close and on-going monitoring by senior management to resolution is highly recommended.  Requires extreme priority to immediate action and a program for prompt resolution.  Recommended timeframe for action: Immediate – 3 months.
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	Errors and departures from the organisation's policies and procedures.  Non-compliance with governing legislation and regulations which may result in fines or other penalties.  Collective impact of	Requires substantial senior management intervention, On-going resource diversionary potential and may require possible external assistance. Requires high priority to action.

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Risk Rating	Definition	Guidance	Action Required
		many medium or low issues.	Recommended timeframe for action: 3 – 6 months.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to achieve its objectives.	Events, operational, business, and financial risks that could expose the organisation to losses that could be marginally material to the organisation.  Departures from best practice management procedures and processes.	Requires considerable management intervention and may require possible external assistance.  Requires prompt action.  Recommended timeframe for action: 6 – 12 months.
Low	Issue represents a minor control weakness, which is minimal but reportable impact on the ability of the process to achieve its objectives.	Events, operational, and business risks that could expose the organisation to losses which are not material due to the low probability of occurrence of the event on the operating capacity, reputation and regulatory compliance.  Departures from management procedures and processes; however, appropriate monitoring and governance generally mitigates these risks.	Requires management attention and possible use of external resources.  Requires action commensurate with the process objectives.  Recommended timeframe for action: Depending on the availability of scarce resources.

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### Appendix D: Basis and Use of Report

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- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout a specified period and any tests performed were on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the
  risk that the systems may become inadequate because of changes in conditions, or that the
  degree or compliance with them may deteriorate.
- The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
- Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.
- This report is not to be used by any other party for any purpose nor should any other party seek to rely on the opinions, advice or any information contained within this report. In this regard, we recommend that parties seek their own independent advice. HLB Mann Judd disclaims all liability to any party other than the client for which it was prepared in respect of or in consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than the client for which it was prepared, who chooses to rely in any way on the contents of this report, does it so at their own risk.

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# LODDON SHIRE COUNCIL

Audit Committee Outstanding Actions Report May 2017



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#### 1 PURPOSE

This report provides the Audit Committee with the status of outstanding actions resulting from internal audit reviews and end of financial year reviews undertaken for reporting purposes.

#### 2 BUDGET IMPLICATIONS

Nil

#### 3 RISK ANALYSIS

The internal audit program has been developed on a risk based approach. Areas that have been highlighted as a potential risk to Council have been prioritised in the program. The program is assessed annually to ensure that it is still current, and that any emerging risks have been assessed for inclusion in the program.

Council's Risk Assessment Criteria (Risk Matrix) for assessing risk levels, as per the updated Risk Management Policy (26 May 2015), has been included in Appendix 1.

#### **4 SUMMARY OF RESULTS**

REPORT	Report Code	Date Presented to Audit	Number of Actions	Number of Sub-Actions
ACTIONS CARRIED FORWARD AT 1 JULY 2011	PRE	Pre 1 July 2011	3	5
REVIEW OF PAYROLL/ EXPENDITURE AND ACCOUNTS PAYABLE/ MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2011	1/2/3	2011	24	39
REVIEW OF ELECTRONIC PAYMENTS/ RATES/ PLANNING/ RELIANCE ON GRANTS/ MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2012	4/5/6/7/8	2012	17	23
REVIEW OF IT NETWORK SECURITY (REF: 9)/ REVIEW OF SECTION 86 COMMITTEES (REF: 10) / COMPLIANCE AND KNOWLEDGE MANAGEMENT / FINANCIAL POLICIES AND PROCEDURES	9/10/11/	2013	27	43
REVIEW OF BUSINESS CONTINUITY/ ASSET MANAGEMENT REGISTERS (WITH FINANCIALS)/ PROJECT MANAGEMENT/ LOCAL LAWS PROCEDURES/ MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2014	13/14/15/ 16/17	2014	36	62
REVIEW OF CONTRACT MANAGEMENT (REF: 18)	18	February 2015	9	16
REVIEW OF INDUCTION, PERFORMANCE REVIEW AND PERFORMANCE MANAGEMENT	19	May 2015	3	6

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REPORT	Report Code	Date Presented to Audit	Number of Actions	Number of Sub-Actions
FOLLOW UP OF PLANNING REVIEW JULY 2012 (REF: 20)	20	August 2015	2	4
	21	August 2015	11	12
INTERIM MANAGEMENT LETTER FOR YEAR ENDED 30 JUNE 2015 (REF: 21)				
	22	November 2015	1	5
REVIEW OF SUCCESSION PLANNING AND WORKFORCE DEVELOPMENT (REF: 22)				
REVIEW OF DISASTER RECOVERY (REF: 23)	23	February 2016	7	14
REVIEW OF BUILDING MANAGEMENT SERVICES (REF: 24)	24	May 2016	6	9
REVIEW OF PURCHASES AND ISSUES FROM COUNCIL DEPOT STORES (INCLUDING PURCHASES MADE ON CREDIT CARDS) (REF: 25)	25	August 2016	13	27
MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2015	26	November 2016	0	0
REVIEW OF ACCOUNTS PAYABLE	27	November 2016	16	16
PRIVACY RESPONSIBILITIES	28	February 2017	27	40
TOTAL			202	321

Appendix 2 has been added to this report to assist with the transfer of knowledge in the management and readability of this report.

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#### **5 REPORT ANALYSIS**

Report – Risk Levels	Total Number of Sub-Actions	Not Started	Work in Progress	Complete
Review of IT Security	17	0	1	16
Review of Section 86 committees	6	0	1	5
Review of asset management registers	22	0	4	18
Review of project management	12	0	1	11
Review of local laws procedures	13	0	9	4
Review of contract management	16	1	9	6
Follow up of review of planning July 2012	4	0	1	3
Management letter for the year ended 30 June 2015	12	0	0	12
Review of succession planning and workforce development	5	3	2	0
Review of disaster recovery	14	0	0	14
Review of building maintenance services	9	0	9	0
Review of purchase and issue of stores from Council depots	27	6	8	13
Review of accounts payable	16	3	2	11
Review of privacy responsibilities	40	14	19	7
Total	213	27	66	120
Last Report August 2016 Totals	238	10	31	197
Total				41

At the beginning of the reporting period there were 41 actions outstanding. There were 16 action added as a result of the review of the accounts payable and 40 actions added as a result of the review of privacy responsibilities. Since the last report in August 2016, 35 actions have been completed.

In the past 3 months staff have been working on implementing software which will help to collate updates, prepare reports and assist with monitoring of audit actions and other corporate actions.

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#### 6 REVIEW OF IT NETWORK SECURITY (REF: 9)

#### 6.1 Item 9/8 IT policies have not been documented for the Council

#### 6.1.1 Observation and recommendation

The main reasons for having documented IT policies are to define a framework for managing IT systems and operations, protect the assets of the organisation and provide a uniform level of control and guidance for all staff members and contractors.

As an example, for systems to remain secure and information protected, all staff must be aware of the guidelines and responsibilities for acceptable use of IT equipment and systems, using robust passwords for protection against unauthorised access and safeguarding mobile devices from theft or damage.

We noted that IT policies have not yet been documented for the Council. Without adequately documented and up-to date policies there can be a lack of clear and consistent guidance on the performance of IT activities, and lack of transparency in decision making processes due to roles and responsibilities for key staff and outsourced providers not being defined and communicated. It also increases the risk of non-compliance with approved practices, government guidelines and relevant legislation.

We recommend that council:

- Develop and implement new IT policies that cover key IT functions, including but limited to the following:
  - Information Security;
  - Remote Access:
  - Password Management;
  - · Firewall Configuration Management;
  - Antivirus Application;
  - Mobile Devices:
  - Acceptable Use of IT Equipment and Systems;
  - Internet Use; and
  - Physical Security;
- Promotes awareness that it is the responsibility of every staff member, temporary employee, contractor and third party user to ensure they are familiar with the policies and abide by them; and
- Regularly monitor and review the policies to ensure that they remain relevant to the Council's aims and objectives.

#### 6.1.2 Management Response

New IT policies covering the listed items will be prepared following the current body of work being delivered by the external IT consultant.

#### 6.1.3 Action 9/8.1 New IT policies to be created (Risk 33, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Information	Medium (13)	November 2013	Work in progress	Overdue		
Date	Response	Response				
May 2013	Not started	Not started				
August 2013	Some preliminary work has commenced via discussions with the IT consultant about content in the policies, and research on the internet for other organisation's IT policies.					
November 2013	Same comment as August 2013.					
February 2014	There has been no progress with this action.					

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May 2014	Manager Information has been investigating what other organisations are doing in relation to policy development to get a sense of what would work well for Council.
	The development of IT policies has commenced; the Acceptable Usage Policy and IT Security Policy are currently in draft.
	The MAV's preferred provider for IT policies has contacted Council and will be providing an overview of their product. About 50% of councils in Victoria are currently using the product which incorporates best practice from ISO standards
	First draft of policy system has been received and is currently being reviewed by members of the IS Steering Committee. Once the committee is happy with the structure the review will be extended to the management team.
May 2015	The consultants were on site in March to workshop the policies and their structure to ensure they fit with the Loddon framework. It is expected that they will be returned as a first draft in mid-April. They will then be subject to Council's approval process.
August 2015	Draft policies have been received and reviewed. They have been returned to the consultant for amendments and to correct some errors. Council is waiting for the next draft which will be reviewed, and if correct, subject to Council's approval process.
	Policies are currently being transferred into Council's standard templates and will be gradually released for approval.
February 2016	The Anti-Virus Policy was approved by the MEG on 10 February 2016, and the Computers for Councillors Policy was approved by the MEG on 28 January 2016, but not yet put into Council's policy template and amended to suit Council's needs more specifically.
August 2016	An IT Officer has been recruited and commences shortly. This will provide an opportunity for the development of outstanding policies:  The Password and Authentication Policy The Acceptable Use Policy The Access Control Policy The Cloud Computing Policy The Email Policy
November 2016	The Password and Authentication Policy has now been adopted. The other policies are still in draft.
February 2017	Cloud Computing Policy is in final draft and due for consultation. Other policies (Acceptable Use Policy, Access Control Policy, and Email Policy) are still in early drafts.
May 2017	

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#### 7 REVIEW OF SECTION 86 COMMITTEES (REF: 10)

### 7.1 Item 10/2 No risk assessment processes to identify and monitor Section 86 Committee related risks

#### 7.1.1 Observation and recommendation

Risk management is the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximise the realisation of opportunities.

Our review noted that currently, there is no formal process within the Council to identify and monitor Section 86 Committee related risks in line with Council's risk management framework in terms of:

- planning and assessing a Committee and its activities before it is established; and
- the day-to-day operation and management of Council's facilities by Section 86 Committees.

A lack of appropriate risk management, as outlined above, could result in untimely or a lack of treatment of risks. As such, the Council needs to put more emphasis in identifying, documenting, treating, monitoring and reporting on all the key risks in this respect. This includes enforcing requirements that Section 86 Committees undertake risk management activities to ensure risks are identified and managed appropriately.

We recommend Council management:

- 1. incorporate Section 86 Committees into the Council's risk management framework;
- identify and record Section 86 Committee related risks in the risk register together with appropriate action plans;
- escalate and report high rated risks to the appropriate management team for resolution; where relevant; and
- 4. enforce a requirement that Committees undertake risk management activities in line with the Council's risk management framework.

#### 7.1.2 Management Response

Action 1: Council will incorporate Section 86 committees into the risk register.

Action 2: In relation to committees undertaking risk management activities, there will need to be assistance and training in this area for committees. Council will consult with the insurer about providing training to committees.

# 7.1.3 Action 10/2.2 Risk management assistance and training for committees (Risk 31, CAR 2)

Responsibility	Risk Level	Completion Date	Status	Due Status
Manager Organisational Development	Medium (14)	February 2014 Audit Committee Meeting	Work in progress	Overdue
Date	Response			
August 2013	Manager Organisational Development will be seeking advice on the availability of Council's insurer providing training to committees.			
November 2013	Same comment as August 2013.			
February 2014	Same comment as August 2013.			
May 2014	Same comment as August 2013.			
August 2014	Same comment as August 2013.			

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November 2014	Council's insurer is happy to visit Council and provide training. This will be coordinated with the general governance information session which will be held in the first quarter of 2015.			
February 2015	Same comment as November 2014			
May 2015	No update.			
August 2015	Following an increase in compliance for Section 86 committees from the Victorian Auditor-General (i.e. include S86 committees' financials into Council's end of financial year statements), which will be an additional burden to Council's volunteers, Council is currently discussing options for S86 committees and whether alternate structures can be put in place for the various functions currently undertaken by S86 committees.			
November 2015	See August 2015 comment.			
February 2016	There is no progress directly with this as the assessment of the future of Section 86 committees has not yet been undertaken, however, an "Event Management - A guide for organisers of events" document has been produced to assist community groups in planning and running events, and this was adopted by Council on 27 January 2016.  Preliminary work on other models or options for Section 86 committees is			
	continuing.			
August 2016	A preliminary assessment of the future of Section 86 committees has been undertaken. It appears that valid alternatives are available for some committees but acknowledge that there will be residual Section 86 committees remaining after the assessment is finalised. Therefore, training will be sought.			
November 2016	Governance training offered to section 86 committees. Only one committee took up the offer.			
February 2017	Further investigations have been undertaking regarding approaches to the management of section 86 committees. A report is being prepared for consideration for Council.			
May 2017	Changed responsibility to Director Corporate Services in regards to the management Section 86 committees. Still work in progress.			

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#### 8 ASSET MANAGEMENT REGISTERS (WITH FINANCIALS) (REF: 14)

#### 8.1 Asset Recognition Policy be developed

#### 8.1.1 Observation and recommendation

Better practice requires that an Asset Management policy be developed which governs key asset management related activities. Our review of Council documentation and discussions with management revealed that the Council does not have a formal Asset Management policy in place.

Although the Council has separate Asset Management related documents which are mainly stored on the Council's local drive, an overarching internal Asset Management policy which integrates these individual documents into a structured manner does not exist. Such a policy would provide guidance on how assets are:

- · recognised and measured;
- · purchased;
- · recorded and reported;
- · tracked and monitored;
- depreciated; and
- · disposed of.

Our enquiries revealed that the requirement to develop an overarching Asset Management policy has not been previously considered by council. The absence of a formalised internal Asset Management policy could lead to confusion about the Council's objectives, scope and expectations surrounding its Asset Management framework.

We recommend that the Council:

- develops an overarching asset management policy to govern the management of key related activities for its different asset groups; and
- ensure that the policy is stored on the council's intranet, and that all staff are made aware of its location.

#### 8.1.2 Management response

Council does have an Asset Management Policy which is held on the website. It was approved by Council on 22 July 2012.

However, this policy does not cover the items listed in the observation. We believe that Council requires an Asset Recognition Policy to cover the aspects listed.

Council will develop an Asset Recognition Policy, incorporating the items listed in this action.

#### 8.1.3 Action 14/1.1 Asset Recognition Policy developed (Risk 48, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Technical Services	Medium (13)	November 2014 AC Meeting	Work in progress	Overdue
Date	Response			
August 2014	Preliminary investigation has commenced.			
November 2014	No further progress. It has been necessary to reprioritise this action to fit in with the Operations Directorate Plan. The reprioritised expected completion is in May 2015.			
February 2015	Refer to November 2014 comment.			
May 2015	This policy has progressed with draft capitalisation thresholds and rules for asset			

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	segmentation for partial renewal or upgrade works have been developed for sealed pavements, sealed surface and unsealed pavement.
August 2015	No update.
November 2015	No further progress.
February 2016	No further progress.
August 2016	Following appointment of Manager Technical Services, development of policy has commenced.
November 2016	Focus is currently on asset management plans
February 2017	Focus is still on asset management plans. Time frame can be expected after appointment of Manager Technical Services.
May 2017	Focus is on asset management plans. With the appointment of new MTS and AE, substantive timeframe can be expected in the next couple of months.

#### 8.2 Access controls and procedures

#### 8.2.1 Observation and recommendation

Discussions with the Manager, Infrastructure Policy Development revealed that infrastructure assets, which accounted for a significant amount of the Council's total asset base (i.e. over 65%), were reported for financial purposes through a manual process.

We performed a walkthrough of the reporting process over infrastructure asset information and identified that this information was extracted from the "Moloney" system into excel spreadsheets, and manually edited, formatted, filtered and sorted before being provided to the Finance Division. Furthermore, the excel spreadsheets were located within the Council's local drive which was available to multiple staff.

Management advised that the Moloney system did not allow for data to be automatically edited, formatted, filtered and sorted to assist in reporting for financial purposes.

Risks associated with this manual reporting process over infrastructure assets include the increased possibility of:

- · information being susceptible to errors;
- · information being lost;
- information being manipulated by other officers due to the lack of user access controls;
- monitoring and tracking issues as changes being made to excel spreadsheets do not have audit trails; and
- succession planning issues as the procedures surrounding the reporting process are not documented.

We recommend that the Council:

- considers implementing a new database/system that allows for an automated reporting process over infrastructure assets to mitigate risks associated with the manual intervention of spreadsheets currently being practiced;
- upon implementing a new database/system, the Council reviews the access levels provided to its officers and determine whether it is in accordance with their position and level of responsibility; and
- formalise and document procedures surrounding the reporting process of infrastructure assets.

#### 8.2.2 Management response

Council's purchase of an asset management system will be undertaken in conjunction with a corporate financial system, which is scheduled to be commenced once a new electronic

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content management system is installed. The corporate system purchase may not commence until the 2016/2017 financial year.

In the meantime, Council will put access control mechanisms in place to limit access to the spreadsheet based asset registers, and will undertake documenting the current procedures for infrastructure asset processes.

#### 8.2.3 Action 14/2.2a Revaluation process procedures (Risk 49, CAR 6)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Technical Services	Medium (9)	February 2015 AC Meeting	Work in progress	Overdue
Date	Response			
August 2014	No action as yet.			
November 2014	No further progress. It has been necessary to reprioritise this action to fit in with the Operations Directorate Plan. The reprioritised expected completion is in May 2015.			
February 2015	Refer to November	er 2014 comment.		
May 2015	No action.			
August 2015	No update.			
November 2015	No further progress.			
February 2016	No further progress.			
August 2016	Council has now chosen a new asset management system which will be implemented in 2016/2017. Following implementation of new AMS, procedures outlining revaluation processes shall be developed matching the new software as opposed to existing spread sheets.			
November 2016	Work in progress with new system-timeframe of 6 months away as need to focus on implementation of system then procedure will follow.			
February 2017	New AM system is work in progress. Once the system is up and running, a procedure will be developed. Can be expected in first quarter of 2017/18.			
May 2017	New AM system implementation still in process. All asset classes will be gradually implemented in the system in this and next financial year and subsequent procedures will be developed.			

# 8.2.4 Action 14/2.2c Departmental (DPTLI/MAV) surveys process procedures (Risk 49, CAR 4)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Technical Services	Medium (9)	November 2014 AC Meeting	Work in progress	Overdue	
Date	Response				
August 2014	No action as yet.				
November 2014	Work has commenced on the MAV Gap procedure. The DTPLI return procedure has not been started.  It has been necessary to reprioritise these actions to fit in with the Operations Directorate Plan. The reprioritised expected completion for the DTPLI return and MAV Gap procedure is expected to be completed in May 2015.				
February 2015	Refer to November 2014 comment.				
May 2015	Work commenced some time ago on the MAV Gap procedure but there has been no recent progress.				

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August 2015	No update.
November 2015	No further progress.
February 2016	No further progress.
August 2016	MAV Renewal Gap procedure has been developed. DTPLI return procedure still to be developed.
November 2016	Scheduled for March for completion
February 2017	New time frame will be set after the appointment of Manager Technical Services.
May 2017	MAV Renewal Gap procedure for existing system is current. DTPLI return procedure to be developed. No ETA at this stage.

#### 8.3 Non-current assets not recorded on Council's register

#### 8.3.1 Observation and recommendation

The Council requires that assets with a value of more than \$1,000 be recognised as a non-current asset provided the expenditure results in the addition of a new asset, or adds to the value of an existing asset. These items must be recorded.

Sample based testing revealed 2 instances where assets (street furniture) that met the Council's non-current asset recognition criteria, were not recorded on the Council's Infrastructure Asset register/spreadsheet.

Although the street furniture items (timber seat and wheelie security bin) were both omitted from the Infrastructure Assets register/spreadsheet, the total value of the items (approximately \$3,000) was immaterial.

The Manager, Infrastructure and Policy could not determine the reason why the items were omitted from the spreadsheet.

We recommend that the Council re-enforce the need:

- to monitor and track infrastructure assets appropriately, including updating the spreadsheet in a timely manner in regards to capital assets; and
- document and formalise procedures surrounding the monitoring and tracking of its assets.

#### 8.3.2 Management response

There are some system limitations with the Moloney system, whereby only 5 line items of detail can be incorporated against an asset, which is where the discrepancy occurred with the tested asset. This should be overcome by the purchase of a corporate financial and asset management system. In the meantime, procedures will be prepared for the monitoring and tracking assets.

# 8.3.3 Action 14/8.1 Procedure for monitoring and tracking infrastructure assets (Risk 49, CAR 5)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Technical Services	Low (5)	February 2015 AC Meeting	Work in progress	Overdue
Date	Response			
August 2014	No action as yet.			
November 2014				itise this action to fit in expected completion is in
February 2015	Refer to November	er 2014 comment.		
May 2015	No action as yet.			

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May 2017	GIS Officer has been appointed and started the last week of April.
February 2017	GIS Officer has been repositioned in Technical Services and recruitment will be done within February. No further update.
November 2016	Due to restructure this action has been split with Leigh Manager Information working on GIS component and Peter Manager Technical Services adding data to the system. Timeframe for Asset Management Strategy (AMS) and roll over into the new AMS –August 2017
August 2016	Council has recently recruited a Manager Technical Services and Asset Engineer who are responsible for monitoring and tracking infrastructure assets. They have a process whereby infrastructure assets are updated into the asset management system on a quarterly basis, in a methodical way. A documented procedure to support this has been developed for roads and road related assets. Procedures governing other asset classes are still to be developed. Further work on these procedures has been deferred pending finalisation of implementation of the new Asset Management System (AMS).
February 2016	No further progress.
November 2015	No further progress.
August 2015	No update.

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# 9 REVIEW OF PROJECT MANAGEMENT (REF: 15)

#### 9.1 A projects register is not maintained for the Council

#### 9.1.1 Observation and management

A projects register can be an important tool in the management of projects as it allows an organisation to capture key information about projects such as type, value, status, and key stakeholders. This information can then be used to generate reports which provide information regarding all of the projects that are planned, currently in progress and/or that have been completed. It also allows management to assess potential sources and implication of risks caused by interdependencies between projects.

During our review, we noted that a projects register is not maintained for all projects at the Council. Consequently, we have also not been able to obtain a full and comprehensive listing of all projects that are planned, in progress or that have been completed at the Council during a given duration.

We recommend that management should establish a projects register for the Council such that key information on projects are formally captured and used for reporting purposes.

#### 9.1.2 Management response

A project database template developed as part of the Project Management Framework will allow for reporting all defined projects. As part of this process, we will investigate whether Council's existing Contracts Database could be developed further to incorporate additional elements that will provide this reporting data.

Projects required to be included in this database will depend on size of project.

#### 9.1.3 Action 15/12.1 Projects register

The project management framework will incorporate the requirement for a projects register to be developed and maintained.

Responsibility	Risk Level	Completion	Status	Due Status
Executive Assistant (in consultation with business units across Council)	Low (3)	November 2015 AC Meeting/ reviewed date 30 June 2017	Reviewed	Not yet due
Date	Response			
November 2014		work has commer p has not yet been		
February 2015		osed framework an		nsideration by
May 2015	The working group has been meeting to further refine the framework and templates – work is on track for timely completion.			
August 2015	Council staff to tes	ework and template st and provide feed age for internal app	back during July.	The next step is
November 2015	The current scheduled is to provide the draft framework to the management and leadership team in October. It will then be provided to the Council Forum in November and Council Meeting for approval in December.			
February 2016	The project man November 2015.	agement framewo	rk was adopted b	y Council on 24

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May 2017	HLB Mann Judd identified the following:
	There was no projects register maintained for the Council.
	We understand that the projects register will be put in place with the implementation of the Contracts Management System.
	Responsibility has been passed onto Director Operations and Project Management Coordinator with a revised timeframe to be completed.
	Projects register to be put in place as part of the Contracts Management System implementation.
	A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures.

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### 10 REVIEW OF LOCAL LAWS (REF: 16)

#### 10.1 Amend report to provide an overview of departmental procedures

#### 10.1.1 Observation and recommendation

Effective reporting and communication is essential to support an organisation's governance framework. Personnel throughout the organisation must receive the respective information they need to efficiently carry out their responsibilities.

The Council is provided with a quarterly in-camera report, which outlines operational updates including planning and local laws compliance activities. We noted that full details for selective cases in the following areas are included in the report:

- Planning scheme investigations or enforcement activities;
- Dog attacks; and
- Untidy, unsightly or hazardous properties.

Further, the details for these cases are accumulated over time until they are completed or resolved.

We believe the report contains too much information for the Councillors, CEO and members of the Executive Management Group to carry out their responsibilities efficiently given that they should focus primarily on reviewing operational performance.

Without providing relevant, straightforward and easy-to-understand performance reports to key stakeholders, there is an increased risk that the Council's governance framework is not as effective as it should be.

We recommend Council management:

- 1. obtain feedback from the Councillors, CEO and members of the Executive Management Group on the quarterly report currently available to them;
- amend and provide relevant, straightforward and easy-to-understand performance reports (upon receiving feedback) to enable better management visibility over local laws operations. Examples of information that can be included in the report are (but not limited to):
  - number of inspection completed;
  - status statistics on local law permit applications;
  - status statistics on enforcement cases;
  - achievement of turnaround time;
  - status and comment on open applications or enforcement cases (e.g. actions taken since the last report and the next steps);
  - number of animals impounded; and
  - document such process formally in the relevant policies and procedures.

#### 10.1.2 Management response

The monthly report will be amended to eliminate much of the detail and provide an overview of departmental actions and their progress.

An initial draft will be approved by the MEG, and this will be provided to the Council with an invitation to suggest further improvements

#### 10.2 Development of procedures to guide staff on processes

### 10.2.1 Observation and recommendation

Comprehensive policies and procedures are a crucial organisational tool, which sets the tone from management and provides guidance in day-to-day transactions and activities for Council staff. Policies

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and procedures help to ensure that operation processes are well-designed, documented and are performed in a consistent manner.

We noted that there are inadequate procedures to guide staff on processes required to implement the Council's Enforcement of Local Laws Policy. To be specific:

#### Local laws:

- The local law permit application processing procedures have not been documented;
- The enforcement procedures are documented in the Planning and Local Laws Compliance Process flowchart. However, the document layout is not consistent with the procedure template under the Council's Strategic Document, Policy and Procedure Framework;

#### Impounding of Livestock Act 1994:

 The Council adopted the Impounding of Livestock Act 1994 – Procedure Manual (issued by the Department of Environment and Primary Industries) in its operations. However, a reference to the Procedure Manual has not been included in the Enforcement of Local Laws Policy;

#### Domestic Animals Act 1994:

- The following procedures have not been documented:
  - Registration of breeding businesses;
  - Animal registrations and renewals;
  - Investigation and enforcement procedures related to domestic animals (e.g. dog attack, stray animals, or euthanasia of animals); and

#### Unsightly and dangerous property:

The enforcement procedures are documented in the Unsightly Property Procedure Workflow. However, the document layout is not consistent with the procedure template under the Council's Strategic Document, Policy and Procedure Framework.

The absence of formal procedures may result in inconsistencies in operations due to the lack of common guidelines. In addition, there is an increased risk of valuable knowledge being lost when relevant staff leave the organisation.

We recommend Council management:

- document and formalise procedure documents on key processes, which govern the administration and enforcement of local laws and animal management to address the shortcomings highlighted under *Observation*; and
- review procedures on a regular basis to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.

### 10.2.2 Management response

A project plan for development of the suggested procedures will be developed and provided to Audit Committee.

This plan will be monitored until all actions are complete.

10.2.3 Action 16/2: Project plan (Risk 61, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager	Medium (13)	November 2014	Work in	Overdue

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Development and Compliance	AC Meeting? progress/ reviewed 31 August 2017		
Date	Response		
February 2015	Formulation of a project plan has commenced, with Manager Planning and Local Laws and Director Operations working in conjunction. This is expected to be complete by early February.		
May 2015	The project plan is about 85% complete; further time has been scheduled to finalise the project plan, which will be complete by Audit Committee.		
August 2015	No update.		
November 2015	No update.		
February 2016	No update.		
August 2016	Manager Development and Compliance is revisiting the project plan and will be working with staff to identify required procedures and estimated completion times.		
November 2016	Project plan being reviewed		
February 2017	Project Plan completed and being implemented, letters issued to all identified landholders.		
	HLB Mann Judd identified the following:		
	Inadequate procedures to guide staff on processes required to implement the Council's Enforcement of Local Laws Policy.		
May 2017	Letters have been sent to identified sites, project to be reviewed and sites revisited to follow up and enforce plan.		
	Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.		

#### 10.3 Formalise a risk methodology/approach in the Council's local laws framework.

#### 10.3.1 Observations and recommendations

All councils receive community complaints that relate to alleged breaches of the local laws or permits that they must respond to. Councils' enforcement workload will in most instances exceed its available resources in this area. To assure resources are allocated to the areas of the greatest need, councils should develop a risk-based approach.

As represented by the Planning and Local Laws Unit, a risk-based approach is practised in decision making as well as prioritising day-to-day operations. However, our review noted that the risk based approach practiced has not been emphasized and formalised in the Council's local laws framework. To be specific:

- a Risk based approach is not outlined as one of the key enforcement principles in the Council's Enforcement of Local Laws Policy; and
- risk assessment procedures have not been incorporated into the enforcement workflows.

Without a proper risk methodology/approach to support decisions made, there is an increased risk that:

- priorities may not be determined appropriately for allocating resources to enforcement activities;
   and
- areas of highest priority may not be effectively identified for enforcement action.

We recommend Council management:

 develop a risk methodology/approach to be applied consistently to enforcement activities;

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- document processes for assessing and prioritising cases within relevant policies and procedures; and
- obtain adequate approvals before implementing policies and procedures across the organisation.

# 10.3.2 Management response

The risk methodology will be incorporated into the enforcement policy.

A procedure for assessing and prioritising cases will be developed.

The policy will be approved by Council, while procedures will be approved by the MEG.

10.3.3 Action 16/4.1: Risk methodology for local laws framework (Risk 62, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Development and Compliance	Medium (13)	May 2015 AC Meeting new revised timeframe-31 August 2017	Work in progress/Reviewed	Overdue
Date	Response			
February 2015		ar documentation fr g a risk methodolo		nplete. This will inform
May 2015		ology will be incorported to action 16/8.1.	orated into the enforce	ement policy and
August 2015	Refer to Action 1	6/8.1.		
November 2015	No update.			
February 2016	No update.			
August 2016	Manager Development and Compliance is revisiting the risk methodology and enforcement policy.			
November 2016	Methodology and	policy being revie	wed.	
February 2017	No updates			
	HLB Mann Judd	identified the fol	lowing:	
May 2017	A risk methodology/approach has not been emphasized and formalised the Council's local laws framework.			ed and formalised in
	Not started until a permanent Local Laws officer is appointed possible late June-Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.			

# 10.3.4 Action 16/4.2: Procedure (Risk 62, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Development and Compliance	Medium (12)	May 2015 AC Meeting new revised timeframe-31 August 2017	Work in progress/Reviewed	Overdue
Date	Response			
February 2015	The procedure w	ill be developed on	ce risk methodology I	s complete.
May 2015	Development of t Refer to action 16	•	occur once the policy	has been adopted.

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August 2015	Refer to Action 16/8.1.
November 2015	No update.
February 2016	No update.
August 2016	Manager Development and Compliance will develop the procedure after reviewing the risk methodology and enforcement policy.
November 2016	Methodology and policy being reviewed.
February 2017	No update
	HLB Mann Judd identified the following:
May 2017	A risk methodology/approach has not been emphasized and formalised in the Council's local laws framework.
	Work in progress, still in development stages, Not started until a permanent Local Laws officer Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.

# 10.4 An annual audit program to ensure compliance with permit conditions

#### 10.4.1 Observation and recommendations

As stipulated in the Enforcement of Local Laws Policy, an annual audit program will be conducted by the Local Laws Officer in March and September each year to ensure compliance with permit conditions.

Our review noted that such program has not been established. Currently, the Council has undertaken a reactive rather than a proactive approach in the enforcement of permit conditions. To be specific, the Council will only undertake enforcement actions as and when an incident is reported or a complaint is received.

The absence of an annual audit program has resulted in non-compliance to the Council's Enforcement of Local Laws Policy. Also, a reactive approach does not allow Council to set enforcement priorities and resource allocation and to better address their statutory obligations to administer and enforce requirements under the Local Laws.

We recommend Council management:

 establish an annual audit program to ensure compliance with permit conditions (in line with the Council's policy).

Note: A risk methodology (consistent with Audit Finding No. 4) should be adopted in the development of such program; and

conduct the annual audit and provide updates to key stakeholders accordingly for proper oversight.

#### 10.4.2 Management response

An annual audit program for all local laws related matters will be developed. Following adoption of the program, the annual audits will commence, and compliance will be reported to Council at least annually.

# 10.4.3 Action 16/6.1: Audit program developed (Risk 64, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager	Medium (8)	February 2015	Work in	Overdue

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Development and Compliance	AC Meeting progress /Reviewed timeframe- 31 August 2017		
Date	Response		
February 2015	An outline of program has been developed. The formalised program is currently being developed.		
May 2015	The formalised audit program is under development but is not yet complete.		
August 2015	A Local Laws Permit Audit Procedure is being developed, and it will incorporate the audit schedule. In the meantime, local laws staff will commence audit program, which will be undertaken on a town basis.		
November 2015	No update.		
February 2016	No update.		
August 2016	Manager Development and Compliance is raising interim audits as a matter of priority and looking at software options to improve efficiency.		
November 2016	Software being investigated		
February 2017	Local Laws and Planning Compliance Officer currently being recruited.		
May 2047	Some work has been completed, still waiting for the appointment of a permanent Local Laws and Planning Compliance Officer.		
May 2017	An annual audit program for all local laws related matters had not been established.		

# 10.4.4 Action 16/6.2: Annual audits commenced (Risk 64, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Development and Compliance	Medium (8)	November 2014 AC Meeting/ revised timeframe- 31 August 2017	Work in progress	Overdue		
Date	Response					
February 2015	This action is on hedevelopment.	This action is on hold pending completion of audit program				
May 2015	No update.	No update.				
August 2015	An unsightly premises audit will commence this month on a town basis.					
November 2015	No update.					
February 2016	All unsightly premises audits have been undertaken, and are complete. There have been 111 properties identified. Audits around other compliance issues are yet to be undertaken.					
August 2016	Follow up actions are due to commence in early August in Wedderburn.					
November 2016	Inadequate staffing to follow up. Recruitment undertaken to address this issue.					
February 2017	Local Laws and Planning Compliance Officer currently being recruited.					

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May 2017	Still waiting for the appointment of a permanent Local Laws and Planning Compliance Officer.	
	Annual audits have not commenced.	l

10.4.1 Action 16/6.3: Report to Council on annual audit

Responsibility	Risk Level	Completion	Status of	Due Status	
Planning & Local Laws Compliance Officer and Local Laws & Fire Prevention Officer	Medium (8)	November 2015 AC Meeting (after a full year cycle of audit program)/revised timeframe- 31 August 2017	Reviewed	Overdue	
Date	Response				
February 2015	Audit program out		orated in quarterly	local laws activity and	
May 2015	The audit process has been incorporated into the template report provided to Council for consideration.				
May 2017	Report to Council on annual audits. Report to Council on annual audit was not done, as annual audits have not commenced.				
	HLB Mann Judd identified the following:				
	An annual audit program to ensure compliance with permit conditions has not been established.				
	We understand that Council had not been able to fill the Local Law/Planning & Compliance Officer position. For enforcement issues, a contractor was hired on ad-hoc basis. For planning, a planning contract consultant was used.				
	Thus, it did not have the resources to establish and implement the annual audit program.				
	Staff appointments to replace agency staff is being undertaken. Revised timeframe is to provide for adequate response and action.				

# 10.5 Review and report of the implementation of the Domestic Animal Management Plan 2013-2016

#### 10.5.1 Observation and recommendations

Section 68A of the *Domestic Animals Act 1994* requires the Council to prepare a domestic animal management plan. Accordingly, the Council established the Domestic Animal Management Plan 2013-2016 (the Plan), which provides a strategic framework for domestic animal management, including action plans.

As outlined under Section 7.1 of the Plan, a review and reporting of the activities should be carried out annually.

We noted that the required review and report were not conducted in June 2014, which is 12 months after the introduction of the Plan.

We acknowledge that a series of activities, timing and key performance indicators are clearly defined to facilitate the achievement of 17 objectives in the Plan.

Without having a formal internal monitoring and reporting process, there is an increased risk that the key objectives in the Plan not being achieved, which could impact on the Council's reputation negatively.

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We recommend Council management:

- 1. Conduct a review and report exercise to assess the implementation of the Plan;
- 2. Undertake corrective actions to address any performance gap noted; and
- 3. Provide assessment outcomes to key stakeholders for proper oversight.

#### 10.5.2 Management response

DEPI are holding a forum on the Domestic Animal Management Plan (DAMP) implementation on 27 October 2014 which staff will attend.

Any information on this and an update of actions from the DAMP will be reported to the Council Meeting in December 2014.

Corrective actions will be incorporated into Council's report.

Annual reports to Council will be incorporated into the Council Meeting cycle.

10.5.3 Action 16/7.1: Council Report on Domestic Animal Management Plan

Responsibility	Risk Level	Completion	Status of	Due Status	
Planning & Local Laws Compliance Officer	Medium (13)	February 2015 AC Meeting/ revised timeframe- immediate action	Reviewed	Overdue	
Date	Response				
February 2015	A review of Domestic Animal Management Plan is complete. Preparation of Council report for the February 2015 Council Meeting has commenced.				
May 2015	Due to considerable activity in local laws around legal action for domestic animal businesses in the Shire presentation to Council was deferred.				
	The report will be provided to Council at the May 2015 Council Meeting.				
August 2015	A report on the review of the Domestic Animal Management Plan was presented to the Ordinary Meeting of Council on 26 May 2015.				
May 2017	HLB Mann Judd identified the following:				
	The review and report of the implementation of the Domestic Animal Management Plan 2013-2016 was not conducted.				
	Council Report on DAMP.to be provided immediately				

10.5.1 Action 16/7.2: Annual report in Council meeting cycle

Responsibility	Risk Level	Completion	Status of	Due Status	
Planning & Local Laws Compliance Officer	Medium (13)	Immediate action/ revised timeframe- immediate action	Reviewed	Overdue	
Date	Response				
February 2015	The requirement to report to Council annually has been incorporated into Council's compliance software which will provide an email reminder when due.				
May 2017	HLB Mann Judd identified the following:				
	The review and report of the implementation of the Domestic Animal				

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Management Plan 2013-2016 was not conducted.

Annual report in Council meeting cycle. To be provided immediately

# 10.6 Action plan with defined milestones to guide development and introduction of a proactive enforcement program

#### 10.6.1 Observation and recommendations

Properties that are poorly maintained lead to perceptions that an area is unsafe, untidy and poorly cared for. This has a negative effect on the amenity of the area and can lead to increased levels of graffiti, vandalism and other anti-social behaviour. Accordingly, the Council's local laws require property owners or occupiers to maintain their properties and prevent them from becoming unsightly and dangerous.

As outlined in the Council Plan 2013-2017 – Strategic Platform 4, the Council will enforce a clean-up of all major towns through the conduct of audit, identification and prioritisation of all unsightly and dangerous properties. However, we noted that an action plan with defined milestones to guide the development and introduction of a proactive enforcement program on unsightly and dangerous properties is not in place.

Without having an action plan to guide the development and introduction of a proactive enforcement program, there is an increased risk that the key priorities in the Council Plan 2013-2017 not being delivered, which could impact on the Council's reputation negatively.

We recommend Council management:

- develop an action plan with defined milestones to guide the development and introduction of a proactive enforcement program on unsightly and dangerous properties; and
- provide progress updates to key stakeholders on the action plan regularly.

#### 10.6.2 Management response

An action plan for a proactive enforcement program on unsightly and dangerous properties will be developed. It will incorporate:

- audit and identification of properties;
- · assessment of risk of each property;
- · prioritise properties for enforcement; and
- · incorporate regular inspection regime.

Reporting to Council will be undertaken in line with the newly developed reporting template which eliminates detail, provides an overview of progress on each property and identifies next steps in the process.

#### 10.6.3 Action 16/8.1: Action plan for proactive enforcement (Risk 66, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations and Manager Development and Compliance	Medium (13)	November 2014 AC Meeting	Work in progress	Overdue
Date	Response			

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May 2017	Action plan to be implemented.				
February 2017	Tba				
November 2016	A commitment has been made to have the plan prepared by August 2017				
August 2016	Refer to Action 16/16.2				
February 2016	No update.				
November 2015	No update.				
August 2015	An enforcement policy does currently exist (correction to above comment); however, it does need a risk based methodology incorporated into it, and this will happen with a review. In the meantime, a database for assessment of risk has been developed. This incorporates a risk matrix, which is being tested with live data to ensure that the parameters are working.  Following testing, procedures will be developed.				
May 2015	An enforcement policy which will drive the action plan will be developed and provided to Council in July for consideration after going through the internal approval process, which includes Management Executive Group and Management and Leadership Meeting.  The action plan will identify properties and prioritise enforcement activities in accordance with the policy and procedures to be developed.				
February 2015	Program development has commenced. Further discussions around enforcement philosophy for unsightly properties occurred with Council during the December Council meeting. Program and procedures are expected to be finalised by the end of February 2015.				

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# 11 REVIEW OF CONTRACT MANAGEMENT (REF: 18)

#### 11.1 Appointed process owner

# 11.1.1 Observation and recommendations

Process owners are responsible for driving organisation-wide contract management processes across the organisation. A process owner should be:

- a subject matter expert of the process
- someone who feels the pain of the poorly functioning process, and will experience the gain of the improved process
- someone who is able to communicate effectively with the current or subsequent leaders of the process and who either have an effect on the process or are a recipient (staff members) of the process
- a person who has the aptitude for process thinking and improvement.

#### **Audit Finding:**

We noted that a process owner has not been appointed to drive and coordinate tendering and contract management activities across the council. Currently, these activities are decentralised and accordingly are performed by staff members from different departments. We believe appointing a process owner is important so that a sound, consistent and effective approach is being undertaken by Council to better manage risks.

We note that the responsibilities related to contract supervision and administration, are stipulated in the Buildings and Contracts Officer's position description, however, in practice this officer does not perform this role in its entirety.

#### Risk/Impact:

Without appointing a process owner, there is an increased risk that Council tendering and contract management processes are not being carried out consistently, monitored and improved continually.

We recommend Council management:

- appoint a process owner to be responsible for driving Council's tendering and contract management activities across the organisation.
- incorporate responsibilities into the relevant position description to ensure clear communication of council's expectations in this respect.

#### 11.1.2 Management response

This report, along with other internal audit reports, has identified gaps in the organisational structure. Contract management skills need to be brought into the organisation.

# 11.1.3 Action 18/1.1: Contract management skills developed in the organisation (Risk 67, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Chief Executive Officer	High (12)	February 2016 AC Meeting	Complete	Overdue	
Date	Response				
May 2015	No action.				
August 2015	No action.				
November 2015	No action.				
February 2016	Council is currently undertaking a managerial restructure. The position of Manager Technical Services (new position) has been assigned contract management responsibilities. The position is currently being advertised.				

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August 2016	Council has engaged a Manager Technical Services with contract management expertise, and is currently in the process of recruiting a Project Management Coordinator, which incorporates contract management in the Position Description. As this recruitment is in progress, this action is now considered complete. At the August Audit Committee meeting, Audit Committee requested that this action be returned to "overdue" as the successful candidate withdrew their acceptance of an offer between the preparation of Audit Committee reports and the date of the Audit Committee meeting.
November 2016	This needs to be readdressed as it was thought to have been completed.
February 2017	Project Co-ordinator commenced 4 January and brings strong contract management skills

#### 11.2 Council's Procurement Policy requirements to be established

#### 11.2.1 Observation and recommendations

#### Standard/Criteria:

Comprehensive policies and procedures are a crucial organisational tool, which sets the tone from management and provides guidance in day-to-day transactions and activities for Council staff. Policies and procedures help to ensure that operational processes are well-designed, documented and are performed in a consistent manner.

#### **Audit Finding:**

We note that procedure documents (which detail the tendering and contract management processes required to comply with Council's Procurement Policy), have not been established. Procedures should outline:

- who will do what
- what steps staff need to take and
- which forms or documents to use.

We acknowledge that the Council introduced a Contracts Procedure Manual more than 10 years ago with associated forms and templates. However, this manual is out-dated and does not address the Council's current business needs due to the absence of continuous improvement and reinforcement of requirements as a result of staff turnover.

# Risk/Impact:

Without a formal procedure document, there is an increased risk that tendering and contract management activities within Council are not being undertaken in a structured and consistent manner.

We recommend Council management:

- establish procedure documents, which detail the tendering and contract management required to comply with Council's Procurement Policy requirements.
- develop checklists, forms and templates to guide the implementation of procedures.
- obtain adequate approvals and endorsements from relevant stakeholders before implementation.
- review procedures on a regular basis (i.e. annually or biennially) to ensure they remain relevant, meet the needs of users, and address any emerging issues that arise.

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# 11.2.2 Management response

A Contract Management Framework will be developed and implemented for all Council areas that manage contracts. The framework will take into account the nature and size of different projects to determine the complexity of the required documentation and reporting requirements.

The framework will incorporate formal policies, procedures and relevant checklists to govern the management of contracts.

Publication, relevant training and review of the framework will follow Council's Strategic Document, Policy and Procedure Framework.

11.2.3 Action 18/2.1: Contract Management Framework to be developed and implemented (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Director Operations	High (12)	February 2016 AC Meeting/ revised timeframe 30 June 2017	Work in progress/ Reviewed	Overdue	
Date	Response				
May 2015	No action.				
August 2015	No action.				
November 2015	No action.				
February 2016	High level contract management arrangements have been integrated into this project management framework that was recently adopted by Council, however, further focus on specific contract management protocols, templates and procedures is still to be undertaken.  Investigations have also commenced into available contract management systems which may be offered as part of a corporate IT package.				
August 2016	Procurement of corporate system, incorporating contract management framework, has been delayed. Officers are exploring alternate systems which may be available and suited to Loddon Shire Operations. Expected that the new position of Project Management Coordinator will take carriage of this action.				
November 2016	No tender has been put out, now looking at alternatives reassess in 6 months				
February 2017	The development of new checklists, forms, and workflows has already commenced, and existing templates are being reviewed, as project/contract management process gaps are identified. These documents will form an integral part of the subsequent contract management manual (CMM), to be delivered in draft format, by 30 June 2017.				

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#### **HLB Mann Judd identified the following:**

Procedure documents, which detail the tendering and contract management processes on how to achieve Council's Procurement Policy requirements, have not been established

The Contract Management Manual has not been implemented.

We understand from the Project Management Coordinator that the development of new checklists, forms and workflows has commenced and existing templates are being reviewed, as project contract management process gaps are identified.

### May 2017

A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures.

As above, however, due to PMC's project and procurement workload, and organisational support role, CMM delivery date will likely be delayed. Adjusted to 30 November 2017.

CMM delivery also affected by implementation timing/content of eCMS

#### 11.3 Development of Council's contracts register

#### 11.3.1 Observation and recommendations

#### Standard/Criteria:

The purpose of a contracts register is to summarise details of the main contracts that relate to an organisation. A contracts register enables an organisation to demonstrate greater accountability regarding contracting activity and decide what needs to be done before contracts expire.

#### **Audit Finding:**

We noted that Council's contracts register does not summarise all contracts entered into by the organisation. There was often key information missing on the register for different contracts.

The root cause of the above is that the responsible officer maintains and regularly updates the contracts register based on the folders created under the "Contract Management" directory on the shared drive. These folders are not a reliable source of information because some folders are duplicated and some folders are related to low value purchases.

#### Risk/Impact:

Without having an accurate, complete and updated contracts register, there is an increased risk that the regular monitoring of contracts can be impacted negatively.

We recommend Council management perform housekeeping on the contracts register by performing the following:

- centralise the assignment of a contract number before a folder is created under the "Contract Management" directory on the shared drive;
- request staff across the organisation to provide the following information to the responsible officer if they are currently managing an active contract entered into by Council:
  - description of the contract and what it is for
  - name of the contractor
  - date the contract was entered into and the date the contract expires
  - the value of the contract
  - who is responsible for managing the contract
  - location of the actual original copy of the full contract
- update the contracts register accordingly and regularly.

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# 11.3.2 Management response

Council will explore the opportunity to purchase a formal proprietary contract management software package for the organisation to compliment the contract management framework which will be developed over the next year.

In the meantime, the process for allocating contract numbers will be reviewed, and staff will be instructed to require the information included in this recommendation to be placed in a soft file in the relevant contract's directory.

11.3.3 Action 18/3.1: Software package (Risk 68, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status	
Director Operations	Medium (9)	November 2015 AC Meeting/ revised timeframe 31 December 2017	Reviewed	Overdue	
Date	Response				
May 2015	Council is currently considering options for a new corporate system. One of the systems being considered has a contract management module. Should Council not proceed with this option, a specific contract management system will be sought.				
August 2015	No action.				
November 2015	No action.				
February 2016	Initial enquiries into available corporate IT systems identified that many offer extensive contract management modules as a component of the software package.  A number of demonstrations have been obtained from vendors and Council will be provided with details of the preferred system at the Council Briefing on 23 February 2016. The timeframe for implementation will be subject to the project plan for the Corporate IT system.				
August 2016	Refer to action 18/2.1				
November 2016	No tender has been put out, now looking at alternatives reassess in 6 months				
February 2017	The process surrounding maintenance of the existing contract register is under review, and a centralised identity/naming convention, at least, will be recommended. It is anticipated however, that implementation of an electronic contract management system (eCMS), will capture this process.  PMC is currently examining two eCMSs that are tailored to the unique operational requirements of local government contracting, and are modular in nature, so that components can be purchased if and when needed (cost				
	effective). An initia	al eCMS options re , will be delivered b	port, including prici	ng and	

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	HLB Mann Judd identified the following:
	The Council's contracts register does not summarise all contracts entered into by the organisation and contains information related to immature tendering or low value purchases.
	The electronic contract management system (eCMS) has not been implemented.
May 2017	The Project Management Coordinaton is currently examining 2 eCMS that are tailored to the local government contracting, and are modular in nature, so that components can be purchased as and when needed, to be cost effective.
	Management: Various electronic contract management systems are being reviewed and a new system to be implemented which will have a centralised naming convention.
	eCMS options report complete and provided to Manager Technical Service and Director Operations. Demos undertaken with working group. Scoping document and business case to be developed.

# 11.4 Develop good contract management practices under the *MAV Procurement – Contract* Management *Guidelines*

#### 11.4.1 Observation and recommendations

#### Standard/Criteria:

The MAV Procurement published the Contract Management Guidelines to support Councils in developing a sound, consistent and effective approach to managing their diverse range of contracts.

#### **Audit Finding:**

Our review noted that the following key activities that reflect good contract management practices under the *MAV Procurement – Contract Management Guidelines* are not currently performed by Council:

Activity	Description
Declaring conflict of interest during tender assessment.	Any potential and actual conflict of interest should be declared by each panel member because the relationship with suppliers is a critical element of achieving the required outcomes and issues associated with ethical behaviour are most likely to arise in this context.
Developing the Contract and Supplier Management Plan during contract mobilisation	<ul> <li>While the written contract is a record of each party's obligations, it is not designed as a day-to-day operational management document for the contract. This is the role of the Contract and Supplier Management Plan, which typically includes: <ul> <li>a summary by date of key milestones and deliverables, key individuals and their responsibilities (both the Council and the supplier)</li> <li>a schedule of risks that have been identified and are being monitored and managed</li> <li>reporting requirements and KPIs</li> <li>processes around how some of the contractual obligations are to be achieved</li> <li>contract variation processes.</li> </ul> </li></ul>
Developing KPIs and managing supplier's performance regularly	Performance management must be undertaken throughout the life of the contract and for all contracts, whether straightforward or complex, to encourage parties adopt a constructive approach to problem resolution rather than an adversarial one. Along with performance indicators and standards, arrangements for monitoring and assessment should have been set out and agreed in the contract along with action that would result from non-performance.

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Activity	Description
Declaring conflict of interest during tender assessment.	Any potential and actual conflict of interest should be declared by each panel member because the relationship with suppliers is a critical element of achieving the required outcomes and issues associated with ethical behaviour are most likely to arise in this context.
Developing the Contract and Supplier Management Plan during contract mobilisation	While the written contract is a record of each party's obligations, it is not designed as a day-to-day operational management document for the contract. This is the role of the Contract and Supplier Management Plan, which typically includes:  a summary by date of key milestones and deliverables, key individuals and their responsibilities (both the Council and the supplier)  a schedule of risks that have been identified and are being monitored and managed  reporting requirements and KPIs  processes around how some of the contractual obligations are to be achieved contract variation processes.
Conducting contract closure review	In order to verify all contractual obligations have been successfully met, post contract analysis, evaluation and reporting should be undertaken. This may include the need to evaluate contract performance, document lessons learned, and update policies or procedures, where required.
Regular reporting of contract information	Regular reporting to the Executive Group should take place on contract management performance, variations, payments, compliance levels, issues and opportunities.

# 11.4.2 Management response

We recommend Council management consider introducing activities as highlighted under *Observation* in its procedure documents, which detail the tendering and contract management processes that are yet to be established.

11.4.3 Action 18/4.1: Develop a contract management framework to address items listed (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium (9)	February 2016 AC Meeting/ revised timeframe 30 June 2017	Work in progress/ Reviewed	Overdue
Date	Response	Response		
May 2015	No action.	No action.		
August 2015	No action.	No action.		
November 2015	No action.			
February 2016	Development of a standardised Contract management procedure, templates and operational framework is yet to commence. Numerous contract templates (e.g. letters, claim forms, variations, contract shells) have however been developed (and are currently being utilised) and these will be integrated into the formal contract management system.			
August 2016	Expected that the new position of Project Management Coordinator will take carriage of this action. Responsibility for the standardisation and review of contract management templates, forms and letters shall be assigned to this position.			

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November 2016	Refer to action 18/2.1 Contract Management Framework to be developed and implemented (Risk 68, CAR 2)		
February 2017	Refer to action 18/2.1 Contract Management Framework to be developed and implemented PMC is familiar with the MAV Procurement - Contract Management Guidelines, and the Victorian LG Best Practice Procurement Guidelines, these documents will guide the development of the CMM, and as such, capture the priority risk items listed.		
	HLB Mann Judd identified the following:		
May 2017	Key activities (including managing conflict of interest during tender assessment stage, contract mobilisation, KPIs and performance management, contract closure review, and regular reporting of contract information) that reflect good contract management practices under the MAV Procurement – Contract Management Guidelines are not currently performed by Council.		
	The Contract Management Manual has not been implemented.		
	We understand from the Project Management Coordinator that the key activities that reflect good contract management practices under the MAV Procurement – Contract Management Guidelines, and the Victorian Local Government Best Practice Procurement Guidelines will be incorporated into the new Contract Management Manual.		
	Meanwhile, the hardcopy Conflict of Interest Declaration & Confidentiality Agreement is completed during tender assessment stage.		
	Management: A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a register, Contract Management Framework, Procurement Policy and procedures.		

#### 11.5 Tender opening procedures

# 11.5.1 Observation and recommendations

#### Standard/Criteria:

To ensure that proper recording of submitted tenders is carried out, the tender opening process requires that an opening panel of at least 2 persons should be constituted.

#### Audit Finding:

Our detailed testing noted that in 2 of the 13 (or 15%) samples tested, tender opening procedures were not performed by 2 officers. The tenders received were opened by the responsible officer alone.

This could be due to the absence of documented procedures related to tendering activities as highlighted under Audit Finding No. 2 above.

# Risk/Impact:

Without having a formal procedure for the receipt and opening of tenders, there is increased risk that the expected standards of probity are being compromised.

We recommend Council management:

- reinforce the requirement that the tender opening process is performed by an opening panel of at least 2 persons
- ensure this requirement is reflected in revised procedures to be developed.

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# 11.5.2 Management response

The proposed Project Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements for opening tenders.

In the meantime, staff will be instructed on the minimum requirements for opening tenders.

11.5.3 Action 18/5.1: Contract management framework-requirements for opening tenders (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium (9)	February 2016 AC Meeting/ revised timeframe 30 June 2017	Work in progress/ Reviewed	Overdue
Date	Response			
May 2015	No action.			
August 2015	No action.			
November 2015	No action.			
February 2016	Tender opening requirements have been reinforced with all staff responsible for administering contracts and tenders. Current contract management templates available also require the co-signing of multiple staff members at the time of tender opening.  A formal procedure as part of the contract management framework is still to be developed.			
August 2016	Procedure still to be developed.			
November 2016	Procedure being of	Procedure being developed.		
February 2017	Refer to action 18/2.1 Contract Management Framework to be developed and implemented  The procedure for opening and registration of tenders will be captured in the CMM, and will vary depending on if an eCMS (including e-procurement portal) is implemented, and/or a physical tender box remains. In the interim, PMC is immediately available to oversee all tender opening events to ensure officers are guided through the correct process, and probity standards are maintained.  If implemented, the eCMS will effectively regulate this process (time/date stamp, electronic keys, etc.).			

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**HLB Mann Judd identified the following:** 

In 2 of the 13 (or 15%) samples tested, tender opening procedures by 2 officers were not performed.

The Contract Management Manual has not been implemented.

We understand from the Project Management Coordinator that the procedure for opening and registration of tenders will be captured in the Contract Management Manual, and will vary depending on if an eCMS (including e-procurement portal) is implemented, and/or a physical tender box remains.

#### May 2017

However, we do acknowledge that the following actions had been implemented:

In the interim, the Project Management Coordinator is available to oversee all tender opening events to ensure officers are guided through the correct process and probity standards are maintained.

Management: There is no need to wait for the Manual to be implemented to reinforce the tender opening process requirements.

Project Management Co-ordinator will develop a tender submission procedure and a tender opening process in accordance with Audit Committee recommendations including minimum requirement of two staff including the Project Manager and an independent Officer.

#### 11.6 Appointment of panel members for the assessment of tender responses

#### 11.6.1 Observation and recommendations

#### Standard/Criteria:

Evaluation panels assess offers received and make recommendations on the preferred offer for a variety of contracts. Evaluation panels are normally made up of at least three members to ensure that the selection process:

- comprehensively and objectively evaluates offers against advertised selection criteria
- ensures open and effective competition
- maintains confidentiality and respects the rights of suppliers
- avoids any perceived or actual conflict of interest
- promotes fairness and transparency
- recognises merit
- is consistent
- maintains recognised standards of probity.

### **Audit Finding:**

Our detailed testing of 13 contracts noted that a range of 1 to 4 panel members were appointed for the assessment of tender responses.

This could be due to the absence of documented procedures related to tendering activities as highlighted under Audit Finding No. 2 above.

#### Risk/Impact

Without having a consistent approach in appointing assessment panels, there is increased risk that the integrity of Council's procurement process be impacted negatively.

We recommend Council management:

- develop guidelines which specifically address the required membership of assessment panels (e.g. number of members, and competencies)
- ensure these requirements are appropriately communicated and enforced.

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# 11.6.2 Management response

The proposed Project Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements for evaluation panels.

In the meantime, staff will be instructed on the minimum requirements for evaluation panels.

11.6.3 Action 18/6.1: Contract management framework - minimum requirements for evaluation panels (Risk 68, CAR 1).

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium (9)	February 2016 AC Meeting/revised timeframe 30 June 2017	Work in progress/ reviewed	Overdue
Date	Response			
May 2015	No action.			
August 2015	No action.			
November 2015	No action.			
February 2016	Tender evaluation requirements have been reinforced with all staff responsible for evaluating contracts and tenders. Current contract management templates available also require the co-signing of multiple staff members during the tender evaluation phase.  A formal procedure as part of the contract management framework is still to be developed.			
August 2016	Procedure still to be developed.			
November 2016	Procedures being developed			
February 2017	Refer to action 18/2.1 Contract Management Framework to be developed and implemented  The structure of the CMM will include a tender evaluation section, incorporating the appointment of evaluation panels, the responsibilities of panel members, and all associated compliance controls.  In the interim, it is recommended (for this risk action, and others) that MEG communicate to the organisation that all tendering, procurement and contracting activities are to be referred to PMC for 'centralisation' and compliance/guidance, while formal documentation is under development.			

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**HLB Mann Judd identified the following:** 

Noted a range of 1 to 4 panel members were appointed for the assessment of tender responses.

The Contract Management Manual has not been implemented.

We understand from the Project Management Coordinator that the structure of the Contract Management Manual will include a tender evaluation section, incorporating the appointment of evaluation panels, the responsibilities of panel members, and all associated compliance controls.

#### May 2017

However, we acknowledged the following actions had been implemented: Action 6/2:

In the interim, the Project Management Coordinator is available to provide verbal advice to ensure officers are guided through the correct process and probity standards are maintained.

Management: Project Management Co-ordinator will develop a tender submission procedure and a tender opening process in accord with Audit Committee recommendations including minimum requirement of two staff including the Project Manager and an independent Officer.

#### 11.7 Tenders below the threshold

#### 11.7.1 Observation and recommendations

#### Standard/Criteria:

Rather than automatically accepting the lowest price, the tender evaluation process applies weighting for skills, quality, experience and previous performance in a manner to ensure value for money.

To evaluate tenders, a system of criteria intended to encapsulate the competence of the tendering organisation to undertake a particular project is used to rate the tenderer's bids. All relevant information requested in the tender documents and provided with the tender is used in the tender evaluation.

#### **Audit Finding:**

We noted in 1 of the 13 (or 8%) samples tested where the purchase decision was not performed in accordance with the pre-determined tender assessment criteria in the RFT document. This was due to the prices contained in some tender responses being below the set threshold of \$200,000.

In other words, the tender evaluation process used was based on the fact that some of the tender bids were below the \$200,000 threshold rather than on the initial budget estimate of \$220,000 when the original evaluation process was established.

#### Risk/Impact:

Without assessing tender responses in accordance with the pre-determined tender assessment criteria in the RFT document, there is an increased risk that Council may be exposed due to the evaluation process not mirroring the RFT document.

We recommend Council management:

- Prohibit the change of purchasing method during tendering process; and
- Incorporate the above requirement in the procedure documents in order to ensure the integrity of Council's procurement process in all instances.

#### 11.7.2 Management response

The proposed Project Management Framework (ref. Action 1/1) to be developed by Council will address the requirement to undertake the whole tendering process regardless of price.

In the meantime, staff will be instructed on the minimum requirements assessing tenders. Page  $37\,$ 

# 11.7.3 Action 18/7.1: Contract management framework – whole tendering process regardless of price (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Director Operations	Medium (9)	February 2016 AC Meeting/ revised timeframe 30 June	Work in progress/ Reviewed	Overdue	
Date	Response				
May 2015	No action.				
August 2015	No action.				
November 2015	No action.				
February 2016	evaluating contract received, evaluating tenders were obtained. Procedures in relationship	Tender evaluation requirements have been reinforced with all staff responsible for evaluating contracts and tenders. Regardless of observed price in actual tenders received, evaluation protocols are being applied based upon the method by which tenders were obtained i.e. quote, public or selective tender.  Procedures in relation to the establishment and configuration of evaluation panels are to be incorporated into the contract management framework.			
August 2016	Procedure still to	be developed.			
	Completing a prod	cedure to formalise	tenders and signin	g off by another party.	
November 2016	Exploring potential procedures in place		der process with co	impanies that would have	
	Considering looking at Procurement Policy and implementing a procedure into that document as weighting is not in the policy.				
	Refer to action 18 implemented	/2.1 Contract Mana	gement Framewor	k to be developed and	
February 2017	Refer to Action 18/6.1. Panel members will be required to complete an evaluation workbook including assessment of tenders against pre-determined criteria.				
	Again, if implemented, the eCMS will effectively regulate this process.		e this process.		
	HLB Mann Judd	identified the follo	owing:		
	performed in acc	T document beca	pre-determined to	decision was not ender assessment responses were below	
	The Contract Ma	nagement Manual	has not been imp	olemented.	
May 2017	variation approve the Contract Mar be available via t	al form and assoc	iated procedure v Effective regulat n of an eCMS (inc	dinator that a simplified will be incorporated in cion of this process will luding reporting	
	In the interim, the Project Management Coordinator is available to provide verbal advice to ensure officers are guided through the correct process and probity standards are maintained				
	procedure proce		with Audit Com	Il develop a procurement mittee recommendations	

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#### 11.8 Contract variations with approval

#### 11.8.1 Observation and recommendations

#### Standard/Criteria:

As stipulated in the Level of Authority:

- The CEO is delegated to authorise contract variations of any value for equipment, services, and major capital and building works. Expenditure exceeding the approved budget shall be reported to Council for information at the first Council Meeting following the date when expenditure was incurred.
- Directors are delegated to authorise contract variations with value up to the greater of \$10,000 or 10% for equipment, services, minor capital and building works, and other minor contracts.

#### Audit Finding:

We noted in 3 out of 13 (or 23%) samples tested that contract variations were approved through emails by managers or coordinators instead of the superintendents (either the CEO or Directors of Council. This is not compliant with the Level of Authority.

In addition, 2 contract variations for 1 out of 13 (or 23%) contracts tested were approved verbally by coordinators.

#### Risk/Impact:

If the ability to vary a contract is not controlled by Council, budget blowouts or poor performance might go undetected.

We recommend Council management:

- reinforce requirements in the Level of Authority with relevant staff members
- introduce accepted practice for the approval of contract variations into the yet to be developed procedure documents
- develop a contract variation form to ensure consistent implementation of the above requirements.

#### 11.8.2 Management response

The Levels of Authority provides delegated authority for contract variations. Some staff have negligently ignored the 10% cap on variations, and processed these without authority.

The proposed Project Management Framework (ref. Action 1/1) to be developed by Council will address rules around contract variations.

In the meantime, staff will be instructed on the rules around contract variations.

# 11.8.3 Action 18/8.1: Contract management framework – rules regarding contract variations (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium (9)	February 2016 AC Meeting	Work in progress	Overdue
Date	Response			
May 2015	No action.			
August 2015	No action.			
November 2015	No action.			

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May 2017	(including reporting requirements of responsible officers).  As above		
February 2017	A simplified (refer current PM framework) variation approval form, and associated procedure, will be incorporated in the CMM. Effective regulation of this process will also be available via the implementation of an eCMS		
	Refer to action 18/2.1 Contract Management Framework to be developed and implemented		
November 2016	Considering creating a budget variation form to include a check of variations within the project budget, add line regarding progress payments- to be completed by November		
August 2016	Contract Management Framework and associated procedures still to be developed. It is expected that the selected contract management system will make provisions for controlling level of authority and thresholds with respect to approving contract variations.		
February 2016	Contract variation thresholds and levels of authority have been reinforced with all contract and project management staff. All variations require approval of the Contract Superintendent and must be in accordance with the current procurement Levels of Authority document.  Formalisation of the variation procedure and associated template will be included within a contract management framework document.		

#### 11.9 Record keeping-correct labelling and storage

#### 11.9.1 Observation and recommendations

#### Standard/Criteria:

Good contract administration is important for the successful management of any contract by maintaining an updated contract file, including a hard, signed copy of the contract that is easily accessible when required and all on-going correspondence and contract information.

#### Audit Finding:

During our detailed testing, we observed poor recordkeeping practice. To be specific:

- contract documents (both electronic and hardcopy) were not stored and labelled properly. Some
  were found by staff members in their emails during the course of our fieldwork.
- some evidentiary documents could not be located because staff had left the organisation.

# Risk/Impact:

Poor recordkeeping can increase the risk that audit and probity requirements are not met. It also exposes council where contracts challenge decision made.

We recommend Council management:

- reinforce the need for effective and comprehensive record keeping practices with relevant staff members
- introduce a contract management checklist to guide good contract administration across the organisation and to ensure each step of the contract management process has been completed and evidenced
- conduct a periodic self-assessment or peer review on a sample of contract files to assess the performance of contract managers in relation to record keeping.

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# 11.9.2 Management response

The proposed Project Management Framework (ref. Action 1/1) to be developed by Council will address minimum requirements in relation to records management for contracts.

Council intends to purchase a new electronic content management system this year, and it is believed that this will also help with records management compliance.

In the meantime, staff will be instructed on the minimum requirements for records management of contracts.

11.9.3 Action 18/9.1: Contract management framework- records management for contracts (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium (9)	February 2016 AC Meeting/ revised timeframe 30 June 2017	Work in progress/ Reviewed	Overdue
Date	Response	•		
May 2015	No action.			
August 2015	No action.			
November 2015	No action.			
February 2016	adequate docume with relevant staff. Formalisation of d	Checklist for contract file contents has been prepared. Requirement to maintain adequate documentation in respect to contract administration has been reinforced with relevant staff.  Formalisation of document capture and filing protocols will be included within formal contract management framework.		
August 2016	No action.			
November 2016	Awaiting appointm	nent of Project Co-	ordinator	
February 2017	Refer to action 18/2.1 Contract Management Framework to be developed and implemented  Meticulous record management in relation to procurement activities and contracting is crucial in mitigating organisational risk. Hence, in conjunction with information management officers, PMC is currently overhauling the existing system and will make critical recommendations imminently. An initial essential-improvement report will be delivered by 28 February 2017.  The updated record (electronic and physical) management process going forward will be captured in the CMM, and enforce the recordkeeping activities prescribed in the current Records Management Policy. Procedural checklists will enable auditing for compliance  Again, if implemented, the eCMS will assist in regulating this process.  Additionally, to encourage a more compliant system, it is suggested that instances of non-compliance by responsible officers (relating to this risk action, and others) could be reported, and reviewed as part of the annual staff development review process.			

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# **HLB Mann Judd identified the following:** We observed poor recordkeeping during our detailed testing where documents (both electronic and hardcopy) were not stored and labelled properly, and some evidentiary documents could not be located due to staff leaving the organisation. The Contract Management Manual has not been implemented. We understand from the Project Management Coordinator that the updated record (electronic and physical) management process going forward would be captured in the Contract Management Manual, and enforce the recordkeeping activities prescribed in the current Records Management May 2017 Policy. Procedural checklists will enable auditing for compliance. Additionally, to encourage a more compliant system, it is suggested that instances of non-compliance by responsible officers (relating to this risk action, and others) could be reported, and reviewed as part of the annual staff development review process. Action-verbal advice given to staff Management: A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a Contract Management Framework, including records required, checklist and compliance audit procedures.

#### 11.9.4 Action 18/9.3: Purchase and install ECMS (Risk 68, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium (9)	November 2015 AC Meeting/ revised timeframe 30 June 2017	Work in progress / Reviewed	Overdue
Date	Response			
May 2015				CMS. Council is currently will include an ECMS.
August 2015	Council has now been involved in two demonstrations of software by providers.  Discussions are now being held around potential for one of those products to be suitable for Council's requirements.			
November 2015	Demonstrations of software are still ongoing. It is expected that a decision around a new system will be made by the end of the calendar year.			
February 2016	ECMS forms part of the corporate IT system which will be discussed with Council on 23 February 2016.			
August 2016	Campaspe Shire has advised that they will not be proceeding with a licensee arrangement with Council. Therefore, Council will now proceed with purchasing a stand-alone electronic content management system.			
November 2016	Revise whole Information Technology Strategy for a decision regarding ECMS			
February 2017	Refer to action 18/2.1 Contract Management Framework to be developed and implemented			

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	HLB Mann Judd identified the following:
May 2017	We observed poor recordkeeping during our detailed testing where documents (both electronic and hardcopy) were not stored and labelled properly, and some evidentiary documents could not be located due to staff leaving the organisation.
may 2011	Purchase and install ECMS.
	Management: A brief has been prepared to obtain external assistance which is required to progress the establishment of a Project Management Framework which will incorporate a Contract Management Framework, including records required, checklist and compliance audit procedures.

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# 12 FOLLOW UP OF PLANNING REVIEW JULY 2012 (REF: 20)

#### 12.1 Data integrity of applications in Lynx is poor

#### 12.1.1 Observation and recommendations

We recommend that management:

- perform an independent review of data integrity for all open applications. This should involve comparing key dates from physical documentation to the system, as well as confirming that stops have been properly recorded and that the statutory processing days are correct;
- implement a process requiring the independent review of data for all new applications received into Lynx. This review should be performed by a person independent of data entry; and

Implement a formal process that ensures that all applications are updated in Lynx when the status changes.

#### 12.1.2 Management response (July 2012)

Action 1: Independent Review

An internal review of existing applications and key dates which apply for processing of applications will be coordinated by Director Operations.

Action 2: Procedure Manual

A procedure manual for the department has commenced, and the recommendations will be incorporated into that manual.

In addition, Council will ensure that the items are raised with the software vendor during the review of Lynx to see if they can be automated with a report directly from the system.

#### 12.1.1 Status of implementation as at July 2015

# Status: Outstanding

- Council engaged Conceptz in February 2013 to undertake an audit of the 38 (current) planning permit applications for data integrity.
- Council introduced a new requirement where planning permit applications are entered into the Lynx system by the Technical Services Officer and reviewed by the Planning Officer or the Manager Planning and Local Laws for accuracy. This requirement has been documented in the New Planning Application Procedures however, the document is still in draft and currently under review by Council management.
- Planning permit status (e.g. New, Further Info Requested, Referral, Notice of Application, Application Lapsed and etc.) is updated in the Lynx system by the Planning Officer or the Manager Planning and Local Laws accordingly to reflect the latest progress.

# 12.1.2 Management response: (July 2015)

The New Planning Application Procedure which is in draft will be finalised and adopted, however, it covers only receipt of an application to lodgement.

There are two officers in the Planning Department that are familiar with the process of entering the required information into Lynx, which although not documented, is considered adequate coverage at present until a decision is made on the purchase of a new corporate system. (Officers will, however, contact Lynx to investigate whether they have manuals for the Planning Module of their software that can be used in the meantime).

Note: Council has been involved in a demonstration of one system and will be having a demonstration of a second system on 7 August. The Planning Department have also been involved in a demonstration of a third specific purpose system for their requirements. It is anticipated that a decision on a new system will follow the second demonstration on 7 August, and timeframes around implementation should follow.

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Following implementation of a new system, procedures will be developed where they currently do not exist.

12.1.3 Action 20/2.1 New planning application procedure (Risk 107, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Development and Compliance	High	November 2015 AC meeting	Complete	Overdue
Date	Response			
November 2015	No update.			
February 2016	The draft procedure has been developed and is currently being reviewed.			
August 2016	The Administration Officer in Operations Directorate is now assisting with planning applications. She has been given responsibility for this action.			
November 2016	No update			
February 2017	Procedure complete			

# 12.1.4 Action 20/2.2 Decision on a system (Risk 107, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Management Executive Group	High	November 2015 AC Meeting	Work in progress	Overdue	
Date	Response	Response			
November 2015	A decision on a new corporate system should be finalised by the end of the calendar year.				
February 2016	A discussion around the preferred system will be held with Council on 23 February 2016.				
August 2016	Council has been advised by Campaspe Shire that they are not prepared to enter into a licensee arrangement for corporate software. Council will now explore other options, and place focus on software for the areas of business where systems are inefficient or do not exist. Records Management software will be purchased as a priority and the business classification scheme will be embedded in this program. This action is considered complete for the purpose of audit.				
November 2016	IT Strategy currently being reviewed in light of arrangement with Campaspe falling through				
February 2017	MEG being reviewed				
May 2017	MEG is still reviewing various systems; a decision has not been reached.				

# 12.1.5 Action 20/2.3 Procedures (if required) (Risk 107, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Development and Compliance	High	February 2016 AC meeting, if system has been implemented. If not, development on implementation	Complete	Overdue

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Date	Response
November 2015	A decision on a new corporate system should be finalised by the end of the calendar year.
February 2016	No further update.
August 2016	Council has recruited a new Town Planner. That officer will be responsible for developing the suite of procedures required to service the position.
November 2016	Procedures being developed
February 2017	Tba
May 2017	Investigating software to manage procedures

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# 13 INTERIM MANAGEMENT LETTER FOR YEAR ENDED 30 JUNE 2015 (REF: 21)

#### 13.1 Accounting for Section 86 Committees

#### 13.1.1 Observations and recommendations

Loddon Shire Council has approximately 35 Section 86 committees of management that are not accounted for in the financial statements. Item G23 under the Local Government Better Practice Guide 2014/2015 indicates that committees of management are not separate entities to council. Therefore there is no basis for their exclusion from the financial report. We have been advised by management the combined equity impact for these committees is approximately \$375k at 30 June 2014

Misstatement to the financial statement that has the potential to be classified as material.

The revenue generated and expenses incurred for activities from committees of management are council related and therefore must be accounted for in Councils financial statements. We recommend that management perform a full review of these activities. Consideration should also be given to the associated assets also

#### 13.1.2 Manager's response

Following the Local Government Investigations and Compliance Inspectorate audit in September 2011 which highlighted Council's deficiencies in support for Section 86 committees, Council has been very active in engaging the committees, outlining their responsibilities to Council, following up the receipt of minutes and financial statements, approving committee membership on an annual basis, etc.

However, some committees are still quite non-responsive, and more work is needed to help committees fully understand the extent of their responsibilities as a Council committee.

Council will work with the auditors to ascertain materiality, and if it applies, will work with committees over the next year to ensure that they understand their responsibilities to have financial information provided to Council in a timely manner.

13.1.3 Action 21/1.1 Understanding combined income, expenditure, and equity of committees (Risk 114, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Director Corporate Services	Very High	30 June 2016	COMPLETE	Overdue
Date	Response			
November 2015	No action.			
February 2016	Action relating to Section 86 committees has been deferred pending an options paper being developed around the future of Section 86 committees.			
	Council maintains the position that this action from the Victorian Auditor- General is unnecessary. The financials of current committees have not been incorporated into Council's financials at 30 June 2016.			
August 2016	During 2016/17 a number of section 86 committees will be disbanded, and other formal arrangement's put in place. There are about 12 committees that appear to be good options for management agreements. Once this has been undertaken the remaining Section 86 committees will be asked for financials to ascertain the materiality of them being incorporated into Council's financials.			
	It is expected that materiality will be very low, and this action will be removed by the Victorian Auditor-General at that time.			

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November 2016	Report to be tabled at November 2016 Audit Committee meeting regarding outstanding action
February 2017	Report being prepared on income, expenditure and equity of committees
May 2017	Report presented to Audit Committee February 2017

# 13.1.4 Action 21/1.2 Ensuring timely return of financial information to Council by committees (Risk 114, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Director Corporate Services	Very High	30 June 2016	COMPLETE	Overdue	
Date	Response				
November 2015	pursuing it due to Section 86 comm	Some information is coming in from committees; however, we are not currently pursuing it due to Council asking for a discussion paper around the future of Section 86 committees generally and options for alternate legal structures.			
February 2016	Action relating to Section 86 committees has been deferred pending an options paper being developed around the future of Section 86 committees.				
August 2016	Refer to action 21/1.1.				
November 2016	Refer to action 21/1.1.				
February 2017	Refer to action 21/1.1				
May 2017	Report presente	d to Audit Commit	tee February 2017	7	

# 14 REVIEW OF SUCCESSION PLANNING AND WORKFORCE DEVELOPMENT (REF: 22)

#### 14.1 Workforce strategy

#### 14.1.1 Observations and recommendations

#### Standard/Criteria:

Workforce planning and management has a twofold positive effect on an organisation. Firstly, it enables an organisation to profile its workforce in terms of demographics and skill sets. Secondly, it ensures an organisation has all the necessary information it needs to forecast, identify and plan future workforce needs.

Workforce planning and management is particularly crucial in small organisations where losing an employee or two can have a significant impact on the business, as they can make up a significant proportion of a workforce.

#### Audit Finding:

We noted that an evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term. Accordingly, the following activities that we believe should occur have not been performed by Council to align workforce requirements with its organisational direction in the short, medium and long term:

- assessment of the current workforce profile (e.g. demographics and generational mix, workforce issues and skills) in order to identify workforce strengths and development needs;
- identification of its future workforce profile based upon the strategic direction of the business as well as considering demographics, the aging workforce, generational expectations, development needs and changes in job roles; and
- conduct of a gap analysis and establishment of closing strategies related to attraction and recruitment; workforce management and development; retention and transition; and general HR issues.

# Risk/Impact:

Risks of poor or non-existent workforce planning and management practices include:

- goals not being achieved because of an essential skills shortage within the time required;
- poor morale that may affect service provision due career path uncertainty;
- limited understanding of employee skills available; and
- a waste of budget, time and resources

We recommend Council management:

- assess the need to establish a workforce strategy;
- appoint a responsible officer and required management support;
- establish a workforce strategy, which should address the shortcomings highlighted under Observation. A guide to workforce planning and management is included in Appendix B, C and D for information purposes;

(Note: It may not be feasible to develop strategies and initiatives for all identified gaps. The top three to six gaps may be prioritised and, for each of these, develop at least one strategy or initiative. The impediments to these strategies and initiatives should be identified, as well as any additional benefits. Each strategy should be aligned with Council's objectives and behaviours, and assessed on the overall likelihood of their success in addressing the gaps.)

- obtain adequate approval before implementing and executing of such workforce strategy;
- monitor the progress of action plans to determine what activities have been completed and those still to be implemented in terms of achieving desired organisational goals; and

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 evaluate and adjust the workforce strategy regularly to ensure information remains current and is reviewed in light of any developments that may affect staffing issues in the organisation.

# 14.1.2 Management response

A Workforce Strategy will be developed for Council, as recommended.

Development of the strategy will be undertaken as a project with milestone dates set to reflect the Workforce Planning and Management Model at Appendix C.

14.1.3 Action 22/1.1 Stage 1 Context and environment (Risk 57, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisational Development	High (12)	February 2016 AC Meeting/ revised timeframe 31 December 2017	Work in progress/ Reviewed	Overdue		
Date	Response					
February 2016	practice documer Planning", and co	Preliminary work has commenced on the strategy by way of research into best practice documents such as the Australian Standard Handbook "Workforce Planning", and commencement of the Context and Environment section of the strategy; however, there is still quite a bit of writing to do to complete this section.				
August 2016	No change					
November 2016	_	funding for a secto essed interest in wo		workforce planning. In this project.		
February 2017	Tba					
	HLB Mann Judd	identified the follo	owing:			
	An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.  There was no Workforce Strategy developed for Council as yet.					
May 2017	We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.					
	Management: The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.					

14.1.4 Action 22/1.2 Stage 2 Current workforce profile (Risk 57, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Organisational Development	High (12)	May 2016 AC Meeting/ revised timeframe 31 December 2017	Not started/ reviewed	Overdue
Date	Response			
February 2016	No action.			

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August 2016	Preliminary work has commenced with completion of workforce demographics.  Further work on skills, issues, opportunities and priorities is still to be completed.
November 2016	Refer to Action 22/1.1
February 2017	Refer to Action 22/1.1
May 2017	HLB Mann Judd identified the following:
	An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.  There was no Workforce Strategy developed for Council as yet.
	There was no Workforce Strategy developed for Council as yet.
	We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.
	Management: The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.

14.1.5 Action 22/1.3 Stage 3 Future workforce profile (Risk 57, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Organisational Development	High (12)	August 2016 AC Meeting/ revised timeframe 31 December 2017	Not started/ Reviewed	Overdue
Date	Response			
February 2016	No action.			
August 2016	No action			
November 2016	Refer to Action 22	2/1.1		
February 2017	Refer to Action 22	2/1.1		
May 2017	HLB Mann Judd identified the following:  An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.  There was no Workforce Strategy developed for Council as yet.  We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.  Management: The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.			

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14.1.6 Action 22/1.4 Stage 4 Gap analysis and closing strategies (Risk 57, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisational Development	High (12)	August 2016 AC Meeting/ revised timeframe 31 December 2017	Not started/ Reviewed	Overdue		
Date	Response					
February 2016	No action.					
August 2016	No action					
November 2016	Refer to Action 22	2/1.1				
February 2017	Refer to Action 22	Refer to Action 22/1.1				
May 2017	HLB Mann Judd identified the following:  An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.  There was no Workforce Strategy developed for Council as yet.  We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.  Management: The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.					

# 14.1.7 Action 22/1.5 Stage 5 Review and evaluation (Risk 57, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Organisational Development	High (12)	August 2016 AC Meeting/ revised timeframe 31 December 2017	Not started/ Reviewed	Overdue	
Date	Response				
February 2016	No action.				
August 2016	No action				
November 2016	Refer to Action 22/1.1				
February 2017	Refer to Action 22/1.1				

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# **HLB Mann Judd identified the following:**

An evidence based workforce strategy is not in place to align the Council's workforce with those of its needs and priorities in the short, medium and long term.

There was no Workforce Strategy developed for Council as yet.

# May 2017

We understand that the Council has expressed interest in working with the Local Government Professionals (LGPro) on this project, together with 4 other Councils. LGPro is seeking funding for a sector wide local government approach to workforce planning.

Management: The Manager Organisational Development is on the working group with LGPro to develop a template Workforce Strategy document for local Government, LGPro has sought funding for this project, it is envisaged that the document should be ready for distribution for Council's to use by the end of 2017.

# 15 REVIEW OF DISASTER RECOVERY (REF: 23)

### 15.1 Risks directly associated with the recovery process

# 15.1.1 Observation and recommendations

Prevention of risk to essential technology assets/resources. The risk register is an important governance tool is ensuring that all business risks are identified and mitigated.

#### Audit Finding:

The risk register does contain risks associated with the ongoing availability of technology services. A risk is registered that deals with the absence of a recovery facility. The risk (37) is rated as Medium which seems to be underrated given the significance of the technology environment to Council operations. There is currently no risk associated with the local storing of backup data. Additional IT risks could be added to the risk register. For instance the ability to communicate between the recovery location and principal place of work is a key risk to technology recovery.

### Risk/Impact:

Council is exposed to an increased level of risk if risks are not appropriately registered and mitigated.

We recommend management:

- review the manner in which risks are rated to ensure that the appropriate risk rating is applied to each identified risk
- critically review the IT environment identifying all risks associated with the delivery of technology services and the risks associated with a failure to recover the technology infrastructure within the business determined timeframes.

#### 15.1.2 Management response

The Risk Management Committee will review the manner in which risks are rated to ensure that they are appropriate.

The committee will also review the IT environment to identify all risks associated with technology services, and the failure to recovery those services within the determined timeframes.

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# 15.1.3 Action 23/6.1 Review the manner in which risks are rated

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisational Development(via Risk Management Committee)	Medium (6)	May 2016 AC meeting	COMPLETE	Overdue		
Date	Response	Response				
August 2016	Due to commence	Due to commence this quarter.				
November 2016	IT risks have been identified					
February 2017	Audit Committee risks are assessed in line with the audit committee report.					

# 15.1.4 23/6.2 Identify all risks associated with technology services

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Organisational Development(via Risk Management Committee)	Medium (6)	May 2016 AC meeting	COMPLETE	Overdue	
Date	Response				
August 2016	Due to commence this quarter.				
November 2016	IT risks have been identified and added to the risk register				
February 2017	Complete with all risks added				

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# 16 REVIEW OF BUILDING MANAGEMENT SERVICES (REF: 24)

### 16.1 Centralised register of public buildings

### 16.1.1 Observations and recommendations

The significance of a comprehensive, centralised and accurate register of public buildings is often underestimated and is important to maintain for several reasons including:

- Insurance claims;
- Scheduled maintenance and inspections;
- Assists in short, medium and long term planning;
- Calculation of annual depreciation; and
- Coordinated disposal and replacement when required.

### Audit Finding:

Upon our review of relevant documentation and discussions with staff members, we noted that the Council currently utilises 3 separate registers of public buildings across various departments which were not consistent or up-to-date. These registers were the following:

- 2015 Land and Buildings Register which is used and maintained by the Finance Department;
- The Buildings Master List as per the Building Asset Management Plan; and
- 2014/15 JMAPP Declaration Schedule which lists the buildings and contents values for insurance purposes.

#### Risk/Impact

The absence of a comprehensive, centralised and accurate register of public buildings will limit Council's ability to identify and have oversight of public buildings for which it has direct or indirect responsibility which in turn can potentially lead to the following:

- Improper risk management activities;
- Unknown characteristics of certain buildings which may require additional inspections, reporting etc. (e.g. buildings with septic tanks);
- Inadequate insurance coverage for buildings not identified or correctly recorded;
- Inappropriate inspection and maintenance scheduling; and
- Improper budgeting for maintenance and/or capital works based on incorrect building listings.

We recommend that council management should:

- Undertake a review of all 3 separate registers of public buildings to ensure all public buildings for which the Council has direct or indirect responsibility for have been identified and captured;
- Consolidate these 3 registers into one comprehensive, centralised and accurate register of public buildings and distribute accordingly across the Council to relevant departments; and
- Implement a system of periodic review and update of the public building register by a delegated staff member to ensure ongoing completeness.

# 16.1.2 Management response

Develop a centralised database of buildings and roll out to responsible officers.

# 16.1.3 Action 24/1.1 centralised database rolled out to all staff with land and building responsibilities

Responsibility	Risk Level	Completion	Status	Due Status
Manager Technical Services	High	August 2016 AC meeting/ revised timeframe 31	Reviewed	Complete

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	October 2017			
Date	Response			
August 2016	The Database Project Officer has provided staff with a demonstration of the database and its capabilities.			
May 2017	HLB Mann Judd identified the following:			
	A comprehensive, centralised and accurate register of public buildings was not maintained. The Council had combined the registers into one centralised list but had not completed the review of the list of buildings to ensure that it is comprehensive and accurate.			
	Management: The land and buildings database was replaced by Assetic in late 2016. A part of implementing Assetic a condition report and audit of buildings was completed by the Assets Engineer.			
	A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revised BAMP provided by October 2017.			

#### 16.2 Routine building condition inspections

#### 16.2.1 Observations and recommendations

The only practicable means of assessing building condition and identifying risk is by implementing an inspection regime of the various buildings. This process should enable maintenance issues and significant risks to be identified and remedied in advance of significant deterioration, possible injury, damage or inconvenience to the public.

#### Audit Finding:

Upon review of the Building Asset Management Plan, we noted that due to the number of properties in the Council's portfolio, programmed inspections will need to be taken concurrently and that buildings subject to the requirements of the ESM inspections will be inspected annually, with all other buildings inspected on a 2 year cycle.

Through discussion with the Building and Contracts Officer, it was determined that independent, routine building condition inspections conducted by the Council had not occurred on an ongoing basis. Audit was provided with 2 internal inspection reports performed by the Building and Contracts Officer which did not align with the inspection requirements in the Building Asset Management Plan as follows:

- caravan park toilets and laundry complex inspected in 2011; and
- Bendigo Community Bank building inspected in 2012.

Additionally, the Council did not currently maintain a building condition inspection schedule for all buildings which the Council has direct or indirect responsibility.

# Risk/Impact:

The absence of routine building condition inspections reduce the Council's ability to identify potential maintenance issues and/or significant risks, and proactively address these as a means of protecting against significant deterioration, possible injury, damage or inconvenience to the public.

We recommend that council management should:

- ensure that routine building condition inspections are completed as per the requirements of the Building Asset Management Plan;
- develop an appropriate building condition inspection schedule which outlines all required routine building condition inspections for all buildings which the Council has direct or indirect responsibility;
   and
- review the building condition inspection schedule on an ongoing basis to ensure inspections occur as per the outlined timeframes (no longer than a 2 year cycle).

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# 16.2.2 Management response

Develop a scheduled building inspection program and reflect information in the new building asset management system to be reviewed periodically in accordance with the building hierarchy and risk.

16.2.3 Action 24/2.1 Initial building condition and maintenance audit (Risk 90, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status		
Asset Engineer	High	May 2017 AC meeting	Work in progress	Due		
Date	Response					
August 2016		ged the consultants he end of October.		ouilding audit which will		
November 2016	Audit completed a commence on ear	s of mid-October. S ly November.	System installation	and training to		
February 2017	As at October 2016 report yet to be received in full in March. Assetic to provide					
	HLB Mann Judd	HLB Mann Judd identified the following:				
	There was an abundertaken.	sence of routine b	ouilding condition	inspections		
	An initial inspection of the building condition was conducted from Sep to Nov 2016.					
May 2017	The results are currently being consolidated and will be presented to the Audit Committee.  Management: A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, wit a revised BAMP provided by October 2017. The building inspection regime shall be encompassed in this document.					
	Initial inspections complete.					

16.2.4 Action 24/2.2 Scheduling of periodic follow up inspections in the asset management system (Risk 90, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Technical Services	High	August 2017 AC meeting/revised timeframe 31 October 2017	Complete/ Reviewed	Not yet due	
Date	Response				
August 2016	Council has engaged the consultants to undertake the building audit which will be completed by the end of October. A review cycle will be incorporated into the Building Asset Management Plan and supporting documentation after the audit is finalised.				
November 2016	Schedule of inspection will be incorporated in the Building Asset Management Plan which is scheduled to be drafted by the end of 2016/17 financial year.				
February 2017	Schedule for inspections has been developed.				
	HLB Mann Judd identified the following:				
May 2017	There was an absence of routine building condition inspections undertaken.				
	Scheduling of periodic follow up inspections in the asset management				

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system after purchase of the system.

There is currently no scheduling of periodic follow up inspections.

In the new Building Asset Management Plan (2017-2021) that is currently under development, it will establish routine building condition inspections and ensure review of building condition inspection schedule on an ongoing basis to ensure inspections occurs as per the outlined timeframes.

Management: A review of the BAMP outlining the issues with the current BAMP and changes revisions required will be completed by 30/6/2017, with a revised BAMP provided by October 2017. The building inspection regime shall be encompassed in this document.

First round of inspections has been completed. Frequency yet to be determined. Implementation of Assetic is underway and frequency to be determined in May /June 2017.

#### 16.3 Building asset management plan review with legislative updates incorporated

# 16.3.1 Observation and management

With a constantly changing legislative environment, it can sometimes be difficult for organisations to be sure they are remaining compliant. Keeping up-to-date with legislation can be time consuming and the legislation itself can be complex and difficult to understand. However, it is very important that organisations stay up-to-date with legislation/ regulations, and reflect these in relevant policies/procedures/other documentation, to keep pace with current rules and required practices. There can be serious consequences if it is discovered that an organisation is in breach of legislation and regulations.

# **Audit Finding:**

It was noted that the Building Asset Management Plan currently has a 4 year review cycle which is an inadequate timeframe to accurately reflect ongoing changes to legislation which can occur on a more frequent basis. Changes to related legislation and regulations is an example of circumstances that can trigger the need to review a policy, procedure or strategic planning document before its documented review date.

### Risk/impact

Council may fail to keep up to date with current legislative/regulatory rules and practices without a timely review cycle which in turn may lead to serious consequences should it be discovered that they are non-compliant with applicable legislation and/or regulations.

We recommend that council management should:

 implement a bi-annual review process which focuses on updating any legislative and/or regulatory changes in the Building Asset Management Plan, in addition to the 4 year review cycle of the Building Asset Management Plan as a whole.

# 16.3.2 Management response

Agree to an interim two-yearly review of any legislative changes that can be recognised as an appendix to the plan.

Note: any significant changes to legislation which affects Council's building policies or plans would be reported separately to Council.

Council is in the process of updating the Building Asset Management Plan and will make allowance for this.

### 16.3.3 Action 24/3.1 Building Asset Management Plan update. (Risk 91, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Technical	Medium	February 2017	Work in	Overdue

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Services	AC meeting/revised timeframe 30 September 2017				
Date	Response				
August 2016	Council has engaged the consultants to undertake the building audit which will be completed by the end of October. The results of this audit will enable the review and update of the current Building Asset Management Plan.				
November 2016	Building Audit is complete and system installation is pending and due to commence early November. Draft of Building Asset Management Plan to be finalized by the end of 2016/17 financial year.				
February 2017	Renewal predictive modelling, February training and draft by end of year				
	HLB Mann Judd identified the following:				
	The Building Asset Management Plan review cycle did not allow for appropriate legislative updates to be incorporated in a timely manner.  The Building Asset Management Plan had not been updated.				
May 2017	We understand that in the updated Building Asset Management Plan, it will make allowance for an interim 2-yearly review of legislative changes. Significant changes to legislation which affects Council's building policies or plans would be reported separately to Council and updated by the effective date of the legislation.				
Management: Council currently revises its asset management plan year cycle. However, a review can be conducted in 2 year cycle who be encompassed in the new asset management policy.					
	Recent meetings with Assetic indicates the system training for predictive modelling to be finalised within May. Draft can be expected by end of current financial year or first quarter of next financial year.				

# 16.4 Funding to meet future needs

# 16.4.1 Observations and recommendations

A maintenance budget should identify the quantum of funding a department requires to adequately address the key maintenance needs of its buildings in the short medium and long term, to ensure that they continue to support the delivery of Council and community services.

# **Audit Finding:**

Our review noted that:

- Council has not undertaken a comprehensive, periodic assessment of the level of investment required to maintain and manage all Council buildings;
- although the Building Asset Management Plan incorporates a Financial and Resource Management section which includes reference to 'Annual Renewal Gaps' between current and required funding, the Director Operations did not have confidence in the figures outlined as they were out-dated and their source could not be determined; and

No formal action plans have been developed and implemented to significantly reduce the gap between current and required funding in the absence of an additional funding option.

#### Risk/impact

In the absence of adequate investment to meet identified future liability to sustain buildings in the short, medium and long term, the Council cannot ensure that their buildings will meet the service delivery needs of the community.

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Additionally, the inadequate investment will impact on Council's ability to protect against significant deterioration, possible injury, damage or inconvenience to the public in the short, medium and long term.

An accurate overall investment calculation will also allow council to prioritise the works allowable with available funds ensuring value for money is obtained.

We recommend that council management should:

- perform a comprehensive assessment as part of its budget preparations to formulate an accurate required investment figure based on:
  - new and existing buildings to be maintained, upgraded, refurbished or have components replaced; and
  - existing assets identified for inclusion in special maintenance or capital works programs or scheduled for disposal.
- develop a priority listing of works that can be undertaken with available funds, and plans to manage any buildings in need of works that cannot be undertaken due to insufficient funds; and
- perform an annual review to identify if previous investment has been adequate and to update work priorities.

# 16.4.2 Management response

Council is investing an annual \$400k which is in line with the current BAMP.

It is recognised that more accurate investment modelling is required based upon pending condition audits to determine if this investment is adequate.

Following completion of detailed building audit a rolling program of capital renewal and upgrade will also be established. This will form the basis of prioritising any future investment and the required allocations in the budget.

16.4.3 Action 24/4.1 Preparation of detailed gap analysis (Risk 92, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Technical Services	Medium	February 2017 AC meeting/ revised timeframe 30 September 2017	Work in progress/ Reviewed	Overdue		
Date	Response					
August 2016		Preparation of the gap analysis can commence once the building audit data is returned at the end of October.				
November 2016	Building audit is now complete and is now awaiting system installation and development of degradation curves. Once finalized, renewal gap will be identified.					
February 2017	Will be initiated af	ter the second sess	sion of the system t	raining in February.		
May 2017	HLB Mann Judd identified the following: Inadequate investment to meet identified future liability and a lack of follow up actions relating to previous gap analysis undertaken.  The Council had not completed the detailed gap analysis.  We understand that the Council had met with the consultants and noted that the expenditure required is 2 to 3 times higher than the annual \$400K investment. The Council is reviewing and coming up with a new investment model.  Management: Council recently undertook condition inspections of all					

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building and is working towards financial modelling based on this audit. This shall form a part of the Building Asset Management Plan.	
Initial analysis is being undertaken. Shall be finalised within May 2017.	

16.4.4 Action 24/4.2 Development of annual rolling program for buildings (Risk 92, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Technical Services	Medium	February 2017 AC meeting	Work in progress	Overdue		
Date	Response					
August 2016	Preparation of and is returned at the	o. c	n can commence o	nce the building audit data		
November 2016	Capital works program will be generated on a priority basis after determining the renewal gap. Expected to have the capital works program generated for next financial year.					
February 2017	Building officer co	llating list of outsta	nding projects furth	er through gap analysis		
May 2017	HLB Mann Judd identified the following: Inadequate investment to meet identified future liability and a lack of follow up actions relating to previous gap analysis undertaken.  Development of annual rolling program for buildings. The annual rolling program of capital renewal and upgrade had not been established.  The priorities of work and budget allocation will be included in the annual rolling program for buildings.  Management: Council recently undertook condition inspections of all building and is working towards financial modelling based on this audit. This shall form a part of the Building Asset Management Plan.  Annual rolling program and annual infrastructure program for buildings to be presented to Council in May Council meeting along with roads annual infrastructure program.					

# 16.5 Contract performance review

#### 16.5.1 Observation and recommendations

The need to review and inspect the scope of works completed, including an assessment of work quality, for each service request prior to payment of the Contractor invoices ensures that Council's interests are safeguarded and that expected outputs/outcomes from the outsourced work are met.

#### Audit Finding:

We were advised that contractor performance in this respect is reviewed on an informal, ad-hoc basis at the completion of a service request based on resource availability. However, there is no formal process / requirement at the Council that inspections and/or reviews of contractor work be performed to ensure an appropriate standard has been delivered (i.e. completeness and quality) prior to the payment of the invoice.

#### Risk/impact

When inspections and/or reviews of Contractor works are not performed prior to payments, Council is exposed to the financial and probity risk of unwarranted payments, payments made prior to work being completed to agreed specifications, payments made prior to completion; payments made without deductions for delays, poor quality or any other penalty.

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We recommend that council management should:

 formalise and document a Council inspection process to assess the completeness and quality of work performed prior to the payment against the Contractor invoices.

In case of resource constraints, these inspections can be prioritised based on predetermined criteria (such as the nature of the work undertaken and/or PO value thresholds).

#### 16.5.2 Management response

Procurement procedures will be strengthened to ensure that work is sited before payment to contractors.

16.5.3 Action 24/5.1 Strengthening of procurement procedures (Risk 93, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Technical Services	High	August 2016 AC meeting	Work in progress	Overdue	
Date	Response				
August 2016	compliance. Altho	Based on the value of works priority will be given to high cost items to ensure compliance. Although formalising the document has not yet commenced, the relevant staff have been advised of the parameters that they should work within.			
November 2016	A procedure is needed with risk base and incorporated into procurement policy/procedure				
February 2017	Procurement procedure to reflect works greater than \$10K, to be discussed PMC considering a 'pre-payment' inspection procedure/checklist as part of the CMM, generally in relation to one-off work requests (e.g. plumbing repairs, graffiti removal).  Being a resource heavy activity, procedural requirements will be assigned based on a value-risk assessment matrix.				
May 2017	No further update				

# 16.6 Policies and procedures surrounding the building management process reviewed and updated periodically

# 16.6.1 Observations and recommendations

Comprehensive and up-to-date policies and procedures provide assurance that processes are well designed, documented and remain relevant to meet organisational objectives.

### Audit Finding:

As part of our audit procedures, we assessed the adequacy of the following policies and procedures surrounding building management practices:

- Premises Policy;
- Registration Procedure;
- Inspections Procedure; and
- Complaints Procedure.

The results of our assessment showed the following:

- the Premises Policy had not been reviewed since it was approved in 2009 despite the policy stating that it is to be monitored and reviewed tri-annually;
- the Registration Procedure had not been reviewed since it was approved in 2009 despite the policy stating that it is to be monitored and reviewed annually;
- the Inspections Procedure had not been reviewed since it was approved in 2009 despite the policy stating that it is to be monitored and reviewed annually; and

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 the Complaints Procedure had not been reviewed since it was approved in 2009 despite the policy stating that it is to be monitored and reviewed annually.

#### Risk/impact

- the absence of comprehensive and up-to-date policies and procedures may result in inconsistent operations due to the lack of common and current guidelines for staff members; and
- LSC may potentially lose valuable knowledge when key staff members leave the organisation of knowledge of the latest systems, processes and procedures are not captured in up-to-date policies and procedures.

We recommend that council management should:

identify, review and update all out-dated policies and procedures as a matter of priority to ensure they remain relevant and reflect current internal processes.

#### 16.6.2 Managers response

The policies and procedures listed are not recognised as part of Council's formal framework.

Relevant staff will be followed up in regard to their existence, and having them approved through the framework.

16.6.3 Action 24/6.1 Policies and procedures listed. (Risk 94, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Technical Services	Medium	August 2016 AC meeting/revised timeframe 30 June 20147	Work in progress/Reviewed	Overdue		
Date	Response					
August 2016	The new staff in through the appro		will locate the docum	ents and take them		
November 2016	Current policies t	Current policies to be reviewed beginning with Asset Management Plan				
February 2017	Building Officer to	Building Officer to locate any policies and procedures for review				
	HLB Mann Judd	identified the foll	owing:			
	Policies and procedures surrounding the building management process had not been reviewed and updated periodically.  Relevant staff followed in relation to existence of policies and procedures					
	listed.					
May 2017	The new Building Asset Management Plan (2017-2021) is currently still under development.					
	The building management compliance procedures will be documented in the Building Asset Management Plan.  Management: With the implementation of new system and expected revision of Building Asset Management Plan, procedures will be developed accordingly.					

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16.6.5 Action 24/6.2 Approval of relevant policies and procedures for future use (Risk 94, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Asset Engineer	Medium	August 2016 AC meeting/ revised timeframe 30 June 2017	Work in progress/ Reviewed	Overdue	
Date	Response				
August 2016	The new staff in T through the appro		will locate the docu	ments and take them	
November 2016	Current policies and procedures are either out of date or about to expire. Recent flood has delayed the previous target dates for completion of the documents.				
February 2017	It is highly reliant on the new AM system. Once the system is fully functional, policies and procedures will be developed accordingly.				
	HLB Mann Judd identified the following:				
	Policies and procedures surrounding the building management process had not been reviewed and updated periodically.				
May 2017	Official approval of relevant policies and procedures deemed necessary for future use.				
	Approval of relevant policies and procedures had not been obtained.				
	Management With the implementation of new system and expected revision of Building Asset Management Plan, procedures will be developed accordingly.				

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# 17 REVIEW OF PURCHASES AND ISSUES FROM COUNCIL DEPOT STORES (INCLUDING PURCHASES MADE ON CREDIT CARDS) (REF: 25)

# 17.1 Segregation of specific duties in the current procurement process

# 17.1.1 Observations and recommendations

#### Standard/criteria:

A fundamental element of internal control is the segregation of certain key duties. Adequate segregation of duties reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties.

#### Audit finding:

Our review noted there is inadequate segregation of duties in the current procurement processes at Council. To be specific, the following activities could be performed by the same officer:

- initiating and approving a hardcopy/physical PO;
- placing an order and receiving goods or services; and
- raising a purchase and approving invoice for payment (signing-off the creditor input form).

The above activities could be performed by staff on the basis the purchase was within their delegated limit.

Further, this was evidenced through our testing where 13 out of the 20 (or 65%) purchasing transactions were initiated, PO's raised, PO's approved, goods/services received and invoice for payments approved for payment by the same staff member. The instances identified related to the following:

PO#	PO Date	Supplier	Invoice Amount	Description
56451	5 Aug 15	Wedderburn Hardware	\$1,575.90	Equipment and clothing (rig gloves, step ladder, storage container, crate box etc.)
56751	21 Sept 15	Archard Laser and Hydraulics P/L	\$618.40	Repair work - Fix hydraulic hose on site
56781	2 Nov 15	William Adams P/L	\$943.62	Purchase of Assorted Filters/Parts
56797	20 Nov 15	William Adams P/L	\$295.47	Purchase of Thermostat/Coolant
58051	23 Feb 16	Pyramid Salt Pty Ltd	\$1,650.00	Purchase of Magnesium Chloride Solution for gravel road grading
58065	11 May 16	Pyramid Hill Mechanic and Welding Service	\$259.05	Repair work to hydraulic pipes
58265	21 Apr 16	Pedders Suspension Bendigo	\$600.00	Repairs and works - Reset Rear Spring (centre bolt, slipper pad leaf spring, leaf spring reset)
58299	16 Jun	Pergs Cranes	\$680.90	Maintenance - 12 month service and inspections

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	16			of crane
58001	19 Feb 16	Allstone Quarries Pty Ltd	\$240.79	Purchase of concrete paving
58035	24 May 16	Bridgewater Farmware	\$214.75	Outdoor Protective Clothing - Purchase of Safety Ankle Boots and Padlock
55651	19 Aug 15	Castrol Australia Pty Ltd	\$5,773.97	Castrol oils
55671	3 Sept 15	Burson Auto Parts	\$101.61	Toledo base bench vice
55645	14 Jul 15	William Adams P/L	\$760.54	Manifold bolts and gaskets purchased

#### Impact:

Without proper segregation of duties around the procurement processes, there is an increased risk that:

Conflicting Roles	Risk
Initiating and approving a PO	<ul> <li>Unethical conduct or purchases of unsuitable goods/ services;</li> <li>Purchases from suppliers with conflicts of interest; and</li> <li>Bias, favouritism or fraudulent in purchases.</li> </ul>
Placing an order and receiving goods or services	Fictitious goods or services receipt
Raising a purchase order and approving invoice for payment	<ul> <li>Fictitious or fraudulent payments;</li> <li>Payments made for undelivered goods or services; and</li> <li>Payments made for purchases do not meet specifications.</li> </ul>

#### Recommended action:

We recommend Council management:

- review the current procurement processes and establish proper segregation of duties to prevent conflicting roles being carried out by the same individual (i.e. strengthening current manual processes or introduction of electronic systems to address shortfalls);
- formally document established processes in relevant procurement policies and procedures; and
- communicate and make available the above policies and procedures to all staff.

# 17.1.2 Management response

The segregation of specified duties would impose an impracticable administrative burden upon council operations.

Any requirement to have multiple officer approval and sign of will create inherent delays in Council operations due to staff availability and transmission of information. This will severely impede Council operations and further reduce resource capacity.

Such limitations may be partially overcome if an electronic purchasing system were in place.

It is still considered however that due to the dynamic nature of Council operations, particularly within the operations department, flexibility and responsiveness must be maintained.

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Whilst it is recognised that an element of risk may exist should an individual staff member seek to deliberately undertake fraudulent activity, current controls including the defined level of authority is considered to proportionate to potential financial cost to Council.

Council also has controls in place at the point of invoice payment and requirements that suppliers be verified prior to receiving payment.

Assessment of invoices for payment and validation of supplier status is already segregated from operational staff.

Current procurement policies, procedures and level of authority documents are distributed to all staff.

# 17.1.3 Action 25/1.1 Investigate Electronic Purchasing System to address the shortfalls (Risk 95, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status		
Director Corporate Services	High	November 2016 AC meeting	Work in progress	Overdue		
Date	Response	Response				
November 2016	Specification is being considered					
February 2017	Specification is being reviewed					
May 2017	No change, discussions being held with other Councils. Upgrade to Attaché will be beneficial					

# 17.1.4 Action 25/1.2 Review relevant procurement policies to ensure relevance (Risk 95, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Finance	High	November 2016 AC meeting	Complete	Due		
Date	Response					
November 2016	Updated procurement procedure uploaded onto intranet. Procurement policy updated 26/7/16.					

# 17.1.5 Action 25/1.3 all policies and procedures are to be made readily available to operations staff via electronic means (Risk 95, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisational Development	High	November 2016 AC meeting	Complete	Overdue		
Date	Response	Response				
November 2016	Manager to commavailable	Manager to communicate updated policies and procedures to all staff when available				
February 2017	Relevant policies and procedures sent to IT department to load onto outdoor tablets. Email sent to works team for reference.					

# 17.2 Evaluation panel required to complete and sign off conflict of interest and confidentiality declarations

# 17.2.1 Observation and recommendations

#### Standard/criteria:

It is imperative that in those instances where external parties, contractors and/or consultants are engaged through tendering or request for quotation processes, the selection of those personnel must Page 68

be completely transparent by panel members completing and signing-off on Disclosure of Conflict of Interest Forms before opening documentation submitted for assessment.

#### Audit finding:

Our review noted that evaluation panel members were not required to complete and sign-off Disclosure of Conflict of Interest and Confidentiality forms before opening quotes and/or tenders submitted for assessment.

This was further emphasised through our testing of a sample of 4 major purchases (ranging between \$90,000 to \$149,000) where external parties had been engaged via tender and/or request for quotation, we noted all instances (or 100%) where conflict of interest and confidentiality declarations had not been completed and signed-off. To be specific:

PO#	PO Date	Supplier	Amount	Description
55958	2 Sept 15	Poyser Motor Group	\$149,893.30	Truck Acquisition – supply and delivery of 2 trucks
55969	21 Dec 15	Bendigo Truck Centre	\$95,546.00	Light Tipper Patrol Truck Acquisitions
55973	8 Jan 16	Duro Tank	\$114,354.00	Acquisition of water cart
55974	11 Jan 16	AJ Stock	\$98,230.00	Acquisition of 5 slip in water tanks

Panel members had verbally declared that there were no conflict of interest situations arising.

#### Impact:

In the absence of complete and signed confidentiality and conflict of interest declarations before opening and reviewing quotes and/or tenders submitted, Council is exposed to an increased risk that conflicts of interest may not be identified which may influence the assessment of quotes and/or tenders.

#### Recommended action:

We recommend Council management:

- formalise the requirement for Disclosure of Conflict of Interest and Confidentiality Forms to be completed and signed off by panel members before opening and reviewing submissions. The requirement should only pertain to major/significant purchases made by Council (i.e. that have gone through detailed RFQ and/or RFT assessments).
  - A standard Disclosure of Conflict of Interest and Confidentiality Form can be developed for this process to ensure consistency; and
- communicate and make available the above procedures and form to all staff.

# 17.2.2 Management response

A review of tender evaluation report templates can be conducted to ascertain if existing provisions for declaration of conflicts is adequate or whether a separate probity form may be required for tender evaluation panels.

Declaration of a conflict of interest will only be required at the time of assessing tenders/quotes and preparation of detailed evaluation report for approval.

Once developed, tender evaluation procedure and associated forms would be communicated to relevant Council staff.

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# 17.2.4 Action 25/2.1 Establish standard Disclosure of Conflict of Interest and Confidentiality Form and process (Risk 96, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Project Management Coordinator	Medium	May 2017 AC meeting	Not started	Due	
Date	Response				
November 2016	Vacant position				
February 2017	This form, specifically, is currently under development (refer Action 18/2.1), and will consequently form part of the CMM. The form will comply with the disclosure requirements of the Victorian LG Best Practice Procurement Guidelines and be delivered by 28 February 2017. Again if implemented the eCMS will immediately capture this critical process.				
May 2017	The conflict of interest and confidentiality agreement form is complete and available for use. All tender evaluation panel members are now required to sign the form prior to opening of tenders. The form will be incorporated into the evaluation panel workbook, once complete (part of CMM).				

# 17.2.5 Action 25/2.2 Communication of procedures and forms to all staff (Risk 96, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Project Management Coordinator	Medium	May 2017 AC meeting	Not started	Not yet due	
Date	Response				
November 2016	Vacant position				
February 2017	PMC is currently hosting discussion forums with all procurement/contract officers and internal stakeholders to determine existing issues, and will utilise this feedback to guide development of the CMM.  Additionally, all Loddon Shire staff will be notified as each draft form (refer Action 18/2.1) is created. Comments will be sought, and if appropriate, incorporated into each revision.  Small group or one-on-one training (as required), and process familiarisation workshops will be provided by the PMC as the CMM, or eCMS, is rolled-out.				
May 2017	Discussions forums complete, and summary report provided to Manager Technical Services and Director Operations. Ongoing development of CMM as a result. As above, small group or one-on-one training (as required), and process familiarisation workshops will be provided by the PMC as the CMM, or eCMS, is rolled-out.				

# 17.3 Hard copy purchase orders required

# 17.3.1 Observation and recommendations

# Standard/criteria:

The Council requires that hardcopy purchase orders shall be raised for all purchases made by departments, inclusive of the Depot/Operations department. All purchase orders must be approved in accordance with the Levels of Authority.

# Audit finding:

Our testing of 20 purchasing transactions in relation to depot operations identified 8 instances (or 40%) where blanket purchase orders were being raised and approved to initiate purchasing transactions, and the purchases did not fall within exemption categories where this was permitted. The instances identified related to the following transactions:

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PO#	PO Date	Supplier	Amount Paid as per Invoice	Description
58051	23 Feb 16	Pyramid Salt Pty Ltd	\$1,650.00	Purchase of Magnesium Chloride Solution for gravel road grading
58065	11 May 16	Pyramid Hill Mechanic and Welding Service	\$259.05	Repair work to hydraulic pipes
58070	8 Jun 16	Artcraft Pty Ltd	\$969.58	Assorted signage purchases (narrow bridge AL, width marker left, curve rights AL, etc.)
58265	21 Apr 16	Pedders Suspension Bendigo	\$600.00	Repairs and works - Reset Rear Spring (centre bolt, slipper pad leaf spring, leaf spring reset)
58299	16 Jun 16	Pergs Cranes	\$680.90	Maintenance - 12 month service and inspections of crane
58001	19 Feb 16	Allstone Quarries Pty Ltd	\$240.79	Purchase of concrete paving
58035	24 May 16	Bridgewater Farmware	\$214.75	Outdoor Protective Clothing - Purchase of Safety Ankle Boots and Padlock
55645	14 Jul 15	William Adams P/L	\$760.54	Manifold bolts and gaskets purchased

The instances identified above did not fall within exemption categories as per Council's Procurement Procedure where this was permitted (i.e. utilities, subscriptions, leases, standard monthly charges).

# Impact:

- non-compliance to internal purchasing requirements; and
- increased risk that Council initiates orders and makes purchases that it may not fully commit to.

# Recommended action:

We recommend Council management:

Should reinforce the requirements to staff to ensure that blanket purchase orders are not to be raised and approved unless they fall within the exemption categories as per the Procurement Procedure.

# 17.3.2 Management response

Requirement to complete purchase orders at time of ordering goods and services, unless where approved exemptions exist, shall be reinforced with staff through team meetings.

17.3.3 Action 25/3.1 Reinforce requirements around blanket purchase orders (Risk 97, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Finance	Medium	November 2016 AC meeting	Complete	Due		
Date	Response					
November 2016	Stronger wording contained in updated procurement procedure that has been uploaded onto intranet. Email also sent to all staff reinforcing correct practices.					

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# 17.4 Raising purchase orders appropriately

#### 17.4.1 Observation and recommendations

#### Standard/criteria:

A purchase order is a key document that helps to ensure goods/services rendered are appropriate and is approved prior to a commitment for payment is made. Purchase orders also provide a valuable means to monitor an organisation's expenditure commitments.

#### Audit finding:

Our testing of 20 depot/operations purchasing transactions identified 3 instances (or 15%) where payments made to suppliers had purchase orders raised after tax invoices were received from suppliers.

These payments related to the following:

PO#	PO Date	Supplier	Invoice Date	Invoice Amount	Description
56797	20 Nov 15	William Adams P/L	19 Nov 15	\$295.47	Purchase of Thermostat/Coolant
58299	16 Jun 16	Pergs Cranes	15 Jun 16	\$680.90	Maintenance - 12 month service and inspections of crane
58035	24 May 16	Bridgewater Farmware	23 May 16	\$214.75	Outdoor Protective Clothing - Purchase of Safety Ankle Boots and Padlock

#### Impact:

When purchase orders are not raised and approved appropriately, Council is exposed to the financial and probity risk of unwarranted payments, committing to services and related payments prior to obtaining appropriate authorisation from the relevant financial delegate.

#### Recommended action:

We recommend Council management:

- reinforce the best practice for purchase order processing, train all the relevant staff in these practices; and
- ensure that purchase orders are raised and approved by the appropriate financial delegate for all purchases prior to receipt of services/goods.

### 17.4.2 Management response

It is agreed that reinforcement of the requirement to complete relevant PO prior to goods being received should be reinforced with staff.

Payment approval is required before invoices are processed. As such it is highly unlikely that payment for goods or services would occur if not legitimately ordered by Council officers.

More likely is the scenario where officers have been required to place an order without having access to the facilities to either complete a manual PO, i.e. ordering parts in the field.

In certain circumstances it is possible that materials may be obtained without a PO and one is completed and backdated.

This should be avoided wherever possible however is not considered to pose a major risk as invoices will not be paid without a valid PO number. Officers therefore have the opportunity to correct any administrative oversights at a later date.

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# 17.4.4 Action 25/4.1 Reinforce correct procedure for order processing through training (Risk 97, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Finance	Medium	November 2016 AC meeting	Complete	Due		
Date	Response					
November 2016	Stronger wording contained in updated procurement procedure that has been uploaded onto intranet. Email also sent to all staff reinforcing correct practices and offering training to staff who require further clarification					

# 17.4.5 Action 25/4.2 Requirement to complete PO at time of ordering goods wherever possible will be reinforced with staff

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Finance	Medium	November 2016 AC meeting	Complete	Due		
Date	Response					
November 2016	Stronger wording contained in updated procurement procedure that has been uploaded onto intranet. Email also sent to all staff reinforcing correct practices.					

# 17.5 Supply panel engagement model to be developed by Council's Depot/Operations department for the acquisition of recurring goods or services

# 17.5.1 Observation and recommendations

#### Standard/criteria:

A panel may be established by an organisation entering into contracts or deeds of standing offer (panel arrangements) for the provision of identified services. A panel is defined as an arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply services to an agency as specified in the panel arrangements. The respective panel arrangements must contain minimum requirements, including an indicative or set price or rate as appropriate for the services to be acquired in the period of the panel arrangement.

# Audit finding:

Our review noted that a supply panel engagement model is currently not practiced by Council for the acquisition of recurring goods or services at the Depot/Operations department.

Management advised that Council had not undertaken a formal analysis or reporting on procurement transactions to determine whether any re-occurring acquisitions of goods or services with significant accumulated total values should be established through formal supply panel agreements.

The benefits of establishing a panel of suppliers for Council in this instance include:

- better value for money;
- a more convenient, flexible, streamlined and efficient process for acquiring the goods or services covered by the panel arrangement;
- facilitating the establishment of firm and mutually beneficial supplier relationships;
- beneficial when covering goods or services that are acquired regularly, as they allow agencies to enter into contracts with panel members without a further procurement process; and
- allowing a simple process for Council officers to acquire goods or services within the scope of that panel, while still providing competitive pressures to assist in achieving value for money.

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# Impact:

The absence of a panel of suppliers in this instance potentially exposes Council to risks such as:

- a lack of capacity to acquire timely, efficient and reliable services;
   acquisition of goods or services with a significant accumulated total greater than, which should be subject to a tendering process, going undetected; and
- a risk of collusion by defrauding or gaining an unfair advantage by contracting to suppliers that have not gone through the rigour of a panel appointment process.

#### Recommended action:

We recommend Council management:

- consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal analysis with respect to procurement transactions;
- establish the panel via supplier selection, appointment, management and performance evaluation
  processes. Such processes should be formally documented in policies and procedures; and subject
  to regular review to ensure they remain relevant, are meeting the needs of users, and to address
  any emerging issues that arise; and
- appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.

#### 17.5.2 Management response

Council has employed such arrangements in the past e.g. gravel supplies however a formal review of eligible goods and services as well as formalisation of a panel contractor framework/tender document for these will be required.

Council does have limited panel contracts already in place e.g. power supply, gravel purchase and fleet purchase.

Some of these contracts are run through joint procurement services such as Procurement Australia or MAV.

A review of Council procurement of goods and services will identify what areas Council may wish to consider further panel contracts in.

17.5.3 Action 25/5.1 A review of potential services or goods for which Council may utilise panel contractors (Risk 98, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Project Management Co- ordinator	Medium	February 2017 AC meeting	COMPLETE	Due	
Date	Response				
November 2016	Vacant position	Vacant position			
February 2017	PMC to examine potential for supplier panel contracts within depot/operations department during discussion forum with operations staff, scheduled for 01 February 2017.  Supplier panel contracts recommendation report to be delivered by 31 March 2017.				
May 2017	Discussion forum complete and potential supplier panel summary provided to Manager Technical Services and Director Operations (Memo 24 Feb 2017).				

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17.5.5 Action 25/5.2 Develop contract templates and processes for supplier panels (Risk 98, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Project Management Co- ordinator	Medium	February 2017 AC meeting	Not started	Overdue	
Date	Response				
November 2016	Vacant position				
February 2017	The structure of the CMM will include a supplier panels section, incorporating all associated checklists, forms, and workflows. The CMM will be delivered in draft format, by 30 June 2017.  Again, if implemented, the eCMS will effectively automate this process.				
May 2017	As above, however, due to PMC's project and procurement workload, and organisational support role, CMM delivery date will likely be delayed.  Adjusted to 30 November 2017.				

17.5.6 Action 25/5.3 Appoint panel of suppliers where relevant (Risk 98, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status		
Project Management Co- ordinator	Medium	November 2016 AC meeting	Not started	Overdue		
Date	Response	Response				
November 2016	Vacant position					
February 2017	Supplier panel contracts to be considered for the 2017/18 financial year, on outcome of recommendation report (refer Action 25/5.1).					
May 2017	PMC will reassess once CMM complete.					

#### 17.6 Register set up for tracking movement of small equipment at depot

# 17.6.1 Observation and recommendations

# Standard/criteria:

Small equipment items are assigned accountability and custodianship to a single team (e.g. parks and gardens, construction or routine maintenance). Team Leaders are responsible for ensuring that assets under their custodianship are managed appropriately. These assets are stored in different areas such as sheds, locked in truck toolboxes, plant and machinery or motor vehicles used by Council staff for safekeeping. Further, certain equipment may be used by staff for personal use at home. Therefore, it is important that the movement of such small equipment is monitored and tracked appropriately.

# Audit finding:

Our review noted that there is no register for tracking of movements of small equipment items by Team Leaders, including small equipment used by staff for personal use.

Small equipment items were assigned accountability and custodianship to individuals, single teams, and could be borrowed and shared amongst teams at the depot/operations. Council's Depot operates an "honesty system" where it is deemed that small equipment will be returned by staff once it is no longer being used.

We did acknowledge that Council had a formal process for monitoring and tracking plant assets that were used by staff for personal use at home. Request forms were completed, approved by delegated personnel and forwarded to Payroll for processing. Staff were charged Council approved fees/rates for the use of plant assets.

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# Impact:

Without proper tracking of movements for small equipment items, including small equipment used for personal use at home, there is a risk that assets may get damaged, lost or stolen.

#### Recommended action:

We recommend Council management:

- introduce a system (i.e. logbook or periodic stock take) for the recording and tracking of small equipment items movements, including small equipment used for personal use at home; and
- the developed process/system should incorporate a checking mechanism to ensure that assets have been returned or are appropriately accounted for.

#### 17.6.2 Management response

An inventory of small plant and equipment can be developed.

Consideration may be given to implementing a log book system to track equipment movements however Council is conscious of not creating cumbersome and over burdening administrative processes which degrade operational efficiency.

Minor equipment is not booked out to jobs during its use and as such any tracking system would be a new demand on staff time.

A periodic stock take or audit of equipment inventory is believed to offer sufficient opportunity to identify missing or unaccounted for equipment.

17.6.3 Action 25/6.1 Develop Asset Replacement Schedule to assist with identification of missing plant and equipment (Risk 99, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Operations	Medium	May 2017 AC meeting	Work in progress	Due	
Date	Response				
November 2016	Developing a procedure regarding a system to check stock				
February 2017	Minor plant replacement in Plant and Equipment database				
May 2017	Under review and waiting for a new system				

# 17.6.4 Action 25/6.2 Implementation of recurrent, programmed inventory check of registered minor plant and equipment (Risk 99, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Operations	Medium	August 2017 AC meeting	Work in progress	Not yet due		
Date	Response	Response				
November 2016		Agreed to update and develop a replacement schedule and register of stocked items, asset of life and current items				
February 2017	Budget item for replacement					
May 2017	New software will determine application					

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# 17.8 Develop minimum stock levels to facilitate the ongoing replenishment of materials

# 17.8.1 Observation and recommendations

#### Standard/criteria:

Minimum level or stock safety level is the level of inventory, below which the stock of materials should not fall, to facilitate in ensuring that that Council does not experience shortages which may impact the Council on its ability in delivery of services.

#### Audit finding:

Our review noted that the minimum stock levels had not been formally analysed and established to facilitate the on-going replenishment of stock items.

Currently, Council maintains a Stock Arrangements spreadsheet (excel) that identifies stock related information such as:

- the type of stock maintained by Council (sand bags, unleaded fuel, emulsion, box culverts etc.);
- personnel responsible for placing orders on stock items;
- suppliers where stock orders are placed; and
- method by which orders are to be placed.

We noted orders with suppliers for replenishment of materials were placed as and when a need to restock is identified or where there is a notification from staff members.

#### Impact:

In the absence of consistent processes for planning and monitoring stock levels, there is a risk of either tying up cash in assets sitting on site or having materials shortages which impact on the ability to deliver services.

#### Recommended action:

We recommend Council management:

- formally analyse past stock data to identify the types of stock items with high turnover and that require management through minimum stock levels; and
- establish minimum stock levels for those stock items. The minimum stock levels should be reviewed on a regular basis to ensure they remain relevant.

### 17.8.2 Management response

Analysis of stock items to be kept in depot was completed as part of the Operations department restructure and changes to stock handling arrangements.

Operations staff routinely monitor stock levels within depots for these stores.

No formalised trigger for reporting or ordering of stock has been document however can be considered.

Assessment and determination of minimum stock level triggers to be considered.

Stock evaluation will only be a visual assessment not a detailed stock inventory count.

17.8.3 Action 25/7.1 Analyse past stock data to identify high turnover stock (Risk 100, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Operations	Medium	November 2016 AC meeting	Complete	Overdue
Date	Response			
November 2016	Currently have an access database with plant and fleet, investigate a fleet management system.			
February 2017	Trigger points have been identified			

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# 17.8.4 Action 25/7.2 Develop minimum stock level triggers (Risk 100, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Operations	Medium	November 2016 AC meeting	Complete	Overdue	
Date	Response				
November 2016	Apply minimum levels/quantities of stock				
February 2017	Minimum levels of stock have been established as triggers				

### 17.9 Credit card processes to be guided by formally documenting procedures

#### 17.9.1 Observations and recommendations

#### Standard/criteria:

Comprehensive policies and procedures are a crucial organisational tool, which set the tone from management and provide guidance in day-to-day activities for Council staff.

#### Audit finding:

Our review noted processes with respect to credit cards were not guided by formally documented procedures. Examples of processes not formally documented include:

- <u>Issuance of credit cards</u>: (see *Appendix A* for an example of a credit card application form that Council may consider introducing as an internal document as we noted applicants were only completing the "NAB Terms of Use or Agreements form");
- <u>Use of credit cards:</u> (e.g. making purchases in accordance with Council's Procurement Policy, over the counter transactions, purchasing up to a value of the officer's approved limit, facsimile/telephone purchasing where the transaction is complete by quoting card details to the supplier, internet purchasing from secure websites etc.);
- Restrictions on the use of credit cards: (e.g. withdrawing of cash unless cash advance has been
  authorised by a delegated officer, where a non-purchase card method of payment is the cheaper
  option, to split purchases in order to negate credit and transaction limits, to acquire goods/services
  where a purchase order should be used etc.);
- Increasing of credit card limits for cardholders;
- Monthly credit card reconciliation and acquittal process; (e.g. Finance providing cardholders with monthly statement, cardholders verifying and attaching supporting documents to statement, cardholders signing off on monthly statement, independent review process performed by senior management against monthly purchases etc.);
- <u>Cancellation/surrendering of credit cards</u> (e.g. when an officer ceases employment, where the
  credit card is misplaced/lost, in the event the officer moves to a position where a credit card is no
  longer required, where an officer takes extended leave of more than a certain number of months,
  where an officer is on external secondment etc.); and
- Reporting process for significant unauthorised use of credit cards.

# Impact:

The absence of formal procedures may result in inconsistencies in operations due to the lack of common guidelines. In addition, there is an increased risk of valuable corporate knowledge being lost when relevant staff leave Council.

### Recommended action:

We recommend Council management:

- formally document credit card processes to address the shortcomings highlighted under the "Observation" column; and
- communicate the procedures to staff and ensure they are made available for staff to access.

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# 17.9.2 Management response

Finance department to develop documented procedure for utilisation, reporting and approval of credit cards

# 17.9.3 Action 25/8.1 Develop documented procedure for utilisation, reporting and approval of credit cards (Risk 101, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Finance	Medium	December 2016 AC meeting	Complete	Due	
Date	Response				
November 2016	Updated corporate credit card procedure uploaded onto intranet. Corporate credit card policy adopted 2/8/16. Emailed copies 8/11/16 to all credit card holders.				

# 17.9.4 Action 25/8.2 Procedures and policy to be disseminated to all relevant staff (Risk 101, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Finance	Medium	November 2016 AC meeting	Complete	Due	
Date	Response				
November 2016	Relevant policies and procedures sent to Anne to load onto the outdoor tablets. Email also sent to Works Team for reference				

# 17.10 A centralised, accurate plant and equipment database/register to be created and rolled

### 17.10.1 Observation and recommendations

#### Standard/criteria:

The significance of a comprehensive, centralised and accurate register of plant and equipment is often underestimated and is important to maintain for several reasons including:

- insurance claims;
- scheduled maintenance and inspections;
- assists in short, medium and long term planning;
- calculation of annual depreciation; and
- coordinated disposal and replacement when required.

### Audit finding:

Our review noted Council had not yet rolled out its centralised plant and equipment database/register.

Council had developed a plant and equipment centralised database of its plant and equipment assets (as a single point of truth) for these types of assets since 2014. As part of this process:

- the Depot/Operations department had provided their plant and equipment register (excel spreadsheet) of its assets which had been entered onto the centralised database; and
- the Financial Asset Register (excel spreadsheet) maintained by Finance had been provided and was being entered onto the database.

However, at the conclusion of our fieldwork, the centralised plant and equipment database/register was still being updated accordingly. Discrepancies had been identified upon transferring assets from the Financial Asset excel spreadsheet (e.g. items on the excel spreadsheet that were no longer kept by Council etc.).

# Impact:

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The absence of a comprehensive, centralised and accurate register of plant and equipment will limit Council's ability to identify and have oversight of plant and equipment for which it has direct responsibility which in turn can potentially lead to the following:

- improper risk management activities;
- unknown characteristics of certain plant and equipment which may require additional inspections, reporting etc.;
- inadequate insurance coverage for plant and equipment not identified or correctly recorded;
- improper budgeting for maintenance and/or capital works based on incorrect plant and equipment listings; and
- issues in monitoring and tracking of plant and equipment.

#### Recommended action:

We recommend Council management:

- ensure the consolidation process of plant and equipment onto the centralised plant and equipment database/register is undertaken in a timely manner, to assist Council in its service delivery; and
- ensure the centralised plant and equipment database is reviewed and updated on a periodic basis to ensure it remains relevant, accurate and complete.

### 17.10.2 Management response

Plant and equipment database to be finalised and populated to ensure the capture of all relevant equipment and plant owned and operated by Council.

#### 17.10.3 Action 25/9.1 Plant and equipment database to be finalised (Risk 102, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status		
Director Operations	Medium	November 2016 AC meeting	Complete	Overdue		
Date	Response	Response				
November 2016	Investigating use of module in new Assetic software					
February 2017	Assectic system in operation					

# 17.10.4 <u>Action 25/9.2 Review procedures for procurement or disposal of plant and</u> equipment including updating of plant and equipment database (Risk 102, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium	February 2017 AC meeting	Work in progress	Overdue
Date	Response			
November 2016	Investigating use of module in new Assetic software			
February 2017	Tba			
May 2017	Working on asset disposal procedure, fleet policy currently in draft.			

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17.10.6 Action 25/9.3 Review and identify most suitable IT solution for managing Plant and Fleet registers (including development of replacement programs) (Risk 102, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status
Director Operations	Medium	February 2017 AC meeting	Work in progress	Overdue
Date	Response			
November 2016	Investigating use of module in new Assetic software			
February 2017	Demonstration completed,			
May 2017	There are existing policies and procedures in place that need to be reviewed			

# 17.11 Formal replacement schedule/plan for small plant and equipment to be created

# 17.11.1 Observation and recommendations

#### Standard/criteria:

The purpose of a formalised replacement schedule/plan is to demonstrate responsive management of small plant and equipment assets and services provided from those assets and to communicate funding needed to provide the required levels of service. The schedule/plan is a key mechanism by which management practically implements the organisation's short, medium and strategic goals for the asset portfolio at an individual asset level.

#### Audit finding:

Our review noted there is no formalised replacement schedule/plan for small plant and equipment held at the depot.

These assets were replaced and sourced through local suppliers by requesting quotation(s) as and when there was a need or when existing assets became faulty. The Council's current approach was more reactive in nature.

#### Impact:

The absence of a formally documented replacement schedule/plan for small plant and equipment may have a negative impact on Council's operations in those instances where assets are not available or are damaged. Further, a replacement schedule/plan would also assist Council in managing cash flow needs associated with making purchases for small equipment.

# Recommended action:

We recommend Council management:

- establish an asset replacement system or schedule/plan for small plant and equipment. Council
  may consider assessing whether it may be incorporated within the existing plant and equipment
  database. Such a schedule should be endorsed by appropriate management before
  implementation; and
- review the schedule on a regular basis to ensure it remains relevant, is meeting the needs of users, and to address any emerging issues that arise.

### 17.11.2 Management response

Council allocates a nominal amount each financial year for the renewal, purchase or maintenance of minor plant and equipment.

Redundancy exists within Councils equipment inventory so that any single piece of equipment will not materially affect council operations if unavailable.

Reactive replacement of plant and equipment is considered practicable due to the low value of such equipment and the availability within the marketplace.

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Council's annual budget allocations are considered satisfactory and replacement of equipment prior to end of life does not offer any financial advantage to Council.

Council also maintains a reserve fund for minor plant and equipment purchases.

Ongoing assessment of equipment based upon value and importance to the organisation occurs to ensure that critical equipment replacement is programed i.e. transitions from minor equipment and plant to plant replacement program.

17.11.3 Action 25/10.1 Investigate new plant and equipment system which will enable the programming of minor equipment replacement (Risk 103, CAR 1).

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Operations	Low	February 2017 AC Meeting	Complete	Due	
Date	Response				
November 2016	Investigating use of module in new Assetic software				
February 2017	New Assectic program in place				

# 17.11.4 <u>Action 25/10.2 Develop a procedure for reviewing schedule on regular basis</u> (Risk 103, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Operations	Low	December 2017 AC Meeting	Work in progress	Not yet due	
Date	Response				
November 2016	Investigating use of module in new Assetic software				
February 2017	Awaiting identification of systems old and new				
May 2017	No update, no action				

# 17.12 Improved security at depots to monitor and track visitor movements

#### 17.12.1 Observation and recommendations

#### Standard/criteria:

It is essential that access onto Council's depots' must be physically restricted, monitored and tracked to prevent unauthorised individuals from obtaining access to Council assets, and to prevent the risk of loss due to theft of assets.

#### Audit finding:

We noted:

- manual gates at Council's depots' were usually open during operating hours. Most depot head offices were not located within a close proximity of the gates to allow for staff to have a clear vision of visitors that would enter through the gates and onto Council depot premises. Staff may sometimes be working in the back workshop during operating hours, therefore, visitors may enter and exit the depot without staff noticing. Manual gates were usually pad locked after hours, and it was the responsibility of staff to ensure the gate was locked accordingly; and
- Council did not utilise a visitor logbook as a key monitoring and tracking process for visitors on its premises.

Management advised that physical security controls at its depots premises was currently being addressed by the introduction of an electronic swipe access card mechanism for its gates to restrict visitors from entering its premises without approval.

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# Impact:

In the absence of adequate physical security controls over Council depots, there is an increased risk of loss due to theft or mishandling at Council's assets. Further, Council staff may be exposed to safety issues and related consequences arising during thefts/burglaries.

#### Recommended action:

We recommend Council management:

 continue to explore solutions to address shortfalls identified in the "observation" column through the introduction of an electronic swipe access security card mechanisms for its gates;

#### Alternatively:

In the event an electronic mechanism cannot be implemented, Council may consider introducing a manual process where a visitor log book is utilised in those instances where visitors are on Council depot premises. Information to be recorded on the visitor log book may include (but not limited to):

- visitor name;
- date visitor is on Council depot premises;
- time in;
- time out;
- person visiting/destination; and
- sign-off.
- ensure the above process is incorporated within key Depot/Operations procedural documents; and
- ensure procedural documents are communicated and made available to relevant staff for easy access.

#### 17.12.2 <u>Management response</u>

Electronic swipe card activated gates are being installed at each of the operations depots. Wedderburn and Pyramid Hill budgeted for 2016/17 with Newbridge and Boort to follow in 2017/2018.

Visitor log book is not considered to offer significant value.

17.12.3 Action 25/11.1 Complete electronic swipe card access project (Risk 104, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Buildings Maintenance Officer	Low	April 2018 AC Meeting	Work in progress	Not yet due	
Date	Response				
November 2016	Not started. Other priorities need to be addressed before starting.				
February 2017	Waiting for readiness of Pyramid Hill site before progressing				
May 2017	No further update due to other competing priorities in Building Maintenance area				

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# 17.12.4 Action 25/11.2 Swipe card arrangements to be documented in access areas (Risk 104, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status			
Buildings Maintenance Officer	Low	April 2018 AC Meeting	Not started	Not yet due			
Date	Response						
November 2016	Will commence or	Will commence once installation of swipe card system is complete.					
February 2017	Tba						
May 2017	No further updates						

17.12.5 Action 25/11.3 Access procedures to be disseminated to all staff (Risk 104, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status		
Buildings Maintenance Officer	Low	April 2018 AC Meeting	Not started	Not yet due		
Date	Response					
November 2016	Will commence once installation of swipe card system is complete.					
February 2017	Tba					
May 2017	No further updates					

### 17.13 Key register for depots and operations staff to be reviewed and updated

# 17.13.1 Observation and recommendations

# Standard/criteria:

As part of the on-site security measures at Council depots', different keys are assigned to staff according to their job functions. Key ownership and movements are tracked on a register maintained by Technical Services Department. Therefore, it is important that the register is monitored and tracked on a periodic basis to ensure its accuracy and completeness, and to prevent the risk of unauthorised access to depot premises.

# Audit finding:

Our review noted the key register (excel spreadsheet) maintained by the Technical Services department had not been reviewed and updated since 2010.

At the conclusion of our fieldwork Council had begun undertaking an audit process of the register.

# Impact:

Without undertaking a periodic review and audit of the key register, there is an increased risk that management may find it difficult to track the movement of keys and subsequent access to certain asset storage areas at the depot. This also impacts management's ability to address and rectify potential theft or loss of stock and/or assets if it is unknown who has access to different Depot areas.

# Recommended action:

We recommend Council management:

 ensure the audit process against the key register is undertaken in a timely manner to ensure the accuracy and completeness of the register.

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# 17.13.2 Management response

Key audit commenced. Audit of Council building security measures i.e. key arrangements and move to standardise access also commenced.

17.13.3 Action 25/12.1 Complete key audit and standardise access (Risk 105, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status			
Buildings Maintenance Officer	Low	June 2017 AC Meeting	Work in progress	Not yet due			
Date	Response	Response					
November 2016	Audit and upgrade program developed. Implementation of upgrades subject to budget availability.						
February 2016	Key audit complete. Depot and landfill new key system, all halls to be changed over to by-locks progressively, pools have a bylock system						
May 2017							

### 17.14 Council credit card practices to be updated

### 17.14.1 Observation and recommendations

#### Standard/criteria:

Council's Credit Card practice requires that key documents must be dated and signed-off by parties involved on a monthly basis as evidence of review and verification of purchases made. This includes:

- cardholders dating and signing-off on credit card statements which are submitted with supporting documents and invoices; and
- line Managers dating and signing-off on the Creditor Input Form to approve purchases and payments to be processed.

### Audit finding:

Testing of 20 credit card transactions identified 3 instances (or 15%) where key documents had not been dated and/or signed-off by responsible parties. To be specific:

- May 2016: Team Leader, Loddon Goldfields; cardholder monthly statement not dated and signedoff:
- May 2016: Workshop Manager; creditor input form was signed-off but not dated by Line Manager;
   and
- May 2016: Team Leader, Loddon Plains, creditor input form was signed-off but not dated by Line Manager.

### Impact:

In those instances where key credit card documents are not dated and/or signed-off by all relevant personnel, there is an increased risk of verification and review processes not being undertaken appropriately and in a timely manner, which in turn may result in officers misusing credit cards to make non-business related purchases.

# Recommended action:

We recommend Council management:

 reinforce the requirement for key credit card documents (monthly credit card statements and creditor input forms) to be dated and signed-off by all responsible personnel (cardholder and line Manager) as evidence of reviews being performed and in a timely manner.

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# 17.14.2 Management response

Signoff requirement to be incorporated in credit card procedures and disseminated to all relevant Council staff.

17.14.3 <u>Action 25/13.1 Finalise credit card procedure and address observations (Risk 106, CAR 1)</u>

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Finance	Low	November 2016 AC Meeting	Complete	Due		
Date	Response					
November 2016	Updated corporate credit card procedure uploaded onto intranet. Corporate credit card policy adopted 2/8/16. Emailed copies 8/11/16 to all credit card holders					

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# 18 REVIEW OF ACCOUNTS PAYABLE (REF: 27)

### 18.1 Inadequate segregation of duties in the current procurement processes.

### 18.1.1 Observation and recommendations

#### Standard/Criteria:

A fundamental element of internal control is the segregation of certain key duties. Adequate segregation of duties reduces the likelihood that errors (intentional or unintentional) will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of the work performed. The basic idea underlying segregation of duties is that no employee or group should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties.

# **Audit Finding:**

Our review noted there was inadequate segregation of duties in the current procurement processes at Council. To be specific, the following activities could be performed by the same officer:

- Initiating and approving a hardcopy/physical PO;
- Placing an order and receiving goods or services; and
- Raising a purchase and approving invoice for payment (signing-off the creditor input form).

The above activities could be performed by staff on the basis that purchase was within their delegated limit

Further, this was evidenced through our testing where 5 out of the 10 (or 50%) purchasing transactions were initiated, PO's raised, PO's approved, goods/services received and invoice for payments approved for payment by the same staff member. The instances identified related to the following:

PO#	PO Date	Invoice Amount	Description
58282	19 May 16	\$990.68	Purchase of Filters
58954	12 May 16	\$990.68	Purchase of Filters
56109	9 Nov 15	\$607.20	November Food samples
56744	26 Nov 15	\$290.00	Hire Cherry Picker @ Boort
57055	27 Nov 15	\$423.50	Summer advertising design for Bendigo cinema screening

The root cause was mainly due to these controls not being established in Council's Procurement Policy and Procedures.

We noted the issue above had also been identified by HLB Mann Judd in the Review of Purchases Issues from Council Depot Stores (including purchases made on credit cards) Report, August 2016.

#### Impact:

Without proper segregation of duties around the procurement processes, there is an increased risk that:

Conflicting Roles	Risk		
Initiating and approving a PO	<ul> <li>Unethical conduct or purchases of unsuitable goods/ services;</li> <li>Purchases from suppliers with conflicts of interest; and</li> <li>Bias, favouritism or fraudulent in purchases.</li> </ul>		
Placing an order and receiving goods or services	Fictitious goods or services receipt		

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Raising a	purc	chase	or	der
and appro	ving	invoid	се	for
payment				

- Fictitious or fraudulent payments;
- Payments made for undelivered goods or services; and
- Payments made for purchases do not meet specifications.

### **Recommended Action:**

We recommend that Council management should:

- Review the current procurement processes and establish proper segregation of duties to prevent conflicting roles being carried out by the same individual (i.e. strengthening current manual processes or introduction of electronic systems to address shortfalls);
- Formally document established processes in relevant procurement policies and procedures; and
- Communicate and make available the above policies and procedures to all staff.

#### 18.1.2 Management response

#### Management Agrees.

The segregation of specified duties would impose an impracticable administrative burden upon council operations.

Any requirement to have multiple officer approval and sign off will create inherent delays in Council operations due to staff availability and transmission of information. This will severely impede Council operations and further reduce resource capacity.

Such limitations may be partially overcome if an electronic purchasing system were in place.

It is considered that due to the dynamic nature of Council operations, particularly within the operations department, flexibility and responsiveness must be maintained.

Whilst it is recognised that an element of risk may exist should an individual staff member seek to deliberately undertake fraudulent activity, current controls including the defined level of authority is considered to be proportionate to the potential financial cost to Council.

Council also has controls in place at the point of invoice payment and requirements that suppliers be verified prior to receiving payment.

Assessment of invoices for payment and validation of supplier status is already segregated from operational staff.

Current procurement policies, procedures and level of authority documents are distributed to all staff.

# 18.1.3 Action 27/1.1 Investigate Electronic Purchasing System to address shortfalls(Risk 08, CAR 1.

Responsibility	Risk Level	Completion	Status	Due Status	
Director Corporate Services	High	November 2016 AC meeting	Work in progress	Overdue	
Date	Response				
November 2016	Specification for system is being developed				
February 2017	Tba				
May 2017	Electronic purchasing system for Attaché will address the problem.				

# 18.1.4 Action 27/2.1 Review relevant procurement policies to ensure relevance(Risk 108, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	High	November 2016 AC meeting	Complete	Due
Date	Response			

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November 2016 Updated procur policy updated	ement procedure uploaded onto intranet. Procurement 26 July 2016
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18.1.5 Action 27/3.1 All policies and procedures are to be made readily available to operations staff via electronic and paper means (Risk 105, CAR 3).

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisational Development	High	November 2016 AC meeting	Complete	Due		
Date	Response					
November 2016	Relevant policies and procedures sent to Anne to load onto the outdoor tablets. Email sent to Works Team for reference					

# 18.2 Purchase orders not raised in line with Council's Purchase Order filing and matching procedures.

#### 18.2.1 Observation and management

### Standard/Criteria:

A purchase order is a key document that helps to ensure goods/services rendered are appropriate and is approved prior to a commitment for payment is made. It is therefore crucial that purchase orders should contain all relevant information to validate the purchases such as: name of supplier, quantity of purchase, description of purchase, quoted or estimated price, reference to quotes (if available). This information is also required under Council's Purchase Order Filing and Matching Procedure.

# **Audit Finding:**

Our testing of 10 purchasing transactions identified:

1 instance (or 10%) where payment was made without purchase order created:

Payment #	PO#	Invoice Date	Invoice Amount	Description
39956	-	30 Nov 15	\$121.00	Swap 4x240L Perm Sec Bin - Serp

 2 instances (or 20%) where payments made to suppliers had purchase orders raised after tax invoices date:

PO#	PO Date	Invoice Date	Invoice Amount	Description
52443	21 Mar 16	29 Feb 16	\$697,014.74	Progress Claim No.1 – Annual Sealing work for 2015/16
56986	10 Mar 16	21 Sep 15	\$80.00	Web development

5 instances (or 50%) where blanket purchases orders were raised (without quoted or estimated prices and/or quantities):

PO#	PO Date	Invoice Date	Invoice Amount	Description
58954	12 May 16	15 Jun 16	\$2,350.7	Repairs of Powerhead @BCP
58282	19 May 16	25 May 16	\$990.68	Purchase of Filters
57055	27 Nov 15	12 Nov 15	\$423.50	Summer advertising design for Bendigo Cinema Screen

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56744	26 Nov 15	27 Nov 15	\$290	Hire Cherry Picker – Boort
56986	10 Mar 16	21 Sep 15	\$80	Web development

We noted the issues above had also been identified by HLB Mann Judd in the Review of Purchases Issues from Council Depot Stores (including purchases made on credit cards) Report, August 2016.

### Impact:

When purchase orders are not raised and approved appropriately, Council is exposed to the financial and probity risk of unwarranted payments, committing to services and related payments prior to obtaining appropriate authorisation from the relevant financial delegate.

#### **Recommended Action:**

We recommend that Council management should:

- Reinforce required practice for purchase orders as per Council's Procurement policies and procedures, and train all relevant staff in these practices; and
- Ensure that purchase orders are raised and approved by the appropriate financial delegate for all purchases prior to receipt of services/goods.

### 18.2.2 Management response

#### Management agrees.

It is agreed that reinforcement of the requirement to complete relevant PO prior to goods being received should be reinforced with staff.

Payment approval is required before invoices are processed. As such it is highly unlikely that payment for goods or services would occur if not legitimately ordered by Council officers.

More likely is the scenario where officers have been required to place an order without having access to the facilities to complete a manual PO (i.e. ordering parts in the field).

In certain circumstances it is possible that materials may be obtained without a PO and one is completed and backdated.

This should be avoided wherever possible however is not considered to pose a major risk as invoices will not be paid without a valid PO number. Officers therefore have the opportunity to correct any administrative oversights at a later date.

# 18.2.3 Action 27/2.1 Reinforce correct procedure for order processing through training (Risk 109, CAR 1).

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	November 2016 AC meeting	Complete	Due
Date	Response			
November 2016	Stronger wording contained in updated procurement procedure that has been uploaded onto intranet. Email sent to all staff reinforcing correct practices and offering training to staff who require further clarification			

# 18.2.4 Action 27/2.2 Reinforce correct procedure for approving orders prior to delivery/receipt of goods (Risk109, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Financial Services	Medium	November 2016 AC meeting	Complete	Due	
Date	Response				
November 2016	Stronger wording contained in updated procurement procedure and uploaded onto intranet. Email sent to staff reinforcing correct practices				

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# 18.3 Compliant supplier check performed before placing purchase orders.

### 18.3.1 Observation and recommendations

#### Standard/Criteria:

Loddon Council maintains a Compliant Supplier Database to manage supplier's information such as licensing, registration, insurance, public liability and their expiry dates. Suppliers will be selected only when they are "verified" in the database. According to Council's Procurement Procedure, before a purchase order is raised as a commitment for the supply of goods and/or services, the authorisation officer must ensure that the supplier is a compliant supplier and where supplier is a Tier 2 and above the purchaser must note the public liability document identifier to confirm that it has been checked. Where the supplier is non-compliant the authorising officer must not place the order until the supplier has become compliant.

# Audit Finding:

Our testing of 15 purchasing transactions noted 5 instances (or 30%) where suppliers of Tier 2 and above had not been checked against the Compliant Supplier Database before placing purchase orders.

The transactions included:

Payment #	PO Date	Supplier Tier	Compliant Supplier Form Attached	Public Liability ID noted in PO
41617	12 May 16	Tier 3	21 Jun 16	No
39956	No purchase order	Tier 2	9 Dec 215	No
40087	29 Sep 15	Tier 3	16 Dec 15	No
39835	29 Jun 15	Tier 3	24 Nov 15	No
41193	12 Nov 15	Tier 4	5 May 16	No

When suppliers are not checked against Council's Compliant Supplier Database before PO is placed, there is an increased risk that purchases orders may be placed with non-compliant or expired suppliers and the Council may be exposed to safety and environmental risks in case incidents or injuries occur at Council's site.

#### Recommended Action:

We recommend that Council management should:

- Reinforce the protocol of checking the Compliant Supplier Database before a purchase order is approved by relevant delegate; and
- Ensure that audit trails relating to the Compliant Supplier Database are created and maintained. Examples of processes could include: printing of the "Audit Form Suppliers" and attaching with purchase order; or note the Public Liability ID/Professional Indemnity ID /WorkCover ID/License ID and its expiry date on the Purchase Order and date of checking performed as evidence.

#### 18.3.2 Management response

### Management agrees

Review the relevant procedures relating to purchasing and compliant supplier confirmation and that all staff that have a purchasing delegation have access to the database.

Investigate a new finance system that would automate a supplier to be inactive when they become non-compliant and therefore would only enable staff to use compliant suppliers.

Action 27/3.1 Review the relevant procedures relating to purchasing and compliant supplier confirmation RISK 110, CAR 1)

Responsibility Risk Level Completion Status Due Status	
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Manager Financial Services	Medium	November 2016 AC meeting	Complete	Due
Date	Response			
November 2016	New procedure finalised for addition of new suppliers which has updated sections around tiers and paperwork required. Uploaded onto intranet 8 November 2016			

18.3.3 Action 89/3.2 Investigate a new finance system (Risk 110, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status		
Director Corporate Services	Medium	November 2017 AC meeting	Work in progress	Not yet due		
Date	Response	Response				
November 2016	Draft specification	Draft specification being reviewed. Upgrades to several modules due January.				
February 2017	Tba					
May 2017	Northern Shires to share procurement and specifications of shared services.					

#### 18.4 Maintenance of the vendor Masterfile to be improved.

### 18.4.1 Observation and management

#### Standard/Criteria:

The vendor Masterfile is the central repository of information about an organisation's suppliers. As a key reference point for purchasing and account payable activities, it is essential that all vendors and associated details within the vendor master-file are valid, complete and up-to-date.

### Audit Finding:

Our review of Council's vendor Masterfile and samples of associated analytical testing noted that maintenance surrounding the vendor Masterfile can be further improved. To be specific:

- 3,392 records were identified as potential redundant vendors who had no transactions with the Council during the last financial year;
- Our sample testing noted 7 vendors with status' as "active" that should have been made "inactive" as the vendors had not been used in a while (last transactions with vendors were from 2004, 2009 and 2010);
- 1 vendor (code: BENMOT) where the ABN number was not recorded on the vendor Masterfile. At the date of our visit, the Accounts Officer had updated vendor information based on auditor's observation;
- Report of vendor Masterfile changes from Attaché only provided information pertaining to vendor names, updated by (date), updated when (who). The system was not configured to show "new value" (after changes) and "old value" (before changes) to facilitate independent reviewer in ensuring changes were valid, complete and accurate. Whilst supporting documentation pertaining to the changes was printed and filed (e.g. email request from vendor for change in bank account details), this could not be matched directly to the vendor Masterfile changes report as the report lacked adequate information; and
- There was no formal requirement for updates and matching/reconciliation to be undertaken between the Compliant Supplier Database in Access and vendor Masterfile in Attaché to ensure only "verified" suppliers are "active" in vendor list.

### Impact:

 In the absence of timely monitoring controls, vendors and associated details within the vendor Masterfile may not be valid, complete or up-to-date;

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- As a result, invalid vendors and / or inaccurate information within the Masterfile expose the Council
  to the risk of incorrect, duplicated and potentially unauthorised or fraudulent payments; and
- Limitation of Masterfile changes report may cause difficulties for independent reviewer (Finance Manager) to ensure that changes made to vendor are valid, accurate and complete.

### **Recommended Action:**

We recommend that Council management should:

- Implement adequate processes and undertake a review of the current vendor Masterfile to address
  the audit findings and ensure that details captured in the vendor Masterfile are valid, complete and
  up-to-date;
- Ensure that the specific verification requirements (e.g. ABN /ACN check) and mandatory fields for creating new vendors are documented in related finance procedures as a means of reducing potential duplicated entries and capturing required vendor details; and
- Implement a process for ongoing periodic review/data cleansing of the vendor Masterfile and ensure this process be formally documented.

### 18.4.2 Management response

### Management agrees

Review of Masterfile suppliers and archive any old and inactive listings that have no transactions attached

Review relevant procedures communicating them to staff

# 18.4.3 Action 27/4.1 Review Masterfile suppliers archiving old and inactive listings (Risk 111, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	November 2016 AC meeting	Complete	Due
Date	Response			<u>'</u>
November 2016	Consultant from Brighter Business attended to perform a clean-up of old invoices, suppliers			

# 18.4.4 Action 27/4.2 Review relevant procedures and communicate to relevant staff (Risk 111, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	November 2016 AC meeting	Complete	Due
Date	Response			
November 2016	New procedure finalised for addition for new supplier which has updated sections around tiers and paperwork required, uploaded onto intranet 8 November 2016			

# 18.4.5 Action 27/4.3 Ensure a task is set yearly in Advent Manager to review master files and suppliers, deleting any old and inactive listings Risk 111, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	May 2017 AC meeting	Complete	Not yet due
Date	Response			
	Action added to Advent Manager			

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# 18.6 Develop a supply panel engagement model for Council for the acquisition of recurring goods or services.

18.6.1 Observation and management

#### Standard/Criteria:

A panel may be established by an organisation entering into contracts or deeds of standing offer (panel arrangements) for the provision of identified services. A panel is defined as an arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply services to an agency as specified in the panel arrangements. The respective panel arrangements must contain minimum requirements, including an indicative or set price or rate as appropriate for the services to be acquired in the period of the panel arrangement.

### Audit Finding:

Our review noted that a supply panel engagement model is currently not practiced by the Council for the acquisition of recurring goods or services. To be specific:

- According to Council's procurement policy, purchases of goods/services under \$20,000 only required verbal quotations. Our review and discussion with management confirmed that many purchase orders for recurring services/goods were raised below the limit, approved by the same persons and there were no quotations attached; and
- Management also advised that Council had not undertaken a formal audit, analysis or reporting on procurement transactions to determine whether effective controls were in place or to investigate if any re-occurring acquisitions of goods or services with significant accumulated total values should be established through formal supply panel agreements.

We noted the issue above had also been identified by HLB Mann Judd in the Review of Purchases Issues from Council Depot Stores (including purchases made on credit cards) Report, August 2016.

The benefits of establishing a panel of suppliers for Council in this instance include:

- Better value for money;
- A more convenient, flexible, streamlined and efficient process for acquiring the goods or services covered by the panel arrangement;
- Facilitating the establishment of firm and mutually beneficial supplier relationships;
- Beneficial when covering goods or services that are acquired regularly, as they allow agencies to enter into contracts with panel members without a further procurement process; and

Allowing a simple process for Council officers to acquire goods or services within the scope of that panel, while still providing competitive pressures to assist in achieving value for money.

# **Recommended Action:**

We recommend that Council management should:

- Consider the need to introduce a supply panel engagement model in the organisation. This should be determined via formal audit and analysis process with respect to procurement transactions;
- Establish the panel via supplier selection, appointment, management and performance evaluation processes. Such processes should be formally documented in policies and procedures; and subject to regular review to ensure they remain relevant, are meeting the needs of users, and to address any emerging issues that arise; and
- Appoint a panel of suppliers for the delivery of goods or services in order to improve process efficiency.

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# 18.6.3 Management response

Management agrees.

Council has employed such arrangements in the past e.g. gravel supplies however a formal review of eligible goods and services as well as formalisation of a panel contractor framework/tender document for these will be required.

Council does have limited panel contracts already in place (e.g. power supply, gravel purchase and fleet purchase).

Some of these contracts are run through joint procurement services such as Procurement Australia or MAV.

A review of Council procurement of goods and services will identify what areas Council may wish to consider further panel contracts in.

18.6.4 Action 27/5.1 Conduct a review of potential services or goods for which Council may utilise panel contractors (Risk112, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Project Management Coordinator	Medium	May 2017 AC Meeting	Not started	Due	
Date	Response				
November 2016	Vacant position				
February 2017	Refer Action 25/5.1. Extend to all discussion forums scheduled.				
May 2017	As above				

# 18.6.5 Action 27/5.2 Develop appropriate policies, procedures and templates for the management of supplies panel (Risk112, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status
Project Management Coordinator	Medium	May 2017 AC Meeting	Not started	Due
Date	Response			
November 2016	Vacant position			
February 2017	Refer Action 25/5.2			
May 2017	As above			

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18.6.7 Action 27/5.3 Appoint panel of suppliers where relevant (Risk112, CAR 3).

Responsibility	Risk Level	Completion	Status	Due Status
Project Management Coordinator	Medium	November 2017 AC Meeting	Not started	Not yet due
Date	Response			
November 2016	Vacant position			
February 2017	Refer Action 25/5.3			
May 2017	As above			

# 18.7 Further, credit card process to be developed by formally documented procedures.

### 18.7.1 Observation and management

#### Standard/Criteria:

Comprehensive policies and procedures are a crucial organisational tool, which set the tone from management and provide guidance in day-to-day activities for Council staff.

#### **Audit Finding:**

Upon review of credit card procedures and sample testing of 10 credit card statements, we noted the following:

8 instances (or 80%) where credit card statements were not reviewed and approved in a timely manner by relevant personnel (more than 20 days after statement date). They included:

No.	Month	Cardholder Name	Statement date	Approval date as at 7 Sep 2016
1	Jul-16	Wendy Michelle G	28 Jul 16	Not yet
2	Jul-16	Glenn William Har	28 Jul 16	Not yet
3	Sep-15	Ian McLau	28 Sep 15	26 Oct 15
4	Sep-15	Wendy Michelle G	28 Sep 15	20 Oct 15
5	Mar-16	Shane Anthony Maxwell	29 Mar 16	28 Apr 16
6	Mar-16	Robyn Vella	29 Mar 16	27 Apr 16
7	May-16	Margaret Joan Allan	27 May 16	28 Jun 16
8	May-16	Ian McLau	27 May 16	22 Jun 16

- Processes with respect to credit cards were not guided by formally documented procedures. Examples of processes not formally documented include:
  - Issuance of credit cards;
  - <u>Use of credit cards:</u> (e.g. making purchases in accordance with Council's Procurement Policy, over the counter transactions, purchasing up to a value of the officer's approved limit, facsimile/telephone purchasing where the transaction is complete by quoting card details to the supplier, internet purchasing from secure websites etc.);
  - Restrictions on the use of credit cards: (e.g. withdrawing of cash unless cash advance has been authorised by a delegated officer, where a non-purchase card method of payment is the cheaper option, to split purchases in order to negate credit and transaction limits, to acquire goods/services where a purchase order should be used etc.);
  - Increasing of credit card limits for cardholders;

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- Monthly credit card reconciliation and acquittal process; (e.g. Finance providing cardholders with monthly statement, cardholders verifying and attaching supporting documents to statement, cardholders signing off on monthly statement, independent review process performed by senior management against monthly purchases etc.);
- <u>Cancellation/surrendering of credit cards</u> (e.g. when an officer ceases employment, where the
  credit card is misplaced/lost, in the event the officer moves to a position where a credit card is
  no longer required, where an officer takes extended leave of more than a certain number of
  months, where an officer is on external secondment etc.); and
- Reporting process for significant unauthorised use of credit cards.

We noted the issue above had also been identified by HLB Mann Judd in the Review of Purchases Issues from Council Depot Stores (including purchases made on credit cards) Report, August 2016.

#### Impact:

- The absence of formal procedures may result in inconsistencies in operations due to the lack of common guidelines. In addition, there is an increased risk of valuable corporate knowledge being lost when relevant staff leave Council.
- Delays in submission and approval of credit card statement and supporting documents may cause extra administrative tasks for Finance staff (follow up, reminding);

### **Recommended Action:**

We recommend that Council management should:

- Reinforce to relevant staff the need to review and approve credit card statements in a timely manner:
- Formally document credit card processes to address the shortcomings highlighted under the "Observation" column; and
- Communicate the newly formalised procedures to staff, and ensure they are made easily accessible.

### 18.7.2 Management response

### Management agrees

To reinforce with relevant staff the need to review and approve credit card statements in a timely manner.

To develop documented procedure for utilisation, reporting and approval of credit cards

Procedures and policy need to be disseminated to all relevant staff.

# 18.7.3 Action 27/6.1 Review and approve credit card statements in a timely manner (Risk113, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	November 2016 AC Meeting	Complete	Due
Date	Response			
November 2016	Updated corporate credit card procedure uploaded onto intranet. Corporate credit card policy adopted August 16. Emailed copies to all credit card holders November 2016.			

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# 18.7.5 Action 27/6.2 Develop documented procedures for utilisation, reporting and approval of credit cards (Risk113, CAR 2).

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	November 2016 AC Meeting	Complete	Due
Date	Response			
November 2016	Updated corporate credit card procedure uploaded onto intranet. Corporate credit card policy adopted August 16. Emailed copies to all credit card holders November 2016.			

18.7.6 Action 27/6.3 all relevant staff to receive procedures and policies relating to credit cards (Risk113, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	November 2016 AC Meeting	Complete	Due
Date	Response			
November 2016	Updated corporate credit card procedure uploaded onto intranet. Corporate credit card policy adopted August 16. Emailed copies to all credit card holders November 2016.			

# 19 REVIEW OF THE MANAGEMENT OF PRIVACY RESPONSIBILITIES-PRIVACY AND CONTROLS (REF 28)

# 19.1 Legislation regarding collection of personal information

#### 19.1.1 Observation and management

The Advent Manager System allows Council to monitor the Acts/legislations that it needs to comply with. Advent Manager encompasses a Compliance Register for Information and Privacy which identifies key Acts/legislations that the Council is authorised to collect personal information such as (but not limited to):

- Privacy and Data Protection Act 2014;
- Local Government Act 1989;
- Freedom of Information Act 1982;
- Health Records Act 2001 & Health Records Regulations; and
- Public Records Act 1973.

The Council collects personal information as part of its role and compliance with the Acts above and therefore, is subject to the *Privacy and Data Protection Act 2014*, which repeals the *Information Privacy Act 2000* and the *Commissioner for Law Enforcement Data Security Act 2005* and merges the previous role of Privacy Commissioner and the Commissioner for Law Enforcement Data Security to create a single Commissioner for Privacy and Data Protection.

### 19.1.2 Management response

Not applicable

### 19.2 Awareness organisation wide that information collected is subject to privacy

### 19.2.1 Observation and management

Personal information handled by the Council that was subjected to privacy fell into the following main categories:

- Human Resource: personal information (i.e. employees' contact details, next-of-kin details, tax file number, bank details and police checks etc.) associated with employment of staff by the Council;
- Community services: personal information (i.e. age, physical disabilities, health related and
  other sensitive information of individuals receiving Council services) associated with individuals
  who uses the aged & disability services (i.e. home care) and early years services (i.e.
  immunisation, maternal child health & preschool) provided by the Council;
- Rates revenue and planning: personal information (i.e. contact details, properties owned, bank account and other financial details etc.) associated with rate payers collected by the Council;
- Local laws: personal information (i.e. contact details) associated with local business owners and residents in regards to compliance with the local laws dealt with by the Council;
- Customer service (front desk): personal information (i.e. contact details and credit card details given over the phone/written on the forms) associated with local business owners, rate payers and residents dealt with by the Council for requests and payments; and
- Economic development and tourism: personal information (i.e. name and contact details) associated with local business owners, volunteers and tourists dealt with by the Council.

### Finding 1

However, we noted that a Privacy Policy and accompanying procedures did not exist within the Council which cover on the areas listed above. The Council was in the process of developing these key documents at the conclusion of our fieldwork.

We recommend that the Council management should:

1. Ensure that the Privacy Policy is developed in a timely manner as part of the Council's privacy framework. The document should align with the PDPA, inclusive of the 10 IPPs within Schedule 1 of the PDPA. The document should also incorporate (but not limited to) the following areas: Page 99

- objective/s;
- scope:
- legislative and other document references;
- definitions:
- responsible officers;
- collection, use and disclosure, safeguarding, archiving and disposal of personal information;
- policy review; and
- version control (i.e. position title of author, approver, issue date, date of last review, date of next review etc.).
- 2. Ensure accompanying privacy procedures are developed to guide staff. The procedures should incorporate (but not limited to) the following areas:
  - identification of departments that collect personal information, what personal information they
    collect and how they manage the personal information;
  - situations where personal information may be disclosed and procedures to verify identity of requestor before disclosure (i.e. in writing, over the phone etc.);
  - the need for Council to perform a formal re-evaluation of its need for all personal information collected and disclosed necessary for its functions or activities; and
- 3. Obtain the appropriate approvals for the Policy and accompanying procedures once developed;
- 4. Ensure the Policy is made available and free of charge to a person or body that may request the document as per the IPP requirements; and
- 5. Ensure the Policy is reviewed and updated on a regular basis (i.e. every 2 years) to ensure it remains relevant and reflects current practice.

### 19.2.2 Management response

Develop procedures and policies

19.2.3 Action 28/1.1 Develop a privacy policy (Risk 117, CAR 1)

Responsibility	Risk Level	Completion	Status	Due Status	
Director Corporate Services	Medium	May 2017 AC Meeting	Work in progress	Due	
Date	Response				
May 2017	Draft submitted to Policy Review Group.				

#### 19.2.4 Action 28/2.1 Develop privacy procedures (Risk 117, CAR 2)

Responsibility	Risk Level	Completion	Status	Due Status
Director Corporate Services	Medium	August 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Drafts are in the process of being developed.			

# 19.2.5 Action 28/3.1Obtain approval for policy

Responsibility	Risk Level	Completion	Status	Due Status
Director Corporate Services	Medium	May 2017 AC Meeting	Work in progress	Due
Date	Response			
May 2017	Approvals in the process of being obtained			

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# 19.2.6 Action 28/3.2 Obtain approval for procedures

Responsibility	Risk Level	Completion	Status	Due Status
Director Corporate Services	Medium	August 2017 AC Meeting	Not started	Not yet due
Date	Response			

# 19.2.7 Action 28/4.1Communicate policy to staff and make policy available (Risk 117, CAR 3)

Responsibility	Risk Level	Completion	Status	Due Status	
Director Corporate Services	Medium	May 2017 AC Meeting	Not started	Due	
Date	Response				
May 2017	Not started as the policies have not been finalised				

# 19.2.8 Action 28/5.1Ensure policy is included in policy review framework to be reviewed every two years

Responsibility	Risk Level	Completion	Status	Due Status		
Director Corporate Services	Medium	May 2017 AC Meeting	Not started	Due		
Date	Response					
May 2017	Added to draft policy					

# 19.3 How to implement privacy policies

# 19.3.1 Observation and management

Procedures must exist that set out how to implement privacy policies (e.g. circulars, memos, notices defining what the department must do to abide by the legislation)

There were no formal procedures in place with respect to the collection, use and disclosure and data quality of personal information to guide staff in the day-to-day activities in order to comply with the PDPA requirements.

As per Key Criteria No. 2 above, the Council was in the process of developing a Privacy Policy and accompanying procedures at the conclusion of our fieldwork.

# 19.3.2 Management response

See key criteria No.2 (above)

### 19.4 Policies to exist relating specifically to privacy issues

# 19.4.1 Observation and management

The Protected Disclosure Procedure (updated on 20 July 2016) highlights the Council's internal protocols with respect to making freedom of information disclosures and for handling the disclosures, including notifications to the Independent Broad Based Anti-Corruption Commission ("IBAC") and also procedures for protecting people against detrimental actions. Disclosures may be in relation to personal or non-personal information.

However, there were currently no formally documented policies in place relating specifically to privacy issues as a whole over personal information.

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As per Key Criteria No.2 above, the Council was in the process of developing a Privacy Policy and accompanying procedures at the conclusion of our fieldwork.

As per Key Criteria No.10 below, Council did not have policies and procedures in place specifically relating to privacy issues such as handling of privacy related complaints received and responding to privacy breaches.

#### 19.4.2 Management response

See key criteria No.2 (above)

### 19.5 Revaluation of need for all personal information collected

### 19.5.1 Observation and management

We noted that the Council had not periodically re-evaluated its need for all personal information collected in the past, as there had not been any significant events that had occurred to trigger the need for a formal evaluation. For example, in the event there is a significant change in relevant act or legislative requirements.

As per Key Criteria No.2 above, procedures surrounding the need to perform a period re-evaluation process need to be formally documented by Council.

### 19.5.2 Management response

See key criteria No.2 (above)

#### 19.6 Periodically review the necessity for personal information to be disclosed

#### 19.6.1 Observation and management

We noted that the Council had not undertaken a formal review process for the necessity of personal information to continue to be disclosed. This has not been performed in the past, as there had not been any significant events that had occurred to trigger the need for a formal evaluation. For example, in the event there is a significant change in relevant act or legislative requirements.

As per Key Criteria No.2 above, procedures surrounding the periodic review of the necessity for personal information to continue to be disclosed need to be formally documented by Council.

### 19.6.2 Management response

See key criteria No.2 (above)

### 19.7 Clearly define reporting relating to personal information

# 19.7.1 Observation and management

The Council's reporting structures were clearly defined in the organisation chart as well as respective position descriptions.

The individual departments were in charge of maintaining the privacy of information collected by them. Personnel handling personal information were provided with on-the-job training and supervision upon commencement as Council employees.

For freedom of information requests which could be personal or non-personal information, these were handled by the Director of Corporate Services with inputs from relevant departments where required.

#### 19.7.2 Management response

See key criteria No.2 (above)

# 19.8 Procedures for handling implemented for privacy controls

### 19.8.1 Observation and management

As per Key Criteria No.2 above, there were no documented formal procedures for handling of personal information including collection, storage, processing, use and disclosure to third parties. Procedures were being developed at the conclusion of our fieldwork.

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### 19.8.2 Management response

See key criteria No.2 (above)

# 19.9 Privacy controls implemented to ensure records of personal information are maintained accordingly

#### 19.9.1 Observation and management

Certain policies and procedural documents exist to fulfil certain elements of the criteria. These include:

- Protected Disclosure Procedure:
- Staff and Contractor Code of Conduct: and
- Privacy clauses in the employee contracts which states that all employees are required to adhere to the *Information Privacy Act* and *Health Records Act*.

We also noted that for the Council's Community Care Workers department that dealt with personal information on a regular basis, there was a requirement for staff to sign a confidentiality agreement stating that they will maintain the privacy and confidentiality of personal information they come into contact with and failure to comply with the undertaking will result in disciplinary action.

#### Finding 2

However, the requirement to sign-off against a confidentiality agreement was not extended across all existing Council departments and new staff, to raise staff's awareness and re-enforce expectations.

We recommend that the Council management should:

- 6. Develop procedures to ensure that all existing Council staff and new Council staff are required to sign-off against a confidentiality agreement. The confidentiality agreement should include (but not be limited to) the following:
  - relevant Act/legislation that Council staff needs to comply with;
  - staff to maintain the privacy, confidentiality and security of personal information they come into
    contact or have access to and shall not divulge any such confidential information to any person
    or entity not expressly authorised by the Council; and
  - failure to comply may result in disciplinary action or prosecution by the law.

# 19.9.2 Management response

Revise existing procedure regarding annual review of Position Description which includes a privacy clause to ensure privacy clause is up to date and procedures for signing is on an annual basis. Develop a confidentiality agreement for new Council staff to sign and ensure it is included in new starter packs as a requirement to be signed.

# 19.9.3 Action 28/6.1 revise existing procedure regarding annual position description and updated privacy clause (Risk 117, CAR 4)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisation Development	Medium	May 2017 AC Meeting	COMPLETE	Due		
Date	Response					
May 2017	This process is completed annually already.					

# 19.9.4 Action 28/6.2 Develop confidentiality agreements for new Council Staff (Risk 117, CAR 5)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Organisation Development	Medium	May 2017 AC Meeting	Work in progress	Due

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Date	Response
May 2017	In the process of developing.

# 19.10 Controls implemented to ensure management are aware of complaints relating to personal information

### 19.10.1 Observation and management

#### Finding 3

A Complaints Handling Policy and accompanying procedures did not exist within the Council. Our enquiries with management noted that there had not been any complaints lodged against the Council or its staff relating to privacy and personal information.

We recommend that the Council management should:

- 7. Develop a formal Complaints Handling Policy and accompanying procedures. The documents should incorporate (but not limited to) the following:
  - · objectives;
  - scope;
  - guidelines on what constitutes a complaint;
  - · responsible officers;
  - procedures over how complaints can be made (i.e. online forms, telephone, in person etc.);
  - information required to be provided by person lodging the complaint;
  - procedures for recording of information with respect to complaints (i.e. maintenance of complaints register);
  - the lead time for addressing complaints;
  - · complaints assessments procedures;
  - procedures and/or flowchart surrounding when complaints should be escalated to different stakeholders (e.g. managers, Protected Disclosure Coordinator & CEO etc.);
  - reporting to senior management, other departments and/or Audit Committee on a periodic basis;
- Obtain the appropriate approvals for the Complaints Handling Policy and accompanying procedures;
- 9. Communicate and make available the above documents to staff.

# 19.10.2 Management response

Formalise policies and procedures

# 19.10.3 <u>Action 28/7.1 Develop a complaints handling framework including policy and procedure (Risk 117, CAR 6)</u>

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Financial Services	Medium	August 2017 AC Meeting	Work in progress	Not yet due		
Date	Response					
May 2017	Has been presented to MEG for feedback					

# 19.10.4 Action 28/8.1 Obtain approvals for framework including policy and procedures

Responsibility	Risk Level	Completion	Status	Due Status
Manager Financial Services	Medium	August 2017 AC Meeting	Work in progress	Not yet due
Date	Response			

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May 2017	In the process of obtaining approvals

# 19.10.5 Action 28/9.1 Communicate framework including policy and procedure (Risk 117, CAR 7)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Financial Services	Medium	August 2017 AC Meeting	Not started	Not yet due		
Date	Response					
May 2017	Documents being prepared					

### 19.11 Review scope of duties of the Privacy Contact Officer

### 19.11.1 Observation and management

The Director of Corporate Services acted as the Council's Privacy Contact Officer/Protected Disclosure Coordinator and reported directly to the Chief Executive Officer. The Director's key responsibilities included:

- ensuring that Council was in compliance with the Privacy legislation by reviewing and updating the policies and procedures regularly to reflect any changes in the legislations;
- ensuring that data security controls were in place to protect the personal data collected by Council:
- identifying and managing of privacy related risks;
- handling freedom of information requests;
- handling complaints, reporting or allegation of improper handling of personal information by the Council:
- training of Council staff on privacy and handling disclosures; and
- monitoring and reporting of Council's compliance with the Privacy legislation to the Chief Executive Officer.

# 19.11.2 <u>Management response</u>

Not applicable

# 19.12 Ensure complaint handling procedures have been developed and communicated to staff

### 19.12.1 Observation and management

A complaint handling procedure and/or flowchart had not been established within the Council.

# 19.12.2 <u>Management response</u>

Not applicable

# 19.13 Ensure there are processes in place to facilitate making decisions regarding exemptions

# 19.13.1 Observation and management

Individual departments under the Council were governed by different Acts/legislations and they were aware of the information that could be disclosed under the relevant legislations based on their relevant professions and operations.

In the first instances, queries and decisions when determining whether personal information was exempt from the PDPA and on what basis the assessment was made would be handled by the Director of Corporate Services who acted as the Privacy Contact Officer/Protected Disclosure Coordinator. If required, queries and decisions would be escalated to the Chief Executive Officer.

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# 19.13.2 Management response

Not applicable

### 19.14 Develop policies specific for security of data

#### 19.14.1 Observation and management

Ensure there is a policy specifically directed at security of data which includes security of personal information, collection, processing, storage, security, use, disclosure and disposal of personal information

The Council used multiple information systems and applications across various departments. There were a suite of IT policies and procedures to assist employees and contractors employed or engaged to ensure systems' security were robust. The policies included:

- Password and Authentication Policy (updated 24 Feb 2016);
- Anti-virus (updated 10 Feb 2016);
- Cloud Computing (draft);
- Email (draft);
- Internet use (draft);
- Portable electronic device security (draft); and
- · Acceptable use (draft).

#### Finding 4

However, our review of policies noted that they did not capture certain data security aspects of the Council's operations that were important. These included:

- procedures relating to security of personal information stored in manual/hardcopy files;
- procedures surrounding backup, recovery and redundancy practices;
- procedures surrounding collection, processing, storage, use and disclosure of personal information; and
- procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required).

We recommend that the Council management should:

- 10. Ensure that key policies identified under the "Observation" column and in draft form are finalised in a timely manner;
- 11. Incorporate data security related procedures not already covered in existing policies to provide guidance to staff that have access to the Council's information systems. These areas may include (but not limited to):
  - procedures relating to security of personal information stored in manual/hardcopy files;
  - procedures surrounding backup, recovery and redundancy practices;
  - procedures surrounding collection, processing, storage, use and disclosure of personal information;
  - procedures surrounding disposal of information (i.e. steps to be undertaken when destroying or permanently de-identifying personal information no longer required);
- 12. Obtain the appropriate approvals for the respective policies and accompanying procedures; and
- 13. Communicate and make available the above documents to staff.

### 19.14.2 <u>Management response</u>

Maintaining data security, finalise and review the following policies

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# 19.14.4 Action 28/10.1.1 Finalise and review policy-Passwords and Authentication Policy (updated 24 Feb 2016) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.5 Action 28/10.1.2 Finalise and review policy-Antivirus (updated 10 February 2016) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.6 Action 28/10.1.3 Finalise and review policy-Cloud Computing (draft) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.7 Action 28/10.1.4 Finalise and review policy-Email (draft) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.8 Action 28/10.1.5 Finalise and review policy-Internet use (draft) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

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# 19.14.10 Action 28/10.1.6 Finalise and review policy-Portable electronic device security (draft) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.11 Action 28/10.1.7 Finalise and review policy-Acceptable use (Draft) (Risk 117, CAR 8)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.12 Action 28/11.1.1 Develop a procedure for security of personal information stored in manual/hard copy files (Risk 117, CAR 9)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.13 Action 28/11.1.2 Develop a procedure for backup, recovery and redundancy practices (Risk 117, CAR 9)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

# 19.14.14 Action 28/11.1.3 Develop a procedure for collection, processing, storage, use and disclosure of personal information (Risk 117, CAR 9)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Work in progress	Not yet due
Date	Response			
May 2017	Under review			

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# 19.14.16 Action 28/11.1.4 Develop a procedure for disposal of information (i.e. steps to be undertaken when destroying or de-identifying personal information no longer needed) (Risk 117, CAR 9)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Information	Medium	November 2017 AC Meeting	Not started	Not yet due		
Date	Response	Response				
May 2017	Progress will be made when LSC convert to new system and hard copies no longer required. A privacy policy is being developed that will cover disposal issues.					

# 19.14.17 Action 28/12.1 Obtain approval for policies and procedures referred to above (10 and 11)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Information	Medium	November 2017 AC Meeting	COMPLETE	Not yet due	
Date	Response				
May 2017	Reference is made in the Disaster Recovery Plan regarding procedures that covers this action				

# 19.14.18 Action 28/13.1 Communicate and make available to relevant staff the policies and procedures referred to in action 10 and 11 (Risk 117, CAR 10)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Information	Medium	November 2017 AC Meeting	Not started	Not yet due	
Date	Response				
May 2017	Once policies and procedures have been completed this process will be finalised.				

# 19.15 Ensure data security relates to security of personal information stored in both manual and computerised systems

### 19.15.1 Observation and management

As per Key Criteria No.14 above, data security policies and/or procedures did not exist within the Council to meet this criteria requirement.

# 19.15.2 Management response

See key criteria 14 above

# 19.16 Ensure existing computer applications are subject to review of privacy controls

### 19.16.1 Observation and management

User access to key computer systems and applications within the Council was granted or removed based upon requests as required (i.e. when new staff commence, depart or change position titles within the Council etc.).

# Finding 5

However, there was a lack of effective periodic review of user access to key computer systems and applications within Council to actively monitor and verify the appropriateness of user access granted to staff to perform or support business activities or functions. Further, we noted that currently there were no formal procedures in place to ensure that IT user access controls of staff that have changed position titles had been reviewed and de-activated as necessary. Given the Council had undergone an

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organisational restructuring process in August 2016, it is imperative that a formal detailed review process of key computer systems and applications is undertaken.

We recommend that Council management should:

- 14. Conduct a formal review of the access controls for all the Council's systems following the completion of the organisational restructuring to ensure that incompatible IT access is removed;
- 15. Implement a formal process that is documented in the procedures for conducting user access reviews to systems and applications on a periodic basis;
- 16. Implement a checklist for staff that have changed position titles to ensure that their user access to key systems and applications are actioned accordingly; and
- 17. Evidence surrounding the user access review process should be kept.

# 19.16.2 <u>Management response</u>

Review IT

# 19.16.3 Action 28/14.1 Review IT access controls and make necessary changes (Risk 117, CAR 11)

Responsibility	Risk Level	Completion	Status	Due Status	
Manager Information	Medium	August 2017 AC Meeting	Work in progress	Not yet due	
Date	Response				
May 2017	An audit of systems is in place and needs to be followed.				

# 19.16.4 Action 28/15.1 Develop a procedure for conducting user access reviews on a period basis (Risk 117, CAR 12)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting		Not yet due
Date	Response			
May 2017	Not started			

# 19.16.5 Action 28/16.1 Develop procedure and checklist for internal transfers to ensure user access to key systems and applications are managed appropriately (Risk 117, CAR 13)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Organisation Development	Medium	August 2017 AC Meeting	Not started	Not yet due
Date	Response			
May 2017	A higher duties form is completed when undertaking higher duties, LSC need to consider a process when staff step down after the higher duties period ends.			

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19.16.7 <u>Action 28/17.1 Include a provision in procedure for conducting user access</u> reviews on a period basis to ensure evidence of user access review is kept (Risk 117, CAR 14)

Responsibility	Risk Level	Completion	Status	Due Status
Manager Information	Medium	November 2017 AC Meeting	Not started	Not yet due
Date	Response			
May 2017	Not started			

# 19.17 Ensure there are adequate databases used to store personal information

# 19.17.1 Observation and management

The Council stores personal information in its various databases. There were approximately 15-20 databases (e.g. finance system, rates system, contract management system etc.) all on site in the server room in the Council's Wedderburn office. Backups were performed on a daily basis in the Council's Serpentine Office.

# 19.17.2 Management response

None noted

# 19.18 Ensure there are controls in place over the security of information handled be third parties

# 19.18.1 Observation and management

Third-party access to the Council information and/or information systems was to occur only with the appropriate approval being given by management.

Council had signed contracts with its IT vendors for the provision and maintenance of its systems to facilitate in the security of information handled.

#### Finding 6

However, some of the contracts dated back to more than 10 years ago and IT had not reviewed the terms of the contracts to determine if they were still valid and if there were confidentiality agreements signed with the vendors.

It is important that IT vendor contracts contain confidentiality clauses or separate confidentiality agreements which are to be signed-off by the vendors. This will ensure that third parties are clear of their obligations in relation to security of information handled by them on behalf of the Council.

We recommend that Council management should:

- 18. Conduct a review of all existing IT vendor contracts and determine if they cover off on confidentiality and security related matters appropriately; and
- 19. Ensure that confidentiality agreements are signed-off by respective IT vendors, where required.

# 19.18.2 <u>Management response</u>

Areas for improvement

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# 19.18.4 <u>Action 28/18.1 Develop a confidentiality agreement for existing IT vendors (Risk</u> 117, CAR 15)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Information	Medium	August 2017 AC Meeting	Not started	Not yet due		
Date	Response					
May 2017	Not started, still to be created					

# 19.18.5 <u>Action 28/19.1 Provide confidentiality agreement to all existing IT vendors requesting signing. (Risk 117, CAR 16)</u>

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Information	Medium	August 2017 AC Meeting	Not started	Not yet due		
Date	Response					
May 2017	Not started, still to be created					

# 19.18.6 Action 28/19.2 Ensure a confidentiality agreement is provided to an new vendors for signing

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Information	Medium	August 2017 AC Meeting	Not started	Not yet due		
Date	Response					
May 2017	Not started, still to be created					

# 19.19 Adequate control over data that is interchanged with or linked to data held in other systems

# 19.19.1 Observation and management

The only systems that integrated within Council were in relation to one-way transfer of information from the LYNX Rates System to the MERIT Customer Relationship Management System on a *view-only* basis. There were adequate controls in place with respect to data transferred.

There was no direct interchange of data between all other systems maintained by the Council.

# 19.19.2 Management response

None noted

# 19.20 Ensure sensitivity of person information is being maintained in accordance with the IPPs

# 19.20.1 <u>Observation and management</u>

#### Finding 7

Whilst the Council had controls in place to ensure that the sensitive information it captured as part of its functions were adequately maintained, we noted formal documented procedures with respect to this have not been developed. Examples of sensitive information captured by the Council included police checks performed during the recruitment process (where applicable) and health information. The formal procedures were in the process of being developed at the conclusion of our fieldwork

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We recommend that the Council management should:

- 20. Ensure formal processes with respect to the collection and maintenance of sensitive information are incorporated within the Privacy Policy and accompanying procedures in a timely manner; and
- 21. Communicate and make available the Privacy Policy and accompanying procedures to staff.

#### 19.20.2 Management response

See key criteria No 2 above

### 19.21 Ensure processes are in place when responding to breaches identified

# 19.21.1 Observation and management

Staff were provided with the Staff and Contractors Code of Conduct upon commencement as a Council employee. As outlined within the document, failure to behave in the ways prescribed by the Code of Conduct, including maintaining the confidentiality and privacy of personal information they are responsible for, may lead to disciplinary action that may include termination of employment.

# Finding 8

However, we noted that the Council did not have formally documented procedures when responding to the breaches and resulting consequences from an incident management perspective. Privacy policy and procedures were being developed at the conclusion of our fieldwork.

We recommend that Council management should:

- 22. Ensure formal procedures in response to privacy breaches are developed in a timely manner. The procedures may incorporate (but not be limited to) the following areas:
  - · breach containment and preliminary assessment;
  - evaluation of the risks associated with the breach;
  - · notification processes over breaches; and
  - · prevention processes.
- 23. Communicate and make available the above procedures to staff.

# 19.21.2 <u>Management response</u>

Management agrees to improve identification and management of privacy related risks. As a minimum ensure privacy procedures cover

- breach containment and preliminary assessment;
- evaluation of the risks associated with the breach;
- · notification processes over breaches; and
- prevention processes.

# 19.21.3 Action 28/22.1 Privacy procedures cover the subject above (Risk 117, CAR 17)

Responsibility	Risk Level	Completion	Status	Due Status		
Director Corporate Services	Medium	August 2017 AC Meeting	Work in progress	Not yet due		
Date	Response					
May 2017	A suite of privacy policies are being developed for the organisation.					

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# 19.23 Experience of complaints, enquiries and allegations by individuals

### 19.23.1 Observation and management

During the FY2015-16, the Council had 4 freedom of information requests, with 2 of them involving personal information. We confirmed with Council that there were no complaints or allegations made by individuals against the Council during the FY2015-16.

The Protected Disclosure Procedure was in place with processes to facilitate the making of disclosures and for handling disclosures, including notifications to the Independent Broad Based Anti-Corruption Commission (IBAC) and processes for protecting people against detrimental action.

However, there are no formal documented procedures in place to handle complaints, inquiries and allegations by individuals. As per Key Criteria No. 10 above, the Complaints Handling Policy to be developed should incorporate these procedures.

#### 19.23.2 Management response

See key criteria No10 above

### 19.24 Ensure there are processes in place to handle any issues in the public arena

### 19.24.1 Observation and management

Complaints of significance and the management, safeguarding and handling of personal information would be addressed in the Council's Annual Report. We noted that the Council had not experienced any issues over personal information that required disclosure within its annual report.

### 19.24.2 Management response

None noted

### 19.25 Ensure vulnerability over the misuse of personal information is minimised

### 19.25.1 Observation and management

A number of steps are in place to train, inform and commit personnel with access to personal information to retain its confidentiality. This includes:

- On-the-job training for staff on handling of personal information during the course of their work;
- The Code of Conduct is provided to staff upon their commencement of employment at the Council which outlines certain obligations;
- · Staff confidentiality clauses are detailed within employment contracts; and
- Limited and/or restricted access to systems and applications based on the employees' roles and responsibilities.

As per Key Criteria No. 2, 9, 14, 16, 18 & 20 above, the privacy policies, procedures and controls need to be tightened to ensure that vulnerability over the misuse of personal information is minimised.

### 19.25.2 Management response

See Key Criteria No. 2, 9, 14, 16, 18 & 20 above.

# 19.26 Where there are any proposed changes to the Council or its organisational structure, specifically related to developments affecting privacy of personal information

# 19.26.1 Observation and management

Significant changes to the organisational structure were noted in the past 12 months at the Council, which may have impacted on privacy and personal information at Council.

To be specific, we noted an instance whereby a staff member who previously worked within the Finance department and had transferred to the Payroll department following the restructuring process, was still able to access the LYNX Finance System. Upon further enquiry with Council management, we noted that there was no formal review process undertaken by Council with respect to user access

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controls following completion of the organisational restructure to ensure that incompatible user access controls did not exist.

It is imperative that a review of IT system access controls is conducted on a regular basis to ensure that only authorised personnel are allowed to access the personal information collected.

#### 19.26.2 Management response

See Key Criteria No. 16 above.

# 19.27 Develop effective awareness and communication over privacy related matters within the organisation as a key aspect of culture awareness within the Council?

### 19.27.1 Observation and management

Respective departments at the Council were required to provide on-the-job training over privacy related matters to their staff.

However, as per Key Criteria No. 28, there had not been any organisation-wide formal training and awareness programs delivered to staff with respect to privacy related matters in the past 3 years. Therefore, staff awareness and training on privacy related matters can be improved.

### 19.27.2 Management response

See Key Criteria No. 28 below.

# 19.28 The organisation has processes in place to address such problems imposed by legislation

### 19.28.1 Observation and management

Ensure where there are any problems imposed by the legislation, the organisation has processes in place to address such problems (e.g. interpretation of the PDPA, impractical or conflicting IPP requirements)?

The Chief Executive Officer and the Director of Corporate Services who acted as the Protected Disclosure Coordinator/Privacy Control Officer were appointed within Council to ensure that:

- Problems associated with interpretation, impractical or conflicting of legislation were identified and resolved; and
- Changes to the legislation/regulations were appropriately identified, recorded and incorporated into relevant policies and procedures and disseminated to relevant staff in a timely manner.

# 19.28.2 <u>Management response</u>

None noted

#### 19.29 Ensure processes to raise management and staff awareness exist

All staff (non-executive and executive) are bound by the privacy/confidentiality clauses within their employment contracts upon commencement of employment at the Council.

# Finding 9

However, we noted new employees were not formally inducted to address the need to maintain and protect personal information and the relevant privacy requirements. Further, refresher privacy related training for existing staff had not been conducted in the last 3 years.

We recommend that the Council management should:

24. Incorporate privacy related training within the induction process for new employees. The training should include (but not be limited to):

- · overview of PDPA requirements and IPP obligations;
- · overview of Council's Privacy Policy and accompanying procedures; and

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 individual's responsibilities relating to collection, processing, storage, security, use, disclosure and disposal of personal information.

25. Provide refresher training and awareness programs on a consistent and periodic basis to staff on privacy related matters through various means, which may include (but not limited to) posters, regular email updates, updates through newsletters, structured workshops, completion of the free online privacy training module provided by the Office of the Commissioner surrounding the PDPA etc. The training should also highlight new changes to the relevant Acts/legislations (if any).

### 19.29.1 Management response

Management agrees with the need to develop staff awareness and training

19.29.2 Action 28/24.1 Amend induction process to ensure privacy training is included (Risk 117, CAR 19)

Responsibility	Risk Level	Completion	Status	Due Status			
Manager Organisation Development	Medium	May 2017 AC Meeting	Work in progress	Due			
Date	Response	Response					
May 2017	Considering the	Considering the option of eLearning, an online learning platform.					

19.29.3 Action 28/25. 1 Include privacy refresher training in the corporate learning calendar to enable staff to complete a refresher every 3 years (Risk 117, CAR 20)

Responsibility	Risk Level	Completion	Status	Due Status		
Manager Organisation Development	Medium	May 2017 AC Meeting	COMPLETE	Due		
Date	Response					
May 2017	Refresher training has been added to the training calendar					

19.29.4 Action 28/25.2 Add reminder to Advent Manager regarding annual communications to staff on privacy related matters (Risk 117, CAR 21)

Responsibility	Risk Level	Completion	Status	Due Status
Director Corporate Services	Medium	May 2017 AC Meeting	Not started	Due
Date	Response			
May 2017				

# 19.30 Management commitment to implement policies and procedures to safeguard personal information

# 19.30.1 Observation and management

As detailed in Key Criteria No. 2, a Privacy Policy and accompanying procedures were in the process of being developed.

19.30.2 <u>Management response</u>

None noted

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# 19.31 Ensure personnel handling personal information within the Council have relevant experience and are competent

### 19.31.1 Observation and management

Staff experience and competence, including handling of personal information, was assessed through the Council's recruitment and selection process. Key assessment criteria were defined in the respective position descriptions to facilitate the overall recruitment and selection process to ensure that a suitable candidate is selected to fill a post.

### 19.31.2 Management response

None noted

### 19.32 The extent to which information is available to and used by a wide range of staff

Personal information was made available to staff in both hardcopies and softcopies and used by a wide range of staff for different activities and functions.

### Finding 10

Physical Access Control

However, during our review, we observed the following:

- The property hardcopy files, which contained personal information, were kept in the compactus room which was open to all staff, as it was also a storage room used for keeping stationary;
- The financial related hardcopy files were stored in open cabinets (i.e. cabinets without doors) in the walkway; and
- HR hardcopy files, which contained sensitive personal information including police checks, tax
  file numbers etc.) were kept in cabinets in the HR room. We noted that the cabinets in the HR
  room were not locked. As a best practice, both the HR room and the HR file cabinet should be
  under lock and keys. As security and confidentiality of personnel's HR files should be
  maintained at all times, this dual control is necessary, in the event staff did not lock the HR
  room, the HR cabinet would still be locked, secured and out-of-bound to others.

Whilst we do acknowledge that access to the respective departments was restricted to Council staff only via swipe/key access cards, it is imperative that hardcopy files and documents which contain personal information should be locked in cabinets in those respective business areas to ensure only those respective business areas have access to the documents.

#### IT Access Control

Personal information in soft copies is stored in key computer systems and applications within the Council and protected by access controls. Access is only granted to authorised staff based on their roles and responsibilities.

As per Key Criteria No. 16, there is a lack of effective periodic review of user access to key computer systems and applications within Council to actively monitor and verify the appropriateness of user access granted to staff to perform or support business activities or functions. In particular, we noted that currently there are no procedures in place to ensure that the IT access control of transferred staff are reviewed and deactivated as necessary.

We recommend that Council management should:

26. Consider reviewing controls to ensure that physical access to all the hardcopy files containing personal information is secured and limited to the responsible staff only.

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# 19.32.2 Management response

Partially agrees.

Council has limited opportunity to store hardcopy files in completely secure areas. Existing areas are multipurpose to maximise the use of space. Any modifications or improvement will be subject to available budget.

Efforts are currently being made to reduce the hardcopy files and convert to electronic records as a first step before spending money on lockable cabinets and more secure areas.

19.32.3 Action 28/26.1 Coordinate management in conducting reviews of controls to ensure physical access to all hardcopy files containing personal information is secured and limited to the responsible staff only by completing action 29/1 (Risk 117, CAR 22)

Responsibility	Risk Level	Completion	Status	Due Status		
Director Corporate Services	Medium	November 2017 AC Meeting	COMPLETE	Not yet due		
Date	Response					
May 2017	A mini audit has been complete for each area					

# 19.33 Lines of reporting relating to personnel handling privacy information exist

# 19.33.1 Observation and management

Our discussions with key staff during the review confirmed that they had a sound understanding of privacy requirements.

The reporting structures and escalation processes were understood by staff, especially for privacy issues which might require special consideration. In the event issues arise requiring particular advice, they would be referred to the appropriate Manager or the delegated Privacy Contact Officer/Protected Disclosure Coordinator (i.e. the Director of Corporate Services).

### 19.33.2 Management response

None noted

# 19.34 Ensure the Privacy Contact Officers background provides for sufficient understanding of PDPA requirement and have they received any privacy training

### 19.34.1 Observation and management

The delegated Privacy Contact Officer/Protected Disclosure Coordinator's background provided sufficient understanding of the PDPA requirements.

#### Finding 9

Under the Protected Disclosure Policy, the Privacy Contact Officer/Protected Disclosure Coordinator was also required to attend training offered by IBAC or training organisations in the management of personal information and protected disclosure. We understand that the Privacy Contact Officer/Protect Disclosure Coordinator had only commenced as an employee at the Council in June 2016 and had not yet attended any external privacy training.

We recommend that the Council management should:

27. Ensure that the Privacy Contact Officer/Protected Disclosure Coordinator identifies and attends training offered by IBAC or any other external training with respect to the management of personal information and protected disclosure.

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# 19.34.2 Management response

### Management agrees

19.34.3 Action 28/27.1 Register for and attending training of management and personal information and protected disclosure (Risk 117, CAR 23)

Responsibility	Risk Level	Completion	Status	Due Status		
Director Corporate Services	Medium	August 2017 AC Meeting	COMPLETE	Not yet due		
Date	Response					
May 2017	Training certificates have been sent to HR department					

# 19.35 Privacy Contact Officer to receive Privacy Publications, including Privacy handbooks and provide privacy material available to the public

### 19.35.1 Observation and management

The delegated Privacy Contact Officer/Protected Disclosure Coordinator received updates and newsletters on privacy on regular basis through various means (i.e. the Independent Broad-based Anti-corruption Commission, Privacy Commissioner, Freedom of Information Commissioner and Local Government Investigations & Compliance Inspectorate).

### 19.35.2 <u>Management response</u>

None noted

# 19.36 Privacy Contact officer to develop awareness of the need for privacy of information with induction and ongoing training

# 19.36.1 Observation and management

As outlined in Key Criteria No. 28 above, training/communication processes provided to staff on the need to maintain and protect personal information and the relevant privacy requirements can be enhanced.

### 19.36.2 Management response

See key criteria No 28 above

# 19.37 Ensure training is provided for new staff to reinforce understanding of their duties and responsibilities

### 19.37.1 Observation and management

New staff were provided on-the-job training by their respective Supervisors and/or Managers regarding their duties and responsibilities in terms of the respective Acts/legislations that their department is required to comply with in regards to privacy of personal information.

However, as outlined in Key Criteria No.28 above, training was not provided on an organisation-wide level to new staff to ensure they understand their duties and responsibilities in terms of the Privacy Act.

# 19.37.2 <u>Management response</u>

See key criteria No 28 above

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#### 19.39 Ensure existing staff are provided with regular training

#### 19.39.1 Observation and management

Ensure existing staff are provided with regular training to ensure they remain up to date with Privacy issues, particularly for legislative changes and guidelines issued by the Privacy Commissioner

As outlined in Key Criteria No. 28 above, refresher training had not been provided to existing staff in the last 3 years to ensure that they are up to date with privacy related issues, particularly for legislative changes and guidelines issued by the Privacy Commissioner.

#### 19.39.2 Management response

See key criteria No 28 above

#### 19.40 Performance indicators

### 19.40.1 Observation and management

Do performance indicators exist to show whether the Council has satisfactorily complied with the PDPA requirements and IPPs?

#### Finding 11

Privacy related performance indicators did not exist within the Council. Further, the Council did not formally report on any privacy related matters and/or activities. We noted there had not been any significant issues and/or complaints over information privacy within the Council in the prior financial year and this financial year. In the event any significant matters were to arise these would be reported through the Council's Annual Report.

We recommend that the Council management should:

- 28. Consider developing a formal process where reporting to management, CEO and/or the Council on the organisation's privacy activities is undertaken on a regular basis (e.g. review of the Council's Privacy Policy and Procedures, review of systems used to record, capture and collect information, etc.);
- 29. Consider implementing an annual self-assessment checklist to be completed by all the department heads within Council. The checklist should incorporate (but not be limited to) the following areas:
  - identification of personal information collected and re-assessment of the need for collection and use;
  - · risks identified and controls put in place regarding the privacy of personal information; and
  - whether the department has complied with the Privacy Framework and Information Privacy Principles, with reference to this checklist.

The self-assessments should be reported to the Privacy Contact Officer. Any non-compliance identified through this processes should also be followed up by the Privacy Contact Officer with the respective departments, to ensure that it is rectified.

- 30. Consider developing, adopting and reporting against privacy related KPIs (as relevant to the Council's size), to assist in ensuring organisational objectives and targets are being met. Examples of KPIs that Council may consider reporting against may include (but not limited to):
  - · reported concerns regarding privacy practices;
  - number and/or percentage of breaches of privacy;
  - number and/or losses of personal data;
  - privacy training attended by staff etc.

19.40.2 Management response

Management agrees

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## 19.40.3 Action 28/28.1 Add privacy reporting to Loddon Performance Reporting framework to be reported six monthly (Risk 117, CAR 24)

Responsibility	Risk Level	Completion	Status	Due Status			
Director Corporate Services	Medium	May 2017 AC Meeting	COMPLETE	Due			
Date	Response						
May 2017	Has been added to the LGPRF framework						

## 19.40.4 Action 28/29.1 Develop a self-assessment checklist and add to Advent Manager for annual completion by department heads (Risk 117, CAR 25)

Responsibility	Risk Level	Completion	Status	Due Status			
Director Corporate Services	Medium	August 2017 AC Meeting	Not started	Not yet due			
Date	Response						

### 19.40.5 Action 28/30.1 Add the following KPIs to the Loddon Performance Framework (Risk 117, CAR 26)

- number reported concerns regarding privacy practices;
- · number of identified breaches of privacy;
- number of identified losses of personal data;
- percentage new starters completing privacy training within 6 months of commencement
- · percentage staff with current refresher training

Responsibility	Risk Level	Completion	Status	Due Status				
Director Corporate Services	Medium	May 2017 AC Meeting	COMPLETE	Due				
Date	Response							
May 2017	KPI's have been	I's have been added to the Loddon Performance Framework						

### 19.41 Management to have processes to ensure the organisation is complying with Privacy Legislation

#### 19.41.1 Observation and management

The Council engaged internal auditors to perform a Review of the Management of Privacy Responsibilities, to determine whether the Privacy Framework currently in place at the Council complied with the requirements of the PDPA, and with the IPPs. The review had been approved by the Audit Committee of the Council which forms part of the 2016-17 Internal Audit Program.

However, as per Key Criteria No. 38 above, the Council should introduce a process of internal monitoring and reporting of the organisation's privacy activities and related performance indicators (encompassing compliance with privacy legislation).

#### 19.41.2 Management response

See key criteria No 38 above

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### 19.42 Reporting for the Privacy Contact Officer

#### 19.42.1 Observation and management

Who does the Privacy Contact Officer report to and what form does this reporting take? The Director of Corporate Service who is appointed as the Privacy Contact Officer/Protected Disclosure Coordinator reports to the CEO over any privacy related matters. Currently, reporting is more reactive (i.e. where any incidents, breaches or complaints occur).

As per Key Criteria No. 38 above, there was no proactive formal reporting with respect to privacy related matters undertaken.

### 19.42.2 Management response

See key criteria No 38 above

### 19.43 Compliance with the PDPA to be specifically included on the current audit

#### 19.43.1 Observation and management

Is compliance with the PDPA specifically included on the current audit plan/investigation program?

The Council had engaged the internal auditors to perform a Review of the Management of Privacy Responsibilities, to determine whether the Privacy Framework currently in place at the Council complied with the requirements of the PDPA, and with the IPPs. The review had been approved by the Audit Committee of the Council which forms part of the 2016-17 Internal Audit Program.

#### 19.43.2 Management response

None noted

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### **APPENDIX 1: Risk Assessment Criteria (Risk Matrix)**

Consequence criteria						
1 – Insignificant	2 – Minor	3 – Moderate	4 – Major	5 – Catastrophic		
Financial impact	1		-			
Cost is less than \$100K	Cost is greater than \$100K and less than \$250K	Cost is greater than \$250K and less than \$500K	Cost is greater than \$500K and less than \$1 million	Cost is greater than \$1 million		
People impact (Occ		safety of employees,				
First aid or minor medical treatment, full recovery	Significant medical treatment, lost injury time less than two weeks	Short term disability to one or more persons	Extensive injury or impairment to one or more persons	Fatality and/or severe irreversible injury to one or more persons		
Reputation impact						
Results in local gossip; Complaint to employee	Results in regional gossip; Complaint to management	Results in regional media coverage; Senior manager departs	Results in state media coverage; CEO departs	Results in national media coverage; CEO departs and Councillors are removed		
Service impact						
Minimal disruption to one service	Service disruption in one area for a few weeks	Single service ceases to be delivered for a few months; Multiple services cease to be delivered for several weeks	Multiple services disrupted for several months	Multiple services cease to be delivered for many months		
Legal and compliar	nce impact					
Minor legal issues; Minor breach of regulations	Minor litigation, fines, or legal costs; Breach of regulations	Litigation and legal costs up to \$500,000; Breach of regulation results in investigation by authority and possible moderate fine	Significant litigation involving many weeks of management time and/or legal costs up to \$1 million; Major breach of regulation with punitive fine	Major litigation costing \$1 million or more; Investigation by regulatory body resulting in longterm interruption of operations		
Management impa						
Requires some management attention for a few days	Requires some management attention for several days or a few weeks	Requires senior management time over several weeks	Requires considerable senior management time over several weeks	Suspension of management activities for many months		

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Likelihood Criteria				
A – Almost Certain	B – Likely	C – Possible	D – Unlikely	E – Rare
Consequence could occur within days or weeks	Consequence could occur within weeks to months	Consequence could occur within months to years	Consequence could occur within years to decades	Consequence is considered a 100-year event
Consequence is expected to occur in most circumstances	Consequence will probably occur in most circumstances	Consequence may occur but there is a distinct possibility that it won't occur	Consequence may occur but is not anticipated	Consequence would only occur in exceptional circumstances
	,			
There is a greater than 90% chance of it occurring within the next year	There is a greater than 50% chance of it occurring within the next year	There is a greater than 20% chance of it occurring within the next year	There is a greater than 5% chance of it occurring within the next year	Consequence is exceptionally unlikely event in the very long term

		Consequence criteria						
		1 – Insignificant	2 – Minor	3 – Moderate	4 – Major	5 – Catastrophic		
		Overall Rating	verall Rating					
m	Α	Medium (11)	High (16)	High (20)	Very High (23)	Very High (25)		
Criteria	В	Medium (7)	Medium (12)	High (17)	High (21)	Very High (24)		
	С	Low (4)	Medium (8)	Medium (13)	High (18)	High (22)		
-ikelihood	D	Low (2)	Low (5)	Medium (9)	Medium (14)	High (19)		
Like	Е	Low (1)	Low (3)	Low (6)	Medium (10)	Medium (15)		

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### **APPENDIX 2: Legend**

#### Report of Analysis

Reports coloured in orange have been completed and will be removed from the next report to Audit Committee subject to the Audit Committee agreeing that the actions are complete.

#### **Detail on Reviews**

When "Due Status" is marked as "Complete" both the comment and the status is highlighted in the colour of the risk level.

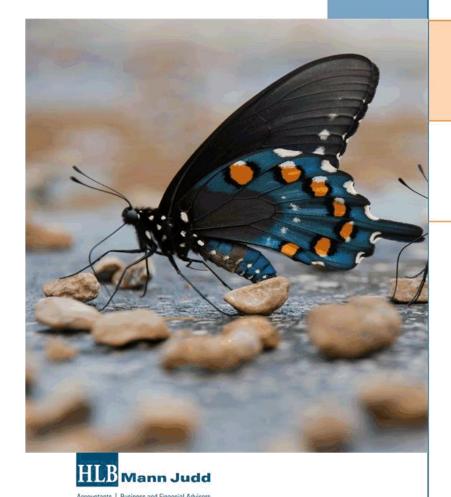
Most recent comments are highlighted in bold text.

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### **Loddon Shire Council**

Strategic Internal Audit Plan – Proposal for Consideration

2015-2019 (2017-18 focus)



Great people, great results

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### **Our Approach**

The Strategic Internal Audit Plan was developed following extensive consultation with, and approval of, the Loddon Shire Council (the "Council") Audit Committee Chairperson and members, Council executive management, review of the Council's strategic risk register, relevant strategic documents, and the results of prior internal audit reviews.

HLB Mann Judd facilitated a workshop with the council management and the executive management team in July 2015 to identify key current exposures of the council. Outcomes from that workshop have been a key input to the Strategic Internal Audit Plan.

The Internal Audit Program focuses on areas considered higher risk to Council to maximise the effectiveness of the internal audit function. Reviews have been categorised in the following categories:

- Core Financial Systems and Controls;
- Team Support and Development;
- Financial / Management Accounting and Reporting;
- Information Technology;
- Infrastructure and Asset Management;
- Council Governance, Service and Governance;
- Departmental Operational Audits; and
- Follow-up of Previous Internal Audit Recommendations.



## **Internal Audit Program (2015-2019)**

Description	2015-16	2016-17	2017-18	2018-19
Core Financial Systems and Controls				
Purchasing and Accounts Payable (including data interrogation)		<b>✓</b>		
Team Support and Development				
Human resources & payroll (including data interrogation)				50
Succession Planning and Workforce Development	✓			
Occupational Health & Safety			40	
Financial / Management Accounting and Reporting				
Data interrogation (A/P, Payroll, A/R)			30	25
Information Technology				
Disaster Recovery	✓			
Infrastructure and Asset Management				
Whole-of-Life costing			45	
Building Management	✓			
Council Governance, Service and Governance				
Waste Management Planning				50
Management of Privacy Responsibilities		✓		
Departmental Operational Audits				
Purchases and issue of stores from Council depots (incl. purchases on credit cards)		✓		
Service Planning				50
Records Management			50	
Internal Audit Recommendations				
Follow-up of agreed actions resulting from recommendations contained in previous year internal audit reports.		✓	25	25
Internal Audit Management				
Administration of the Internal Audit program (including development of the annual IA program) and attendance at Audit Committee meetings.			10	10
Total Hours			200	210

2



## **High Level Scopes for Internal Audit Reviews**

Description		Timing	Hours	Audit Team Members		
Year: 2017-18						
Management of Occupational Health and Safety  The key objectives of this review are to assess:  The adequacy of council's policies and procedures of the safety of the saf		10 July 17	40	•	Mark Holloway (Partne - Internal Audit) Kundai Mtsambiwa (Assistant Manager –	
<ul> <li>Council's compliance with relevant OH&amp;S legislation Occupational Health and Safety Act 2004 (Vic) and subordinate legislation;</li> </ul>	relevant elements of its		-	-	Internal Audit) Rachel Lim (Senior Auditor)	
<ul> <li>The appropriateness of council's risk assessment in OH&amp;S matters;</li> </ul>						
The adequacy of OH&S manuals, programs and pro- evacuation and first aid; The adequacy of oH&S manuals, programs and pro- evacuation and first aid;						
<ul> <li>The appropriateness of relevant KPI's to measure p compliance; and</li> </ul>						
The reporting process that allows council to properly and their outcomes.	monitor all OH&S incidents					
Data Interrogation Exercise (AP, AR, Payroll)  The use of data interrogation software is a valuable tool of large data sets against established business r interrogation provides the following benefits:  Assurance to the Audit Committee, and to counci and input controls and the bona fides of transaction order to identify exceptions to prescribed rules a exceptions; and  Identifies system control weaknesses, deficient processes, and individual transactions that may reand/or investigation.  Accordingly, the objective of this exercise is to obtain cor accuracy and validity of financial systems transaction dain the relevant master files.  With the assistance of council management, we will edata over a 12-month period.	I management on system information; 's information systems in and any trends from these data input practices and equire management focus	29 Aug 17	30	•	Mark Holloway (Partne - Internal Audit)  Kundai Mtsambiwa (Assistant Manager – Internal Audit)  Mifras Jinath (Senior Consultant – Technology, Risk and Assurance)	
Records Management  Corporate records are essential to maintain a historical r provide adequate evidence and information to allow qua as to meet the record keeping requirements of various le effective data management is the need for strong contro capture, preservation, management, use and disposal of proliferation of information technology, organisations are ever-increasing rates. As such, developing processes to sources of corporate records is becoming increasingly or The objectives of this review are to assess whether:  The Records Management Framework that exists at in line with legislative requirements and the Public F (PROV);	ity decision making, as well gislation. Critical to s over the identification, records. With the generating information at identify the types and itical.	30 Oct 17	50	-	Mark Holloway (Partne - Internal Audit)  Kundai Mtsambiwa (Assistant Manager – Internal Audit)  Jen Tuong (Senior Auditor)	



Desc	ription	Timing	Hours	Audit Team Members
	ppropriate policies and procedures exist to effectively govern the management records at Council;			
	here is compliance with policies and procedures in terms of operational and rehived data;			
A	dequate controls exist to identify and capture corporate data;			
	ey controls over manual and computerised data are adequate and effective;			
	ata is securely maintained and is stored in accordance with privacy and onfidentiality requirements.			
Whole	e-of-Life Costing	22 Jan 18	45	Mark Holloway (Partne
main e incurre operat cost-b these operat	planning the acquisition or lease of assets, the initial capital outlay is often the element being considered. There are, however, ongoing costs that will be ed over the life of the asset that are less visible but no less essential to the ion of the asset. These costs need to be taken into account as part of any enefit analysis (CBA) of a capital works proposal. This process of estimating costs from the initial acquisition or construction of an asset through the ional phase with ongoing maintenance and to final disposal is known as in-of-Life Costing (WLC).	10		- Internal Audit)  Kundai Mtsambiwa (Assistant Manager – Internal Audit)  Rachel Lim (Senior Auditor)
detern and tra enable	eview will evaluate the council's strategic asset management framework to nine whether it includes the following WLC concepts to facilitate a consistent ansparent approach to decision-making relating to capital assets, and to a comparative evaluation of the alternative options and ongoing asset gement. Key focus will be placed on council's ability to undertake:			
	formed decision-making: A systematic method for comparing project ternatives and identifies the option that represents best value for money;			
	ong term asset planning: Council is better placed to understand future esource requirements for the public works under their control;			
Sã	onsistent costing approaches across options: Options that are costed on the ame basis allow for a more robust analysis and can be more appropriately ompared;			
pı de pı	ransparency and accountability: Visibility of the WLC associated with a roposed investment allows for closer scrutiny of the project and ensures that ecision-makers are able to prioritise the use of public resources. WLC rovides a baseline for considering how best to manage resources and costs wer the useful life of the asset; and			
	omplete and accurate ongoing asset management based on the total cost of e asset over its life.			
Follov	v up of prior year internal audit recommendations	26 Mar	25	<ul> <li>Mark Holloway (Partne</li> </ul>
	eview will provide advice to the Audit Committee on the progress made by	18		- Internal Audit)
	cil in terms of implementing management actions (and to the stated timelines) conse to the recommendations made in previous internal audit.			Kundai Mtsambiwa (Assistant Manager – Internal Audit)
Intern	al Audit Management	-	10	Mark Holloway (Partne
	lance at Audit Committee meetings and administration of the Internal Audit im (including development of the annual IA program).			<ul> <li>Internal Audit)</li> <li>Kundai Mtsambiwa         (Assistant Manager –         Internal Audit)     </li> </ul>
Total			200	



Desc	ription	Timing	Hours	А	udit Team Members
Year:	2018-19				
Wast	Management Planning		50	•	Mark Holloway (Partne
	il is facing a medium and long term challenge in terms of ensuring its ongoing management capacity.				- Internal Audit) Kundai Mtsambiwa
The c	ojective of this review is determine whether:				(Assistant Manager – Internal Audit)
	Council has calculated the viability of its current waste management practices and approaches in the short, medium and long term;			•	Rachel Lim (Senior Auditor)
	council has undertaken medium to long term planning to identify options for waste management in the future, including financial and environmental mpacts;				,
	appropriate governance mechanisms have been established to oversee waste management planning and activities;				
	effective monitoring mechanisms have been established to ensure that key council stakeholders (i.e. councillors, executive, community) are aware of progress against targets/measures.				
HR N	anagement and Payroll (including data interrogation)		50	-	Mark Holloway (Partne
proce	ey objectives of this review are to assess and evaluate internal controls and sses relating to human resources ("HR") management and payroll. More ically, the following will be addressed:				- Internal Audit)  Kundai Mtsambiwa (Assistant Manager –
٠.	uman resources management				Internal Audit)
-	The appropriateness of HR policies and procedures;			•	Rachel Lim (Senior Auditor)
-	The accuracy and currency of staff records, including leave entitlements;				Additor)
-	The verification of casual staff working hours;				
-	Contracts of employment;				
-	The currency of delegation arrangements;				
-	Workcover performance and procedures;				
	Termination payments; and				
-	Delegations and approval processes.				
. F	ayroll				
-	Proper authorisation of payroll transactions, including pay rates and rate changes, payroll adjustments and other masterfile changes;				
-	The accuracy of payroll calculations;				
-	Employee records are appropriately maintained so as to provide accurate information regarding employee entitlements; and				
-	Payroll system and associated controls include system access and segregation of duties, reconciliations between the payroll and finance systems, electronic transfer of funds to employee bank accounts, and review of exception and caution reports.				
Data	nterrogation exercise				
comp	a interrogation exercise will be performed to provide assurance over the leteness and accuracy of employee masterfile and payroll related data. 100% esactions will be analysed for a 12 months period.				

5



Des	scription	Timing	Hours	Audit Team Members
Ser Con con requ nee plar effe This	vice Planning  uncils play a pivotal role in the delivery of key services to all members of their numinities. Economic circumstances, together with changing demographics, uire councils to ensure that the type and delivery of services meet the ongoing eds of their communities. Accordingly, councils should have comprehensive naing processes to ensure that services are appropriately targeted and delivered actively.  Is review will focus on the framework used by council to conduct its short, medium all long-term service planning.  The adequacy of policies, procedures and/or the methodology used to govern service planning activities;  The appropriateness of demographic and other considerations used to identify the types and extent of services being delivered by council in the short, medium and long term;  The quality of input by key stakeholders (i.e. councillors, community etc.)  The processes undertaken by council to provide the support necessary to deliver services appropriately (i.e. human resources and infrastructure);  The processes undertaken by council to identify the most appropriate method of service delivery; and  The debriefing processes used by council to assess previous performance, learn from experience and promote continuous improvement in the planning of future services.	Timing	Hours 50	Audit Team Member  Mark Holloway (Partnernal Audit)  Kundai Mtsambiwa (Assistant Manager – Internal Audit)  Rachel Lim (Senior Auditor)
Acce acce in t	e use of data interrogation software is a valuable tool, which enables the analysis large data sets against established business rules. Comprehensive data progation provides the following benefits:  Assurance to the Audit Committee, and to council management on system and input controls and the bona fides of transaction information;  Analyses large volumes of data from the council's information systems in order to identify exceptions to prescribed rules and any trends from these exceptions; and  Identifies system control weaknesses, deficient data input practices and processes, and individual transactions that may require management focus and/or investigation.  Cordingly, the objective of this exercise is to obtain comfort over the completeness, curacy and validity of financial systems transaction data and information obtained the relevant master files.		25	<ul> <li>Mark Holloway (Partre-Internal Audit)</li> <li>Kundai Mtsambiwa (Assistant Manager-Internal Audit)</li> <li>Mifras Jinath (Senior Consultant – Technology, Risk and Assurance)</li> </ul>
This	low up of prior year internal audit recommendations s review will provide advice to the Audit Committee on the progress made by uncil in terms of implementing management actions (and to the stated timelines) esponse to the recommendations made in previous internal audit.		25	<ul> <li>Mark Holloway (Partnernal Audit)</li> <li>Kundai Mtsambiwa (Assistant Manager - Internal Audit)</li> <li>Rachel Lim (Senior Auditor)</li> </ul>



Description	Timing	Hours	A	udit Team Members
Internal Audit Management  Attendance at Audit Committee meetings and administration of the Internal Audit program (including development of the annual IA program).	-	10		Mark Holloway (Partne - Internal Audit) Kundai Mtsambiwa (Assistant Manager - Internal Audit)
Total		210		



### **Eight Year Internal Audit Coverage 2011-2019**

### ight Year Internal Audit Coverage 2011-2019

Description	2011-2016	2016-17	2017-18	2018-19	
Core Financial Systems and Controls					
Purchasing/AP	Ø				
Electronic Payments	Ø				
Financial Policies and Procedures	Ø				
Purchasing and AP (including data interrogation)		Ø			
Team Support and Development					
Payroll	Ø				
Induction, Performance Review and Performance Management	Ø				
Human Resources & Payroll (including data interrogation)				Ø	
Succession Planning	Ø				
Occupational Health and Safety			Ø		
Financial / Management Accounting and Reporting					
Financial Policies and Procedures	Ø				
Data Interrogation (AP, AR, Payroll)			☑	Ø	
Information Technology					
IT Network Security	☑				
IT Disaster Recovery Plan	Ø				
Infrastructure and Asset Management					
Whole-of-Life Costing			☑		
Building Management	Ø				
Council Governance, Service and Governance					
Conduct of risk profiling workshops and development of a risk management framework	Ø				
Business Continuity Planning and Disaster Recovery	☑				
Management of Privacy Responsibilities		Ø			
Waste Management Planning				Ø	
Departmental Operational Audits					
Statutory Planning Function	Ø				
Section 86 Committees	Ø				



Description	2011-2016	2016-17	2017-18	2018-19
Local Laws	Ø			
Reliance on Grants	Ø			
Corporate Knowledge Management and Compliance Framework	Ø			
Contract Management	Ø			
Project Management	Ø			
Rates Revenue	Ø			
Asset Management Registers (with financials)	Ø			
Purchase and Issue of Stores from Council Depots		Ø		
Service Planning				
Records Management			☑	
Internal Audit Recommendations				
Follow-up of previous actions resulting from recommendations contained in previous year internal audit reports.	Ø	Ø	Ø	囡
Internal Audit Management				
Administration of the Internal Audit program (including development of the annual IA program) and attendance at Audit Committee meetings.	Ø	Ø	Ø	Ø

# Audit Strategy— Loddon Shire Council

for the year ending 30 June 2017
Presented to the Audit Committee May 2017



## Contents









Introduction

News for 2016–17

Our audit approach

**Risks** 









Changes to the auditor's report

**Administration** 

Other matters

**Appendices** 

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## Introduction

### Purpose of the audit strategy

- Outlines our audit approach to your financial report
- Key document for us to communicate to those charged with governance

### Scope of the audit

- The Audit Act 1994 requires the Auditor-General to form an opinion on your financial report and provide a copy of the audit report to you
- Copies of the auditor's report are provided also to the minister(s) responsible for your entity and to the Minister for Finance, as minister responsible for administering the relevant section of the Financial Management Act 1994.

### Independence

The Auditor-General is:

- an independent officer of the Victorian Parliament
- appointed under legislation to examine, on behalf of Parliament and taxpayers, the management of resources within the public sector
- not subject to control or direction by either Parliament or the government.



## News for 2016–17



Updated Model Financial Accounts



Related party disclosures (AASB 124)



Recent fraud incidents



27th Victorian Auditor-General



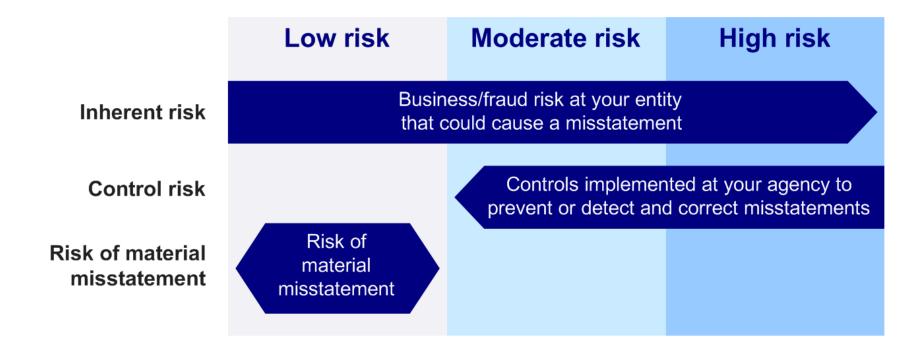
'Enhanced' auditor's reports



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Our methodology is risk-based. We **plan** our audit to focus on the material components of your financial statements and then **target our attention** on those **areas** which we think pose a higher **risk of material misstatement** whether due to fraud or error.



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### **Misstatements**

Misstatements in the financial statements occur when there is a difference between what is recognised/disclosed and what is required to be recognised/disclosed according to the financial reporting framework. Misstatements can be unintentional (**error**) or intentional (**fraud**).

A misstatement is considered material if it could, individually or collectively, be reasonably expected to influence the economic decisions of users of the financial statements.

Users could be influenced by either the amount (quantity) or the nature of the matter (quality).

### Fraud

We are not responsible for preventing or detecting fraud. However, we are required to consider the risk of material misstatement due to fraud when performing our audit.

### Materiality

We set a quantifiable amount for materiality at the start of the audit to assist in our planning process. We have set an initial planning materiality of \$399 thousand. This may change throughout the course of the audit. **Appendix B** outlines our approach to assessing planning materiality.

Our audit does not guarantee that *every* amount and disclosure in the financial statements is error-free.

We may identify amounts that we believe should be recorded differently in the financial report. When we determine these amounts are material (either qualitative or quantitatively) we will request that management adjust the financial statements.

### Suspected corrupt conduct

The Audit Act 1994 requires us to notify the Independent Broadbased Anti-corruption Commission (IBAC) where we become aware of any matter in the course of our audit that we reasonably suspect involves corrupt conduct occurring or having occurred. If we need to notify IBAC, this will override the existing confidentiality provisions in the Audit Act 1994.



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### Control environment

Management is responsible for maintaining suitable accounting records, and designing and operating internal controls that prevent and detect fraud and error.

The control environment is an integral component of the governance framework. It represents management's commitment to establishing and executing well-controlled business operations. Our capacity to rely on systems of control is directly related to how effective we assess they are.

Our preliminary assessment of your control environment is that it supports our reliance on your internal systems of controls.

**Appendix A** contains a summary of our planned audit approach for 2016-17.

However, control weaknesses and opportunities to improve the control environment were observed during our planning visit.

**Appendix C** contains specific information about these areas. In addition we performed a follow up review of management action taken to address audit recommendations raised in prior audits.

### Internal audit

To deliver the most efficient audit, we take into account any relevant internal audit work performed.

We have reviewed your internal audit plan and have determined there is no coverage that will directly reduce our audit program.

### Waste, probity & financial prudence

When performing our audits we are required to have due regard for waste, probity and financial prudence matters. If we become aware of an issue we will report it to management and/or Parliament via our reports.



Understanding your entity, your environment and internal control framework

Use our understanding to:

- · establish materiality
- · identify and assess the risks of material misstatement
- · develop our overall audit strategy

Key communication

Audit Strategy
Issued during March 2017

Risk response

Design procedures to respond to the risk of material misstatement

Implement and perform those procedures to reduce audit risk

- Interim
- · Early verification
- Final

Interim management letter Issued by 31 May 2017



Evaluate the audit evidence obtained

Form an overall conclusion on the financial report

Closing report Issued by 15 August 2017

Independent auditor's report

Final management letter Issued by 31 August 2017

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# Higher risks of material misstatement

Our risk assessment procedures have identified the following as posing a higher risk of material misstatement to your financial statements, and therefore requiring more auditor attention.

Risk		Fraud/Error	Area	Significant judgements
1	Management override of controls	Fraud/Error	Pervasive	
2	Revaluation of non-current physical assets	Error	PP&E, Asset Revaluation Reserve	<b>~</b>
3	Revenue recognition	Fraud/Error	Revenue	✓
4	Valuation of employee benefits provisions	Error	Accounts Payable	✓
5	Form and content of financial report	Error	Pervasive	✓
6	Performance statement	Fraud/Error	Pervasive	✓
7	AASB 124 related party disclosure	Error	Disclosure	✓

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# Risk response

	Risk of material misstatement	Why we think it's a higher risk	Planned audit response
1	Risk of Fraud through management override of controls  There is a risk of fraud due to management override of controls. While the level of risk of management override controls will vary from entity to entity, the risk is nevertheless present in all entities.	Assertions, account balances and operating results may be materially misstated.	We will assess the process in place to prevent and detect fraud. ASA 240 imposes specific audit procedures, including:  Testing the appropriateness of journal entries and other adjustments made in preparing the financial report  Reviewing accounting estimates for biases, and  Reviewing significant unusual transactions
2	Fair value assessment and revaluation of non-current physical assets  Non-current physical assets represent a material component of the total assets of the entity.  Accounting standards require these assets to be measured at fair value, which is based on significant estimation uncertainty and uses management's judgements and assumptions.  The major infrastructure assets, including roads, kerbs and channels, bridges and drainage are fair valued using replacement costs adjusted for their age and condition. Land is valued using market value of the land taking into account existing usage and zoning	The value of land and buildings may be materially misstated.  The accuracy of the asset revaluation surplus and/or impairment expense may be materially misstated.	<ul> <li>Test the effectiveness of key controls and place reliance on them (if appropriate)</li> <li>Consider reports of expert valuers including the reasonableness of assumptions used and the processes for consulting with the entity</li> <li>In the case of management valuations, review the reasonableness of assumptions used</li> <li>Substantiate the processed adjustments.</li> </ul>

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#### Why we think it's a higher Risk of material misstatement Planned audit response 3 Revenue Recognition Revenue may be materially misstated due to the We will: failure to correctly recognise and measure it in Revenue recognition policies may use assumptions · Review and assess the systems and process accordance with accounting standards. of capture and recording for each material and require exercise of management judgement. revenue stream Budgetary pressures and performance targets may Test the operating effectiveness of key influence the revenue recognition. controls perform cut-off procedures Assess whether treatment of revenue is consistent with AASB 118 Revenue and AASB 1004 Contributions. 4 Valuation of employee benefits provisions Salary expenditure and employee entitlement We will: liabilities may not be complete and accurate. · Review and test the effectiveness of the Payroll expenditure is one of the major expenditures for the council. Should payroll records not be maintained entity's controls over the payroll process Material errors may occur due to failure to detect adequately, it could lead to incorrect accounting for insufficient monitoring controls at the entity. · Perform analytical review and substantiation employee entitlements. of variances Rolling increase in the Superannuation Guarantee Levy · Test the effectiveness of key controls used to came into effect on 1 July 2013. effect the global increase in superannuation guarantee levy. Substantiate a selection of payments and LSL calculations to supporting documentation.



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	Risk of material misstatement	Why we think it's a higher risk	Planned audit response
5	Form and content of financial report  The financial reporting requirements of the Australian accounting standards and Local Government Act 1989 are extensive and complex.  There are revised regulations to financial and performance reporting as required by the Local Government Amendment (Performance Reporting and Accountability) Act 2014.	Accounting treatments or financial reporting disclosures may be incorrect or insufficient.	We will review 'shell' accounts and the draft financial report against Local Government's model financial report and the requirements of the Australian accounting standards.
6	Performance statement The performance statement contains financial and nonfinancial data. Financial systems are predominantly established to capture financial data.  Systems may not capture the non-financial data required to support figures in the performance statement.	The performance statement may not be prepared in accordance with legislative requirements. Incomplete and/or inaccurate data due to inadequate systems may result in material misstatements.  A lack of quality assurance over the preparation of the performance statement may also result in material misstatement.	review the systems in place to capture the financial and non-financial data if no systems are in place, we will determine the adequacy of the records used for compiling performance statement information and the soundness of data compiled     check the calculations and assess the reasonableness of explanations included in the report of significant variations review the performance statement for compliance with legislative requirements.



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#### Why we think it's a higher Risk of material misstatement Planned audit response AASB 124 related party disclosure The council does not assess the implication of the We will: new standards in a timely manner and delays the AASB 124 has become applicable for government · review the council's process for capturing and preparation and audit of the financial report as a result entities including local government Councils for financial disclosing KMP remuneration and related party of not capturing all related party transactions that are years commencing on or after 1 July 2016. transactions and balances. required to be disclosed. · check financial report disclosures to ensure From 1 July 2016, Councils must disclose related party Risk that related party disclosures may be incomplete compliance with AASB 124 disclosure relationships, transactions and outstanding balances in and / or significantly inaccurate, with little or no requirements. the financial report. Related parties are likely to include evidentiary support. the Mayor, Councillors, CEO, senior executives and their close family members and any entities that they control or jointly control. Any transactions between Council and these parties, whether monetary or not, may need to be identified and disclosed. Furthermore compensation of key management personnel is to be disclosed in total and for each of the categories as prescribed under para 17 of AASB 124 Related Party Disclosures.

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# Changes to auditor's report 2016–17

### Enhanced auditor's reports

Changes to auditors' reporting requirements in the Australian auditing standards have resulted in the following enhancements to the form and content of the auditor's report:

- our 'Opinion' is moved to the start of the report
- our 'Basis for opinion' is moved to follow the opinion section
- includes enhanced details of our auditor's responsibilities
- now includes explicit commentary on management's responsibilities in relation to going concern
- includes a new 'Other information' section summarising the results of our work on the entity's annual report, where we have received the draft report prior to issuing our opinion

### Key audit matters

ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report is a new auditing standard which requires auditors of specific entities to include a description of key audit matters (KAMs) in the auditor's report.

KAMs are determined by the auditor as those matters being of most significance to the audit.

We have voluntarily adopted ASA 701 as we believe this will enhance the value of our auditor's report by providing greater transparency and insights about our audit process.

Our reports will include KAMs for Material entities to the state of Victoria for 2016–17.

KAMs are not expected to be reported for Local Government entities including Loddon Shire Council for financial year 2016–17.

# Key audit matters

All observations/findings (i.e. matters) from audit procedures

Matters communicated to those charged with governance

Communicated matters that required significant auditor attention

**KAMs** 

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## Administration



### Planned visit dates

Interim audit visit — 6 March 2016

Final audit visit (dependent on the complete draft report being submitted to audit) — 21 August 2016



### Fees

We will advise you directly of the estimated audit fee via a separate fee letter (for the financial report, performance statement and road to recovery acquittal) based on our planned audit approach.

The 2016-17 audit fee will be:

- · billed progressively based on work completed
- subject to change as a result of changes in the scope, volume and complexity of the audit
- other matters that may also have an impact include agreed key milestones not being met and limited
- availability of key staff.



### Key contacts

### **Engagement leader**

Sector director: Tim Loughnan

Phone: 03 - 8601 7088

Email: tim.loughnan@audit.vic.gov.au

#### Team Leader / ASP

Manager: Martin Thompson Phone: 03 – 5224 7735

Email: martin.thompson@crowehorwath.com.au

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# Reports to Parliament



### **Results of Financial Audits**

- Loddon Shire Council will be included in the Local Government 2016-17 Snapshot Report Scheduled for tabling in November 2017.
- Area of focus for this report will be rate capping.



### **Performance Audits**

- A list of performance audits in progress can be found on our website
- Details of planned performance audits can be found in our Annual Plan

# Key VAGO links and resources



**Financial Audit Process** 

**Audit Practice Statement** 

**Annual Plan** 

**Reports and Publications** 

**Audits in Progress** 

**Corporate Information** 

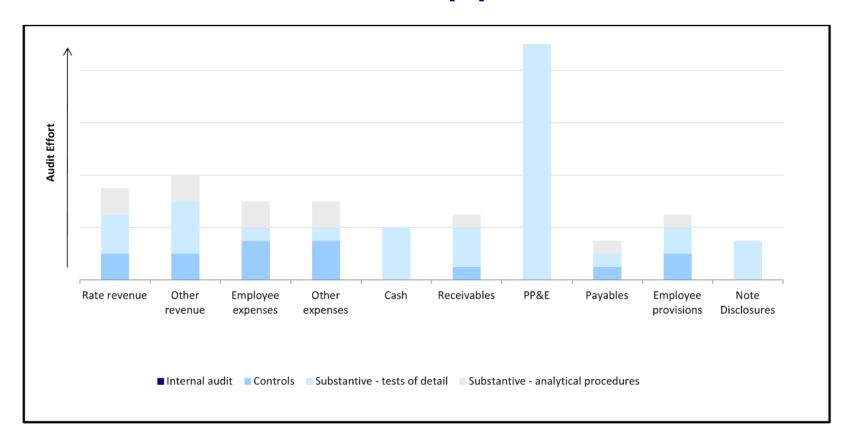
Protected Disclosures

Confidentiality

Complaints about VAGO

### Appendix A

# Risk-based audit approach



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27 JUNE 2017

### Appendix B

## Materiality

Our audits are planned to provide reasonable, rather than absolute assurance, that the financial report is free from material misstatement.

Matters are considered material if their omission or misstatement could, individually or collectively, influence the economic decisions of users taken on the basis of the financial report.

Assessing materiality is a matter of professional judgement and takes into account qualitative and quantitative factors.

Our planning materiality levels are shown in the table at right.

Note that materiality levels may be revised as the audit progresses.

Materiality type	Calculation	\$
Income statement	2% of expenditure	532,693
Balance sheet	5% of assets -including PP&E -excluding PP&E	16,242,862 1,101,043
Preliminary	Lowest of the amounts calculated above	532,693
Planning	75% of preliminary materiality	399,520
Tracking (scoresheet / clearly trivial)	1% of preliminary materiality	5,326

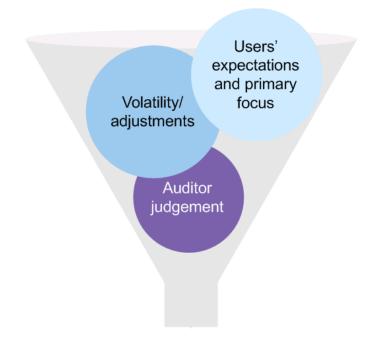


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### Appendix B

## Materiality



Specific risk factors and previous audits

Overall materiality

Auditor judgement

Overall materiality

Planning materiality

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## LODDON SHIRE COUNCIL

## **AUDIT COMMITTEE CHARTER**



#### DOCUMENT INFORMATION

DOCUMENT TYPE: Strategic document

DOCUMENT STATUS: Draft

POLICY OWNER POSITION: Director Corporate Services

INTERNAL COMMITTEE

ENDORSEMENT:

Audit Committee

APPROVED BY: Council

DATE ADOPTED:

VERSION NUMBER: 5

**REVIEW DATE:** 

DATE RESCINDED:

RELATED STRATEGIC DOCUMENTS, POLICIES OR

PROCEDURES:

RELATED LEGISLATION: Local Government Act 1989

EVIDENCE OF APPROVAL:

Signed by Chief Executive Officer

FILE LOCATION: K:\DIRECTOR CORPORATE SERVICES\Audit

Committee\2017\05 May\05 STR Audit Committee

Charter v5 draft.docx

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

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

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#### 1 PURPOSE

The purpose of this charter is to outline the scope, roles and responsibilities of Council's Audit Committee.

#### 2 BUDGET IMPLICATIONS

This document has no direct budget implications.

#### 3 RISK ANALYSIS

The Audit Committee has a responsibility to oversee Council's risk management function, and the audit program is a risk based program.

#### 4 OBJECTIVES OF THE COMMITTEE

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

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

#### 5 TERMS OF REFERENCE

#### 5.1 General

- (a) The Audit committee is a formally appointed committee of the Council and is responsible to that body. The Audit Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The Audit Committee does not have any management functions and is therefore independent of management.
- (b) The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision making by Council in relation to the discharge of its responsibilities.
- (c) Meetings of the Audit Committee shall not be open to the public due to the sensitive nature of information discussed.
- (d) Council shall provide secretarial and administrative support to the Committee.

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#### 5.2 Membership

- (a) The Audit Committee will comprise of five members one Councillor and four external independent persons. Council's Chief Executive Officer and Director Corporate Services will attend the meeting in an advisory capacity.
- (b) External independent persons will have senior business or financial management/reporting knowledge and experience, demonstrated commitment to local communities or be conversant with the financial and other reporting requirements.
  - The Mayor and Chief Executive Officer taking account of the experience of candidates and their likely ability to apply appropriate analytical and strategic management skills will undertake the evaluation of potential members, and a recommendation for appointment taken to Council. Council's External Financial Auditor will be approached to advise the committee where appropriate.
- (c) Members will be provided the opportunity to attend technical and professional development courses as appropriate.
- (d) Appointments of external persons shall be made by Council by way of public advertisement and be for a term of four years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives. A sitting member is able to reapply and be appointed for subsequent terms.
- (e) If the Council proposes to remove a member of the Committee, it must give written notice to the member of its intention to do so and provide that member with the opportunity to be heard at a Council meeting which is open to the public, if that member so requests.
- (f) Remuneration will be paid to each independent member of the Committee. The fee will be reviewed and set by the Council on an annual basis in line with setting the annual budget.
- (g) At the second Audit Committee meeting each year an election of Chair from the external members of the committee will be held.
  - At the first Council Meeting following the election, the Chair will be appointed by Council on advice of the committee.
  - The term of the new Chair will commence at the conclusion of the current Chair's term, and will be for a period of 12 months.
  - In the absence of the appointed Chair from a meeting, the meeting will appoint an acting Chair from the external members present.
- (h) A quorum shall be a majority of the Committee membership.
- (i) The internal auditor (whether a member of staff or contractor), Chief Executive Officer and Director Corporate Services should attend all meetings wherever possible, except when the Committee chooses to meet in camera. Other members of Council or Council staff may be invited to attend at the discretion of the Committee to advise and provide information when required.
- (j) Guests may be invited from time to time as appropriate. An invited guest will not have decision voting powers.
- (k) Representatives of the external auditor should be invited to attend at the discretion of the Committee but <u>must</u> attend meetings considering the draft annual financial report and results of the external audit.

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(I) When an extraordinary vacancy occurs, the replacement member will complete the term of the committee member which he/she has replaced. In the situation where the remaining term is less than 12 months, the Committee can apply to Council for leave to extend the term. If the term is for a period less than 12 months there is no requirement to advertise the vacancy.

#### 5.3 Meetings

- (a) The Committee shall meet at least quarterly.
- (b) A schedule of meetings will be developed and agreed to by the members. As an indicative guide, meetings would be arranged to coincide with relevant Council reporting deadlines, and in August to coincide with the finalisation of the financial statements and the draft annual report to the Minister.
- (c) Additional meetings shall be convened at the discretion of the Chair or at the written request of any member of the Committee, internal or external auditor.
- (d) Management including the Chief Executive Officer may be asked to leave meetings at any time. In addition, the agenda for each meeting shall include general business for Councillors and external independent persons to raise other matters.
- (e) At the committee's discretion, significant time will be set aside with non-officer members of the committee for the purpose of open discussion with the internal and/or external auditors.
- (f) At any other time the Committee, without management present, may decide to meet separately with the internal and external auditor to discuss issues of mutual interest.
- (g) An agenda will be issued one week before each meeting and will include relevant supporting documentation.
- (h) Minutes will be taken by an appointed Secretary and signed by the Chair.

#### 5.4 Reporting

The Audit Committee shall after every meeting forward the minutes of that meeting to the next ordinary meeting of the Council, including a report explaining any specific recommendations, formal resolutions, and key outcomes.

The committee will also provide Council with:

- (a) Information about the audit process and the results of internal and external audits
- (b) An annual review of the Committee's charter and its achievement of the charter
- (c) Other matters the Committee believes need to be reported to the Council
- (d) Any recommendations requiring Council action and/or approval.
- (e) The Committee shall report annually to the Council summarising the activities of the Committee during the previous financial year.

#### 5.5 Duties and responsibilities

The following are the duties and responsibilities of the Audit Committee in pursuing its Charter:

- (i) To review the scope of the internal audit plan and program and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:
  - internal controls over significant areas or risk, including non-financial management control systems
  - internal controls over revenue, expenditure, assets and liability processes
  - · the efficiency, effectiveness and economy of significant Council programs

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- compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.
- (ii) Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or Chief Executive Officer.
- (iii) Review the level of resources allocated to internal audit and the scope of its authority.
- (iv) Review reports of internal audit and the extent to which Council and management react to matters raised by internal audit, by monitoring the implementation of recommendations made by internal audit.
- (v) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs.
- (vi) Critically analyse and follow up any internal or external audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues, and any other matters relevant under the Committee's terms of reference. Review management's response to, and actions taken as a result of the issue raised.
- (vii) Monitor the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.
- (viii) Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.
- (ix) Review Council's draft annual financial report, focusing on:
  - · accounting policies and practices
  - changes to accounting policies and practices
  - · the process used in making significant accounting estimates
  - explanations for significant adjustments to the financial report (if any) arising from the audit process
  - compliance with accounting standards and other reporting requirements
  - · significant variances from prior years.
- (x) Recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.
- (xi) Discuss with the external auditor the scope of the audit and the planning of the audit.
- (xii) Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor and the resolution of such matters.
- (xiii) Review issues relating to financial reporting by Council business units and comparative performance indicators.
- (xiv) Receive from management reports on all suspected and actual frauds, thefts and breaches of the law.
- (xv) Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the internal auditor and the Council if appropriate. Where appointed oversee any subsequent investigation, including overseeing of the investigation of any suspected cases of fraud within the organisation in accordance with Council's fraud policy.
- (xvi) Monitor the progress of any major lawsuits facing the Council.
- (xvii) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

The Audit Committee, through the Chief Executive Officer and following authorisation from the Council, and within the scope of its responsibilities, may seek information or obtain expert advice on matters of concern.

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#### 5.6 Induction of new members

An adequate induction package will be provided for new members, including a copy of the Charter.

Insofar as they have not received and/or retained the following information as Councillors, the new member will be provided with information, and where required a briefing, in the following areas:

- business operations
- the local government "industry"
- financial performance
- risk management program
- corporate governance
- internal control system and current internal audit program
- register of outstanding audit recommendations
- · legal and regulatory requirements
- Investments Policy
- accounting policies and procedures
- details of any unusual transactions, events or issues
- material previously provided to members relating to matters still before the Committee.

New members will meet with key management and internal and external auditors as soon as practical.

#### 5.7 Rights to obtain information

- (a) Should the committee wish to obtain information from any employee and any relevant external party it will do so by requesting such information from the Chief Executive Officer or Director Corporate Services
- (b) The Committee will have right of access to the Chief Executive at any time; and
- (c) The Committee may recommend the instigation of special investigations to the Council.

#### 5.8 Performance monitoring

The Committee will assess its performance as a Committee annually, which will include completion of a survey. The Chair will arrange assessment of the Committee with all members present to consider the following:

- Has the Committee taken action on each of its responsibilities in the past year?
- Has the action taken been effective?
- · Has the Committee achieved all elements of its charter?
- Are there functions to which more time or effort should have been devoted?
- Does the Committee receive from management:
  - (a) Adequate information about Council's performance of its statutory functions?
  - (b) All the information it needs to allow it to discharge its function effectively and efficiently?
- · Can Committee agendas be improved:
  - (a) By including additional matters on a regular basis?
  - (b) By considering matters less frequently?
  - (c) By changing the order in which items are considered?
  - (d) In any other way?
- Can the conduct of meetings be improved?

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- · Can papers for meetings be improved:
  - (a) By providing additional information in any area?
  - (b) Being shorter or more detailed?
  - (c) In any other way?
- Should there be more oral briefings from Council officers?
- Can oral briefings received from Council officers be improved?
- · Can meeting arrangements be improved:
  - (a) By holding longer or shorter meetings?
  - (b) By holding meetings at different times?
  - (c) By inviting visitors?
  - (d) In any other way?
- · Are there other ways in which the Committee could increase its effectiveness?

#### 5.9 Dispute resolution

In situations where a dispute arises between any member of the Audit Committee and officers of Council, the Chair of the Audit Committee will have the opportunity to raise the grievance with the Mayor. The Mayor will have the discretion to resolve the dispute by convening a meeting with the disputing parties.

#### 5.10 Insurance

Members of the committee are covered by Council's insurance policies.

#### 6 TERMS OF APPOINTMENT

#### 6.1 Chair

The current Chair and term is listed in the attached appendix.

#### 6.2 Committee members

The current committee members' and their terms of appointment are listed in the attached appendix.

#### 6.3 Councillor representative

The current Councillor representative is listed in the attached appendix.

#### 7 APPROVAL

The Audit Committee Charter approval details are in the attached appendix.

#### 8 REVIEW

The Director Corporate Services under direction of the Audit Committee will review the Audit Committee Charter for any necessary amendments no later than 1 year after adoption of this current version.

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#### 9 APPENDIX

#### **TERMS OF APPOINTMENT**

#### 6.1 Chair

The current Chair is Ken Belfrage.

The term of current Chair is 1 May 2017 to 31 May 2018 or the date of the Ordinary Meeting of Council in May 2018 where resolution for appointment of Chair for the new term will be made, whichever is the earlier.

#### 6.2 Committee members

The current committee members' terms of appointment are as follows:

 Rod Poxon
 1 May 2015 to 30 April 2018

 Ken Belfrage
 1 May 2015 to 30 April 2019

 Rod Baker
 1 May 2016 to 30 April 2020

 Alan Darbyshire
 1 May 2017 to 30 April 2021

#### 6.3 Council representative

The current Councillor representative is Councillor Gavan Holt for the period November 2016 to November 2017.

#### **APPROVAL**

The Audit Committee Charter was approved by the Audit Committee on 18 May 2017 and endorsed by Council on 27 June 2017.

Page 1 of 1

## LODDON SHIRE COUNCIL

PERFORMANCE REPORTING FRAMEWORK



#### DOCUMENT INFORMATION

DOCUMENT TYPE: Strategic document

DOCUMENT STATUS: Approved Draft

POLICY OWNER POSITION: Director Corporate Services

INTERNAL COMMITTEE

ENDORSEMENT:

Internal Audit Committee

APPROVED BY: Council

DATE ADOPTED: <u>15/12/201527/06/2017</u>

VERSION NUMBER: 1

REVIEW DATE: <u>15/12/2016</u>26/06/2018

DATE RESCINDED:

RELATED STRATEGIC DOCUMENTS, POLICIES OR

PROCEDURES:

RELATED LEGISLATION: Local Government Act 1989

Local Government (Planning and Reporting) Regulations

2014

**EVIDENCE OF APPROVAL:** 

Signed by Chief Executive Officer

FILE LOCATION: K:\Audit Committee\2017\05 May\06 STR Performance

Reporting Framework V2 draft

20170516.docxK:\EXECUTIV\Strategic

documents\Current\STR Performance Reporting

Framework V1.docx

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

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

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#### 1 PURPOSE

The purpose of this framework is to document the process of Council reporting financial and non-financial performance indicators on a periodic basis.

This framework:

- establishes a set of guidelines for Council to implement effective performance reporting
- outlines the various roles and responsibilities required for Council to manage the performance reporting process
- attempts to ensure that Council meets all legislative reporting requirements over the course of the financial year.

#### 2 OBJECTIVES

In developing and implementing a formal performance reporting framework, Council has several objectives, which include:

- complying with current legislation
- · encouraging accountability and transparency to the community
- · maintaining stakeholder confidence in performance (internal and external)
- · encouraging a continuous improvement environment
- ensuring financial sustainability.

#### 3 BUDGET IMPLICATIONS

There are no direct budget implications for management of the performance reporting framework however there is staff time in collecting, reporting and monitoring the data and information.

#### 4 RISK ANALYSIS

This framework has been developed to guide Council's reporting of performance indicators. Its development will help to minimise the risks associated with financial sustainability, service delivery, and meeting legislative obligations.

#### 5 FRAMEWORK PRINCIPLES

The framework principles are to:

- report reliable and relevant information on a periodic basis that provides stakeholders with a balanced view of Council's performance over the reporting period
- include information that is easily accessible, or already being provided for another purpose, to eliminate extra reporting burden
- to include indicators that fit the "SMART" principle, which is:
  - Specific to the service, activity and/or dimension of performance being measured

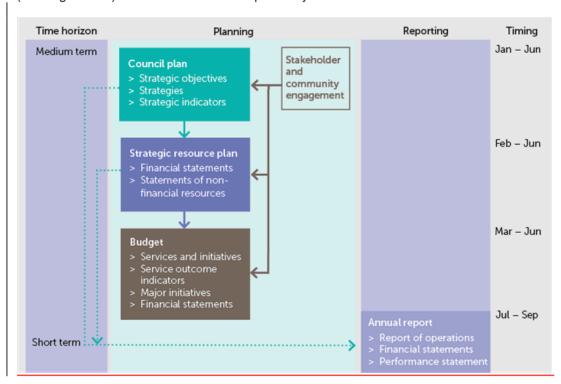
<sup>&</sup>lt;sup>1</sup> Local Government Victoria, Department of Transport, Planning and Local InfrastructureEnvironment, Land, Water & Planning, "Local Government Better Practice Guide 20154-20165, Performance Reporting Framework Indicator Workbook Version 2.0", p14 Page 5

- Measurable factors that can be observed, documented and verified by audits or other mechanisms
- Aligned with objectives
- Relevant to the service, activity and/or dimension of performance that is being measured
- Time-bound, with an appropriate and clear timeframe specified for measuring performance.

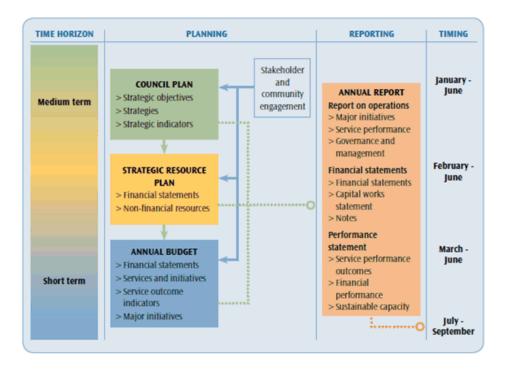
#### 6 LEGISLATIVE CONTEXT

#### 6.1 Planning and accountability framework

The planning and accountability framework is documented in Part 6 of the Local Government Act 1989 (the Act) and in the Local Government (Planning and Reporting) Regulations 2014 (the Regulations). It has been described pictorially as:



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The Act requires Council to prepare:

- a Council Plan within six months after a general election or by 30 June (whichever is the later) (Section 125)
- a Strategic Resource Plan for a period of at least four years which is incorporated into the Council Plan and documents forecast financial statements and non-financial resources (Section 126)
- a Budget for the financial year and have it adopted by 30 June in the preceding financial year (Section 127)
- an Annual Report for the financial year and have it submitted to the Minister for Local Government by 30 September in the following year. The Annual Report includes the Report of Operations, Financial Statements, and Performance Statement (Section 127).

Within the overarching framework, there are other specific requirements identified in the Act, which highlight performance and they include:

#### 6.2 Section 138(1): Quarterly statements

At least every 3 months a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council at a Council meeting which is open to the public.

Currently Council is provided with monthly finance reports, complying with the legislation, and this framework indicates provides forthat this practice will to continue.

#### 6.3 Section 127: Budget contents

Council must ensure that the budget contains:

- (a) financial statements in the form and containing the information required by the regulations:
- (b) a description of the services and initiatives to be funded in the budget:
- (c) a statement as to how the services and initiatives described under paragraph (b)

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- will contribute to achieving the strategic objectives specified in the Council Plan;
- (d) Major Initiatives, being initiatives identified by the Council as priorities, to be undertaken during the financial year;
- (da) for services to be funded in the budget, the prescribed indicators of service performance that are required to be reported against in the performance statement under section 131;
- (db) the prescribed measures relating to those indicators;
- (e) any other information required by the regulations.

#### 6.4 Section 131: Annual report contents

An annual report must contain:

- (a) a report of operations of the Council;
- (b) an audited performance statement;
- (c) audited financial statements;
- a copy of the auditor's report on the performance statement, prepared under section 132;
- (e) a copy of the auditor's report on the financial statements under Part 3 of the Audit Act 1994;
- (f) any other matter required by the regulations.

#### 6.5 Section 131 (3): Report of operations

The report of operations of the Council must:

- (a) contain the following:
  - (i) a statement of progress in relation to the Major Initiatives identified in the budget or revised budget for the financial year reported on;
  - (ii) the results, in the prescribed form, of the Council s assessment against the prescribed governance and management checklist;
  - (iii) all prescribed indicators of service performance for the services provided by the Council during that financial year and the prescribed measures relating to those indicators;
  - (iv) results achieved for that financial year in relation to the performance indicators and measures referred to in subparagraph (iii).
  - (v) any other information required by the regulations;
  - any other information determined by the Council to be appropriate; and

(b) be in the form determined by the Council

#### 6.6 Section 131 (4): Performance statement

The performance statement in the annual report must—

- (a) contain the following—
  - for the services funded in the budget for the financial year reported on, the
    prescribed indicators of service performance required by the regulations to be
    reported against in the performance statement and the prescribed measures
    relating to those indicators;
  - the prescribed indicators of financial performance and the prescribed measures relating to those indicators;
  - (iii) the prescribed indicators of sustainable capacity performance and the prescribed measures relating to those indicators;
  - (iv) results achieved for that financial year in relation to those performance indicators and measures referred to in subparagraphs (i), (ii) and (iii);

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(v) any other information required by the regulations; and
(b) be prepared in accordance with the regulations.

#### 6.7 Local Government Performance Reporting Framework (LGPRF)

The Local Government Performance Reporting Framework became mandatory with the introduction of the Regulations, and was reported for the first time in 2014/15.

#### The LGPRF is comprised of:

- a set of service performance indicators (the number continues to vary each year as new indicators are introduced and other indicators are removed);
- a set of 6 sustainable capacity indicators;
- a set of 12 financial performance indicators; and
- a list of 24 governance and management checklist items

There were a number of changes to the indicators over the course of that year, and some indicators are transitional commencing on 1 July 2015. For 2014/15 Council published the following indicators:

Indicator:	Number:	Published in:
Governance and management checklist	24	Report of operations
Sustainability capacity indicators	6	Performance statement
Service performance indicators	41	Report of operations
Financial sustainability indicators	12	Performance-statement
Service performance outcome indicators	12	Performance statement

Due to the introduction of the transitional indicators, there will be 48 service performance indicators in 2015/16.

The Governance and Management Checklist has a number of period reports that must be developed and presented to the Council, which include:

#### 6.7.1 Performance reporting

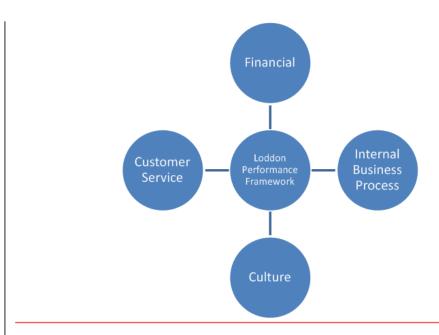
Performance reporting includes six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act.

Appendix 1 and Appendix 2 of the framework document the financial and non-financial performance indicators that the Council has deemed appropriate for six-monthly reporting.

For purposes of clarity between these indicators and those legislated as the LGPRF, these indicators will be referred to as "Loddon Performance Framework" (LPF).

A modified balanced scorecard has been used to group the LPF indicators which is depicted below:

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The financial indicators are in Appendix 1. The non-financial indicators are in Appendix 2. The list of indicators will be developed overtime in consultation with the Councilkey stakeholders including Council, the Audit Committee and relevant staff. The non-financial performance indicators have been grouped under headings that can also be developed over time.

#### 6.7.2 Council Plan reporting

Council Plan reporting includes a report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.

#### 6.7.3 Risk reporting

Risk reporting includes six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.

#### 7 ROLES AND RESPONSIBILITIES

The roles and responsibilities of key personnel for compliance with the performance reporting framework are:

#### 7.1 Responsible Council officers

Responsible officers will be required to meet the reporting obligations set in this framework, which includes:

- developing procedures for collation of their performance reporting indicator data
- managing collation of their performance reporting indicator data
- requesting and obtaining data from third parties if applicable
- critically reviewing data to ensure it is accurate and complete
- submitting data to Director Corporate Services within the agreed timeframes along with supporting evidence
- providing explanations to any anomalies that current data may contain.

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#### 7.2 Manager Financial Services

Council's Manager Financial Services has ultimate responsibility for the development of the Annual Budget and Financial Statements, along with all associated tasks for those processes, including ensuring:

- the annual Budget is adopted by 30 June
- the financial statements are ready for audit within the external auditor's timeframes
- the financial statements are certified by the Auditor-General Victoria for submission to the Minister by 30 September annually
- all public notices are published in accordance with the Act and Regulations.

#### 7.3 Director Corporate Services-Coordinator

Council's Director Corporate Services is responsible for coordinating implementing the performance reporting framework. Duties include:

- managing <u>administration staff in the</u> collection of LGPRF and LPF indicator data from responsible officers
- developing a reporting format for presentation of the Performance Reporting Framework to the Audit Committee and Council <u>which minimises duplicated reporting</u>
- ensuring that six-monthly reports are provided to the Audit Committee and Council in line with the Local Government (Planning and Reporting) Regulations 2014
- maintaining historic data to be included in current reports to provide trend analysis over time.

The Director Corporate Services is also responsible for:

- development of the Performance Statement and ensuring it is ready for audit within the external auditors timeframes
- · managing the development of Council's Report of Operations
- ensuring that the Annual Report, comprising the Report of Operations, Financial Statements, and Performance Statement is provided to the Minister by 30 September annually.

#### 7.4 Chief Executive Officer

The Chief Executive Officer is responsible for:

- developing a four-year Council Plan with the new Council within six months after a general election (or 30 June, whichever is the later)
- undertaking a review of the Council Plan to consider whether the current Plan requires any adjustment in respect of the remaining period of the Council Plan.

#### 7.5 Management Executive Group (MEG)

The MEG, made up of the Chief Executive Officer and directors, has an oversight role of the data collected. Their responsibilities include:

- working with their managers to ensure accuracy of data and explanations
- · receiving and considering six-monthly reports of LGPRF and LPF
- interrogating results provided and seeking explanations about anomalies or unfavourable trends
- identifying improvement opportunities for unfavourable trends

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 being satisfied with the accuracy of data prior to submitting to the Audit Committee and Council or other relevant bodies such as Local Government Victoria, the Victorian Auditor General, or the Minister.

#### 7.6 Audit Committee

The Audit Committee is made up of four community representatives and an appointed Councillor. Their responsibilities include:

- receiving and considering six-monthly performance reports on LGPRF and LPF indicators
- enquiring about the internal control environment to be assured of the accuracy and completeness of the reports provided
- · annually discussing the internal control environment with the internal auditor
- annually receiving the Financial Statements and Performance Statement and discussing the results with the external auditor
- providing a recommendation to the Council on the Performance Statement and Financial Statements.

#### 7.7 Council

Through the structure documented in this framework, and in accordance with the Act, Council will be the highest level of reporting <u>within the organisation</u> of the financial and non-financial performance indicators <u>in their LPF format</u>. <u>Indicators will also be reported to other bodies in differing formats</u>.

Council's responsibilities include:

- receiving and considering six-monthly performance reports of LGPRF and LPF
- reviewing the draft Performance Statement and consider its results in the context of the reports received throughout the year challenging any unusual or unexpected results
- reviewing recommendations about the Financial Statements and Performance Statement from the principal accounting officer, Chief Executive Officer, and Audit Committee
- · adopting the Financial Statements and Performance Statement in principle
- resolving that two councillors certify the Financial Statements and Performance Statement in the required format following the external audit process
- adopting the Annual Report after submitting it to the Minister.

#### 8 REPORTING

#### 8.1 Presentation of LPF reports

A number of reports identified in this framework are already being provided to the reporting authority, being MEG, Audit Committee, Council, or the Minister. Others will be additional to current practice.

Section 9, Framework Compliance outlines the reporting requirements for the framework.

The order of presentation of reports is:

- MEG to check content, interrogate reasons for anomalies in data, and provide first level approval
- 2. Audit Committee for second level approval
- 3. Council for final approval.

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#### 8.2 LGPRF

The Performance Statement Local Government Better Practice Guide 2014-15 suggests that quarterly reports be presented to the Audit Committee and Council. Performance Statement data is extracted from the LGPRF.

After discussion with the Audit Committee and Council, it has been decided that six-monthly reports be provided. This is to ensure that results have validity and relevance.

It has also been decided that only certain LGPRF indicators be provided six-monthly, as the results of some indicators will only provide validity and relevance when calculated on an annual basis.

The list of all LGPRF indicators is provided at Appendix 3. That appendix outlines how often the indicator will be provided to the Audit Committee and Council, and in the case of annual reporting only, why it is not provided more often.

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#### 9 FRAMEWORK COMPLIANCE

This framework will be updated to reflect changes requested by the Council and legislation as they occur. The framework will be reviewed annually as part of a formal review process and/or timetable.

The framework proposes the current reporting requirements:

	Month	Compliance report	MEG	Audit Committ	Council Forum	Ordinary Council	Special Council	Minister Other
1		roport		ee	. Grain	Meeting	Meeting	<u> </u>
	July	Monthly finance report: Interim June report				0		
	August	Annual report of financial and non-financial performance indicators (LPF)	0	0		0		
		Local Government Performance Reporting Framework annual results (LGPRF)	0	0		0		Local Gov't Victoria
		Draft Financial Statements and Performance Statement		0		0		
		Monthly finance report: July		0		0		
	Cantanhan	Council report to resolve to adopt the draft Financial Statements and Performance Statement in principle and nominate two Councillors to sign the statements				0		
	September	Monthly finance report: August				0		
		Previous year end of financial year variance analysis, showing final budgeted position to audited actual position				0		
		Council Report to adopt Annual Report in principle prior to sending to Minister				<u>o</u>		

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Month	Compliance	MEG	Audit	Council	Ordinary	Special	Minister
	report		Committ	Forum	Council	Council	<u>Other</u>
	Annual Report,		ee		Meeting	Meeting	
	incorporating						
	Report of						
	Operations,						
	Financial						
	Statements, and						Minister
	Performance						wiinster
	Statement						
	submitted to the						
	Minister no later than 30						
	September						
October	Special Meeting						
	to adopt the						
	Annual Report					0	
	after submitting						
	document to the						
	Minister						
	Monthly finance				0		
	report: September						
November	Monthly finance		0		0		
November	report: October						
	Six-monthly						
	report on		0		0		
	Council's						
	Strategic risks						
December	Monthly finance				0		
January	report: November Monthly finance				0		
January	report: December						
February	Six-monthly						
,	report (July to						
	December) of	0	0		0		
	financial and						
	non-financial						
	performance indicators (LPF)						
	Selected Local						
	Government						
	Performance						
	Reporting	0	0		0		
	Framework half						
	yearly (July to						
	December)						
	results (LGPRF)						
	Monthly finance report: January		0		0		
February	Six-monthly						
	report of				_		
	Council's		0		0		
	progress against						
	the Council Plan		1				
March	Monthly finance				0		
April	report: February  Draft budget						
April	presented to			0			
	procented to		1	I	I	I	

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Month	Compliance	MEG	Audit	Council	Ordinary	Special	Minister
	report		Committ	Forum	Council	Council	<u>Other</u>
			ee		Meeting	Meeting	
	Discussion with Council about whether the current Council Plan requires any adjustment in respect of the remaining period of the Council Plan.			0	0		
	Monthly finance report: March				0		
May	Special Meeting to present the Draft Budget to Council and resolve to advertise the Draft Budget					0	
	Draft budget presented to Audit Committee		0				
	Monthly finance report: April		0		0		
	Six-monthly report on Council's Strategic risks		0		0		
June	Monthly finance report: May				0		
	Draft Budget adopted by Council				0		
	Strategic Resource Plan, which forms part of the Budget, is resolved to be updated in the current Council Plan				0		

To ensure that responsible officers are aware of their obligations under the framework, all requirements will be entered in Council's compliance software, which will remind officers of their obligations via email before they are due.

#### **10 DEFINITIONS**

Term	Definition
LPF	Loddon Performance Framework which are indicators identified by Council as relevant indicators for the organisation, that can be amended, deleted, or added to over time
LGPRF	Local Government Performance Reporting Framework which is mandated for every Council
Strategic Resource Plan	A statement of Council's financial and non-financial resources including the current year budget and three forecast years

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Minister	Current Minister responsible for administering the Local Government Act
	1989

#### 11 REVIEW

The Director Corporate Services will review this document for any necessary amendments no later than 1 year after adoption of this current version.

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# APPENDIX 1: LODDON PERFORMANCE FRAMEWORK — FINANCIAL PERFORMANCE INDICATORS

Source	Indicator	Calculation	Tolerance
Monthly finance report	Rates debtor compared to last year	This year"s YTD rates debtor / last year"s YTD rate debtor x 100	<u>&lt;</u> 105%
Monthly finance report	YTD actual capital expenditure compared to Total capital expenditure budget	Actual Capital expenditure / Total YTD revised capital expenditure budget x 100	>10% or <10% from-YTD_% +/- 10%
LGPRF	Working capital ratio	Current assets / Current liabilities x 100	<del>100% to</del> <del>300%</del> >100%
Payroll	Percentage of YTD wages to total wages budget	YTD-wages from payroll system / Total labour budget from current year budget	>5% or <5% from YTD%
Monthly finance report	Percentage of YTD capital grants income over total revised budget for capital grants income	YTD capital grants income / Total revised budget for capital grants income x 100	>10% or <10% from-YTD % +/- 10%
Supplier Aged Trial Balance	Percentage of suppliers paid in 30 days or less	Total supplier payments in current or 30 days / Total supplier payments for the period x 100	>90%
Monthly finance report	Budgeted cash surplus/(deficit)	Revised budget cash surplus/(deficit)	>0
Monthly finance report	Actual cash surplus/(deficit)	Actual cash surplus/(deficit)	>0
Monthly finance report	<u>Labour Budget</u>	Labour YTD actual/Labour YTD budget x 100	< 104%

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# APPENDIX 2: LODDON PERFORMANCE FRAMEWORK — NON-FINANCIAL PERFORMANCE INDICATORS

#### Business improvementInternal Business Process

Source	Indicator	Calculation	Tolerance
Internal audit action listAdvent Manager	Number-Percentage of high/very high risk actions outstanding compared to last period	Number of high/very high risk actions this period / Number of high/very high risk actions last period x 100	<95%
IT Helpdesk	Percentage resolved helpdesk tickets	Number of helpdesk tickets resolved/number of helpdesk tickets received x 100	<u>&gt;80%</u>
Ш	Percentage backups completed successfully	Number of backups completed successfully/number of backups completed x 100	100%
IT	Percentage system outages during business hours	Number of system outages during business hours/number of system outages x 100	<10%
Advent Manager <u>Compliance</u> Module	Percentage of overdue legislative actions Advent Manager Compliance obligation completion rate*	Number of everdue outstanding legislative actions this period/ Total number of outstanding legislative actions due for thelast period x 100	<95%<10%
InfoVision	InfoVision action completion rate*Percentage of everdue actions	Number of overdue  outstanding actions this period / Total number of overdue actions for the last period x 100	<95%<10%
Merit CRM	Percentage of overdue actionsMerit request completion rate*	Number of overdue outstanding actionsrequests this period / Total-number of actions overdue action lastfor the period x 100	<95%<10%
Complaints Register	Reported concerns regarding privacy practices	# concerns	<u>0</u>
Complaints Register	Number of breaches of privacy	# breaches	<u>0</u>
Complaints Register	Losses of personal data	# breaches where data lost	<u>0</u>
Training database	Privacy training attended by staff	% staff completed privacy training during induction	100%
Training database	Percentage staff with current privacy refresher training	# staff completed privacy refresher training within past 3 years / # staff required to complete	80% (allows for 20% turnover)

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		privacy refresher training in past 3 years x 100	
Strategic	Percentage of strategies	Strategies and policies	<u>&lt;10%</u>
Documents	and policies overdue	overdue/Total strategies	
Register		and policies in register	

\*Note: these indicators have been altered because the previous indicators were not able to be reported easily, consistently or accurately. The new measures can be reported more easily, consistently and accurately however they do not capture 'on time' completion rates as that data is currently difficult to obtain. Further work with the software providers will occur to help report 'on time' completion.

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#### Culture

Source	Indicator	Calculation	Tolerance
HR	Number of full time staff with less than 38 hours of sick leave	Number of full time staff with less than 38 hours of sick leave / Total number of full time staff	<10%
Payroll	Percentage of sick leave hours taken over the period compared to total hours worked	Number of sick leave hours taken overpaid for the period / Total hours worked overpaid for the period x 100	<5%
HR	Number of full time staff with excessive annual leave	Number of full time-staff with greater than 304 hours of excess annual leave pro rata / Total number of full time-staff	<10%
HR	Number of WorkCover claims for the period	Total number of claims lodged during the period	<u>0</u> <5
HR	Number of WorkCover claims claiming weekly payments	Total number of claims claiming weekly payment	<5
HR	Percentage staff with current performance development plans	Number of staff with current performance development plans/Number of staff requiring performance development plans x 100	>90%
HR	Number of terminations for the month	Number of planned and unplanned terminations	<205% to 20%
HR	Lost Time Injury	Number of days from time of injury to return to regular work duties	

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#### Compliance

Source	Indicator	Calculation	Tolerance
Council report	Percentage of road defects completed within timeframes allocated in RMP	Total number of defects completed within timeframe / Total number of defects	>95%
QAP compliance/risk system	Percentage of overdue outstanding legislative actions	Number of overdue outstanding legislative actions / Total number of legislative actions due for the period	<10%
InfoVision	Percentage of overdue outstanding actions	Number of overdue outstanding actions / Total number of actions for the period	<10%

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#### **Customer service**

Source	Indicator	Calculation	Tolerance
Merit CRM	Percentage of overdue	Number of overdue	<10%
MOVED TO IBP	outstanding actions	outstanding actions / Total	
		number of actions for the	
10005		period	44.00.1
LGPRF	Time taken to commence	Number of days between	1 to 30 days
	the HACC service	the referral of a new client and the commencement of	
		HACC service / Number of	
		new clients who have	
		received a HACC service	
LGPRE	Time taken to decide	The median number of	20 to 200 days
	planning applications	days between receipt of a	
		planning application and a	
		decision on the application	
LGPRE	Planning applications	Number of planning	50% to 100%
	decided within 60 days	application decisions	
		made within 60 days /	
		Number of planning	
		application decisions	
ZULTVO	Dercentage E4041200	Mumber of calls answered	>000/
ZULTYS	Percentage 54941200 incoming calls answered	Number of calls answered for period/total number of	<u>&gt;88%</u>
	Incoming cans answered	calls for period x 100	
ZULTYS	Average duration of	Total seconds for	<40sec
202110	54941200 calls	answered calls/total	440300
	<u> </u>	number of calls answered	
ZULTYS	Average 54941200 calls	Total calls per	70 to 105
	incoming per work day	period/number of work	
		days in period	
<u>ZULTYS</u>	Average time waiting for	Total seconds	<25sec
	answered calls	waiting/number of calls	
<u>Xpedite</u>	HACC Clients	Number of clients eligible	
		for HACC services	0.504
Council report	Percentage of road	Total number of defects	<u>&gt;95%</u>
	defects completed within	completed within	
	timeframes allocated in	timeframe / Total number	
SP2	RMP Planning applications	of defects [Number of planning	100%
OF Z	decided within required	application decisions	100 /0
	timeframes	made within 60 days for	
		regular permits and 10	
		days or VicSmart permits/	
		Number of planning	
		application decisions	
		made] x100	

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#### Governance

Source	Indicator	Calculation	Tolerance
LGPRE	Council planning decisions upheld at VCAT	Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications	20% to 100%
LGPRE	Council decisions made at meetings closed to the public	Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors	0% to 25%
LGPRE	Councillor attendance at council meetings	The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)	80% to 100%

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# Public Safety, welfare and amenity

Source	Indicator	Calculation	<del>Tolerance</del>
LGPRE	Kerbside collection waste diverted from landfill	Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins	20% to 80%
LGPRF	Animal management prosecutions	Number of successful animal management prosecutions	0 to 5
LGPRE	Critical and major non-compliance outcome notifications	Number of critical and non-compliance outcome notifications and major non-compliance notifications about a food premise followed up / Number of critical and non-compliance outcome notifications and major non-compliance notifications about food premises	70% to 100%
LGPRE	Time taken to action animal management requests	Number of days between receipt and first response action for all animal management requests / Number of animal management requests	1 to 10 days
LGPRF	Animals reclaimed	Number of animals reclaimed / Number of animals collected	40% to 90%
LGPRE	Time taken to action food complaints	Number of days between receipt and first response action for all food complaints / Number of food complaints	1 to 10 days
LGPRF	Participation in first MCH home visit	Number of first MCH home visits / Number of birth notifications received	80% to 110%
LGPRE	Infant enrolments in the MCH-service	Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received	90% to 110%

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# Workplace safety

# TABLE MOVED TO CULTURE

In addition to the above indicators, a number of indicators from the LGPRF will also be included in the LPF. Suitable indicators are those which can be reported on a six monthly basis and are indicated in Appendix 3 by "December and June" frequency of collection.

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# APPENDIX 3: LGPRF INDICATORS -FREQUENCY OF COLLECTION

Service performance indicators (table accurate as at 31 December 2016)

No.	Service/ <i>indicator</i> /measure	Frequency of Collection	Reason for not collecting data six- monthly
Aquati	c Facilities		
AF1	Satisfaction User satisfaction with aquatic facilities (optional) [User satisfaction with how council has performed on provision of aquatic facilities]	None	Optional
AF2	Service standard  Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	Annually in June	This service is delivered seasonally and data will be skewed if collected more often than annually.
AF3	Health and Safety Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	None	Not applicable
AF4	Service cost Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	None	Not applicable
AF5	Service Cost Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.

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No.	Service/indicator/measure	Frequency of Collection	Reason for not collecting data six- monthly
AF6	Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	Annually in June	This service is delivered seasonally and data will be skewed if collected more often than annually.
Anima	│ I Management		
	Timeliness	December	
AM1	Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	and June	
AM2	Service standard Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	December and June	
AM3	Service cost  Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
AM4	Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	December and June	
Food S	Safety		
1.554	Timeliness	December	
FS1	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	and June	

No.	Service/ <i>indicator</i> /measure	Frequency of Collection	Reason for not collecting data six- monthly
FS2	Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	Annually in June	Food safety assessments are undertaken on an annual cycle. Collection of the indicator data more often may skew the results.
FS3	Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
FS4	Health and safety Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	December and June	
Govern	nance		
G1	Transparency Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ] x100	December and June	

No.	Service/indicator/measure	Frequency of Collection	Reason for not collecting data six- monthly
G2	Consultation and engagement Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	Annually in June	This indicator is based on the Customer Satisfaction Survey commissioned by state government which is collected and reported annually.
G3	Attendance Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	December and June	
G4	Service cost Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
G5	Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	Annually in June	This indicator is based on the Customer Satisfaction Survey commissioned by state government which is collected and reported annually.
Librarie			

No.	Service/indicator/measure	Frequency of Collection	Reason for not collecting data six- monthly
LB1	Utilisation Library collection usage [Number of library collection item loans / Number of library collection items]	Annually in June	Council relies on the library corporation for this indicator's data.
LB2	Resource standard Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	Annually in June	Council relies on the library corporation for this indicator's data.
LB3	Service cost Cost of library service [Direct cost of the library service / Number of visits]	Annually in June	Council relies on the library corporation for this indicator's data.
LB4	Participation Active library members [Number of active library members / Municipal population] x100	Annually in June	Council relies on the library corporation for this indicator's data.
Materr	nal and Child Health (MCH)  Satisfaction	December	
MC1	Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	and June	
MC2	Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	December and June	
MC3	Service cost Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.

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No.	Service/ <i>indicator</i> /measure	Frequency of Collection	Reason for not collecting data six- monthly
MC4	Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	Annually in June	As this service can be accessed seasonally, data will be skewed if collected more often than annually.
MC5	Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	Annually in June	As this service can be accessed seasonally, data will be skewed if collected more often than annually.
Roads			
R1	Satisfaction of use Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator.
R2	Condition Sealed local roads below the intervention levelmaintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator.

No.	Service/indicator/measure	Frequency of Collection	Reason for not collecting data six- monthly
R3	Service cost  Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
R4	Service Cost Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
R5	Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	Annually in June	This indicator is based on the Customer Satisfaction Survey commissioned by state government which is collected and reported annually.
Statute	ory Planning		
SP1	Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	December and June	

			Reason for
		Frequency	not
No.	Service/indicator/measure	of	collecting
		Collection	data six-
			monthly
	Service standard	December	
	Planning applications decided within 60 days required	and June	
SP2	timeframes		
	[Number of planning application decisions made within 60 days for regular permits and 10 days or VicSmart permits/		
	Number of planning application decisions made] x100		
	Number of planning application decisions made x 100	Annually in	Council
		June	undertakes
			close
			monitoring of
			the financial
			position on a
	Service cost		monthly basis
SP3	Cost of statutory planning service		through the
	[Direct cost of the statutory planning service / Number of planning applications received]		Finance Report.
	planning applications received		Therefore, all
			cost indicators
			under this
			framework will
			be reported
			annually.
	Decision making Council planning decisions upheld at VCAT	December and June	
SP4	[Number of VCAT decisions that did not set aside council's	and June	
0, 4	decision in relation to a planning application / Number of		
	VCAT decisions in relation to planning applications] x100		
Waste	Collection		
		Annually in	As the
		June	denominator
	Satisfaction		is stagnant,
	Kerbside bin collection requests		more than
WC1	[Number of kerbside garbage and recycling bin collection		annual
	requests / Number of kerbside bin collection households]		collection will
	x1000		skew the results of this
			indicator.
		Annually in	As the
		June	denominator
	Service standard		is stagnant,
	Kerbside collection bins missed		more than
WC2	[Number of kerbside garbage and recycling collection bins		annual
	missed / Number of scheduled kerbside garbage and		collection will
	recycling collection bin lifts] x10,000		skew the
			results of this indicator.
			mulcator.

No.	Service/ <i>indicator</i> /measure	Frequency of Collection	Reason for not collecting data six- monthly
WC3	Service cost  Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
WC4	Service cost  Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	Annually in June	Council undertakes close monitoring of the financial position on a monthly basis through the Finance Report. Therefore, all cost indicators under this framework will be reported annually.
WC5	Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	December and June	,

# Sustainability capacity indicators

No.	Indicator/Measure	Frequency of collection	Reason for not collecting data six-monthly
C1	Indicator: Population Measure: Expenses per head of municipal population  Computation: Total expenses / Municipal population	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator
C2	Indicator: Population Measure: Infrastructure per head of municipal population  Computation: Value of infrastructure / Municipal population	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator
C3	Indicator: Population Measure: Population density per length of road  Computation: Municipal population / Kilometres of local	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator
C4	Indicator: Own-source revenue Measure: Own source revenue per head of municipal population  Computation: Own-source revenue / Municipal population	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator
C5	Indicator: Recurrent grants Measure: Recurrent grants per head of municipal population  Computation: Recurrent grants / Municipal population	Annually in June	As the denominator is stagnant, more than annual collection will skew the results of this indicator
C6	Indicator: Disadvantage Measure: Relative socio-economic disadvantage  Computation: Index of relative socio- economic disadvantage by decile	Annually in June	This indicator is not updated within the financial year.

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# Financial capacity indicators

No.	Indicator/Measure	Frequency of	Reason for not collecting
E1	Indicator: Efficiency – Revenue level	collection December	data six-monthly
- '	Measure: Average residential rate	and June	
	per residential property assessment	ana dano	
	,		
	Computation: Residential rate		
	revenue / Number of residential		
E2	property assessments   Indicator: Efficiency – Expenditure	December	
	level	and June	
	Measure: Expenses per property		
	assessment		
	Computation: Total expenses /		
	Computation: Total expenses / Number of property assessments		
E3	Indicator: Efficiency – Workforce	Annually in	As this indicator can be
	turnover	June	skewed by the timing during
	Measure: Resignations and		the year of resignations, it will
	terminations compared to average staff		be collected annually.
	Stail		
	Computation: [Number of permanent		
	staff resignations and terminations /		
	Average number of permanent staff		
L1	for the financial year] x100 Indicator: Liquidity – Working capital	December	
- '	Measure: Current assets compared	and June	
	to current liabilities		
	Computation: [Current assets /		
L2	Current liabilities] x100 Indicator: Liquiditly – Unrestricted	Annually in	Unrestricted cash is
	cash	June	calculated only during the
	Measure: Unrestricted cash		end of financial year process.
	compared to current liabilities		
	Computation: [Unrestricted each /		
	Computation: [Unrestricted cash / Current liabilities] x100		
01	Indicator: Obligations – Asset	Annually in	Asset renewal is calculated
	renewal	June	only during the end of
	Measure: Asset renewal compared		financial year process.
	to depreciation		
	Computation: [Asset renewal		
	expenses / Asset depreciation] x100		

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No.	Indicator/Measure	Frequency of collection	Reason for not collecting data six-monthly
O2	Indicator: Obligations – Loans and borrowings Measure: Loans and borrowings compared to rates  Computation: [Interest bearing loans and borrowings / Rate revenue] x100	Annually in June	Council will be debt free during 2015/16 so collection of this indicator during the year will not provide any benefit.
О3	Indicator: Obligations – Loans and borrowings Measure: Loans and borrowings repayments compared to rates  Computation: [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	Annually in June	Council will be debt free during 2015/16 so collection of this indicator during the year will not provide any benefit.
04	Indicator: Obligations – Indebtedness Measure: Non-current liabilities compared to own source revenue  Computation: [Non-current liabilities / Own source revenue] x100	Annually in June	Own source revenue is calculated during the end of financial year process.
OP1	Indictor: Operating position – Adjusted underlying surplus Measure: Adjusted underlying surplus (or deficit)  Computation: [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	Annually in June	Adjusted underlying surplus and adjusted underlying revenue are calculated during the end of financial year process.
S1	Stability – Rates concentration Measure: Rates compared to adjusted underlying revenue  Computation: [Rate revenue / Adjusted underlying revenue] x100	Annually in June	Adjusted underlying revenue is calculated during the end of financial year process.
S2	Stability – Rates effort Measure: Rates compared to property values  Computation: [Rate revenue / Capital improved value of rateable properties in the municipality] x100	December and June	

# Governance and management checklist

No.	Indicator/Measure	Frequency of collection	Reason for not collecting data six-monthly
GC1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	December and June	
GC2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	December and June	
GC3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	December and June	
GC4	Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	December and June	
GC5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	December and June	
GC6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	December and June	
GC7	Risk policy ( policy outlining Council's commitment and approach to minimising the risks to Council's operations)	December and June	
GC8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	December and June	
GC9	Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	December and June	
GC10	Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	December and June	
GC11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	December and June	

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No.	Indicator/Measure	Frequency of	Reason for not collecting
		collection	data six-monthly
GC12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	December and June	
GC13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	December and June	
GC14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	December and June	
GC15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	December and June	
GC16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	December and June	
GC17	Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	December and June	
GC18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	December and June	
GC19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	December and June	
GC20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	December and June	

No.	Indicator/Measure	Frequency of collection	Reason for not collecting data six-monthly
GC21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	December and June	
GC22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	December and June	
GC23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	December and June	
GC24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	December and June	





# Audit Committee – 18/05/17

# **Risk Management Report**

### Introduction

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

# **OH&S Committee Meeting**

The last OH&S Committee Meeting was held on 30 March 2017.

Items on the agenda included:

- review of incident reports since the last meeting:
  - o 33 incidents were reported for the quarter
  - o 9 personal injuries to staff one incident resulted in a minor WorkCover claim.
- WorkSafe visit:
  - WorkSafe visited Pyramid Hill Depot on 11 November, 2016. Eight improvement notices were issued, all items raised in the report have now been undertaken and other depots have been made aware of what items were raised to ensure that there depots are compliant.
- Health and wellbeing:
  - o Fluvax Immunizations to be held at the all staff meeting (16 May 2016)
  - Health assessments to be held in May.
- · General Business, the following were discussed:
  - WorkSafe conducting inspections of certain Councils around asbestos compliance
  - o a general discussion around asbestos
  - OH&S issues in respect to swings at Kindergartens
  - defibrillators and access to them
  - o OH&S issue at the Serpentine Depot in respect to the staff toilet door
  - o training in respect to high risk activities
  - Code Red Days

### **Outstanding Actions**

Summary of status of outstanding actions

Meeting Reference	Item	Officer	Status and details
5 10/16	Patrol trucks to be fitted with flood lights	Gary Zanker	Work in Progress – when trucks are in for service they will have the lights attached.
2 12/16	Training in first responder	Carol Canfield	Not Started – Wedderburn Community House to be approached for this training.

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8 12/16	Serpentine OH&S	Paula	Work in Progress –
		Yorston	No staff members have
			nominated to be the
			OH&S Representative for
			Serpentine Office, Paula
			to talk to staff.

# **Risk Management Committee Meeting**

The last Risk Management Committee meeting was held on 27 April 2017.

The Committee discussed the Risk Register, reported incidents, the status of insurance claims, policies and procedures relevant to the committee, OH&S and identifies any emerging risks.

Items on the agenda included:

- · reported incidents:
  - > 25 incidents were reported for the period 20 January 2017 to 18 April 2017
- insurance claims update:
  - > one vehicle claim hit kangaroo
  - ▶ flood claim Newbridge Recreation Reserve, Bridgewater Caravan Park and Swimming Hole – Council is still awaiting a response from the insurers.

Summary of status of outstanding actions from the Risk Management Committee

Meeting Reference	Item	Officer	Status and details
9.21 9/12	Contracts – Procedure to manage a minor contracts	Jodi Schumann -Project Management Coordinator (new appointment)	Work in Progress – minor contract process will be captured within the contract management manual (under development, draft due towards end of year)
2 07/15	Annual sporting club reporting requirements – add to Section 86 delegations the requirement that all sporting facilities must be inspected prior to the season and reported to Council	Sharon Morrison  – Director Corporate Services	Work in Progress – delegations are currently being reviewed following the recent Council elections.
3 07/15	Safety of staff in the field – investigate the use of personal camera's to monitor aggressive behaviour	Glenn Harvey – Manager Development and Compliance and Paula Yorston – Manager Community Wellbeing	Work in Progress – a device has been trialled and tested by staff and will be presented to MEG for approval and implementation.
1 05/16	Investigate the purchase of a Generator	Leigh Jardine – Manager Information	Work in Progress – specifications have been discussed with the new Project Management Coordinator and supplier

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# Risk Register Report

At the time of the February 2017 Audit Committee Meeting 114 risks had been identified and input into Council's Organisational Risk Register. Of those risks eight were assessed as HIGH.

Nine risks have been identified since the February 2017 meeting.

The 123 risks identified to date have resulted in 273 CAR's (Corrective Action Requests). Of the 273 CAR's 191 have been actioned and closed. Of the remaining 82, 36 are overdue or 44%

Of the 82 Open CAR's 55 are actions identified from the Internal Auditors. Of those 55, 30 are overdue or 55%.

The table below shows the change in status of the Risk Register since August 2016:

Risk Level	August 2016	November 2016	February 2017	May 2017
Very High	0	0	0	0
High	3	6	8	9
Medium	51	56	63	70
Low	40	44	43	44
Total Risks Identified	94	106	114	123

There are currently nine risks that have been identified as HIGH or VERY HIGH risks. They are:

Risk	No of	Register	Risk	Risk
No	CAR's			Level
57	1	Strategic Risk Register	Council's Ageing Workforce	High
68	2	Operations	Not having a procedure document detailing the tendering and contracting management processes, in particular on how to comply with Council's Procurement Policy	High
93	1	Operations/Infrastructure Program Development	Council does not have a formal process/requirement that inspections of contractor works are carried out prior to payment of the invoice	High
118	1	Corporate Services/Organisational Development	Non-compliance with Child Safe Standard 1 and 3. 1. Strategies to embed an organisational culture of child safety. 3. A Code of Conduct that establishes clear expectations.	High
119	4	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard 2 - A Child Safe Policy or a Statement of Commitment to Child Safety	High
120	7	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 4 - Screening supervision, training and other human resource practices that reduce the risk of child abuse by new and existing personnel	High

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121	5	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 5 (Processes for responding to and reporting suspected child abuse)	High
122	1	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 6 - Strategies to identify and reduce or remove risks of child abuse	High
123	3	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 7 - Strategies to promote the participation and empowerment of children and young people	High

# RISK 57 - Council's Ageing Workforce

IMPACT: Could lead to a reduction in long term knowledge and experience due to retirement and resignations.

Three CAR's have been identified to address this risk, one remains outstanding. It is:

CAR 2	Officer	Status	Due Date
Development of a Workforce	Manager Organisational	Work in	01/12//2016
Strategy	Development	Progress	
Comments: Council are part of a work	ing group of 6 regional councils v	working with LGPro	on a project
to develop a workforce planning model	for LG in Victoria that is scalable	for large and smal	, rural and
metro councils.			

RISK 68:- Council does not have procedure documents detailing the tendering and contracting management processes, in particular on how to comply with Council's Procurement Policy

IMPACT: There is an increased risk that tendering and contract management activities within Council are not being undertaken in a structured and consistent manner

Three CAR's have been identified to address this risk, two remain outstanding. They are:

CAR 1	Officer	Status	Due Date
Explore the purchase of a formal	Director Operations	Work in	01/11/2015
proprietary contract management		Progress	
software package to compliment			
the contract management			
framework which will be			
developed.			
Comments: eCMS options report co	omplete and provided to Mana	ger Technical Servic	e and Director
Operations. Demos undertaken with			
Operations. Demos undertaken with			
Operations. Demos undertaken with developed.			
Operations. Demos undertaken with developed.  CAR 3	working group. Scoping docun	nent and business ca	ase to be
Operations. Demos undertaken with developed.  CAR 3  Development of a Contract	working group. Scoping docun	nent and business ca	Due Date
Comments: eCMS options report of Operations. Demos undertaken with developed.  CAR 3  Development of a Contract Management Framework  Comments: The development of new	working group. Scoping docun  Officer  Director Operations	Status Work in Progress	Due Date 01/11/2016

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be delivered in draft format.

Item 10.2- Attachment 9 Page 561

These documents will form an integral part of the subsequent contract management manual (CMM), to

RISK 93:- Council does not have a formal process/requirement that inspections of contractor works are carried out prior to payment of the invoice

#### IMPACT: Council is exposed to the financial and probity risk of unwarranted payments

One CAR has been identified to address this risk. It is:

CAR 1	Officer	Status	Due Date
Strengthen the procurement	Manager Technical	Not started	01/08/2016
procedures in regards to contracts	Services		
Comments: The procurement Procedure is to be reviewed to include criteria for work to be inspected			
prior to invoices being paid.			

#### Risk 118-123 overview - Child Safe Standards

The Victorian Government has introduced child safe standards to improve the way organisations that provide services for children prevent and respond to child abuse that may occur within their organisation.

The standards are compulsory for all organisations providing services to children, and aim to drive cultural change in organisations so that protecting children from abuse is embedded in the everyday thinking and practice of leaders, staff and volunteers. This will assist organisations to:

- prevent child abuse
- encourage reporting of any abuse that does occur
- improve responses to any allegations of child abuse.

The child safe standards are a central feature of the Victorian Government's response to the Family and Community Development Committee of the Victorian Parliament's *Betrayal of Trust: Inquiry into the Handling of Child Abuse by Religious and Other Non-Government Organisations* (Betrayal of Trust Inquiry).

### What is a 'relevant organisation?'

A relevant organisation is one that exercises care, supervision or authority over children, whether as part of its primary function or otherwise. This includes:

- churches and religious bodies
- education and care services (i.e., childcare centres, family day care, kindergartens, outside school house care services)
- · licensed children's services such as occasional care services
- · schools and other educational institutions
- boarding schools and student hostels
- · out-of-home care services
- · community service organisations providing services for children
  - hospitals and other health services
  - o government agencies or departments providing services for children
  - o municipal councils (e.g. those that deliver Maternal and Child Health services)
  - o sporting groups and youth organisations.

There are seven Child Safe Standards that Council is required to comply with. As part of the implementation of the standards, Council has established a Child Safe Standards Committee to oversee the implementation of the standards.

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A risk has been identified for each standard and has been input into the Risk Register, CAR's have been identified for each standard. Once all the CAR's have been completed Council should be compliant with the Child Safe Standards. All the seven child safe risks have been assessed as a HIGH risk, they are:

RISK 118:- Non-compliance with Child Safe Standard 1 and 3. 1. Strategies to embed an organisational culture of child safety. 3. A Code of Conduct that establishes clear expectations.

### IMPACT: Children could be exposed to unsafe behaviour

One CAR's has been identified to address this risk, it is:

CAR 1	Officer	Status	Due Date
Modify the Council Code of	Service Delivery Review	Work in	01/07/2017
Conduct and the Staff Code of	Coordinator	Progress	
Conduct to reflect Child Safe		_	
Standards in an holistic approach.			
Comments: Codes are currently being reviewed and are progressing towards adoption			

# RISK 119:- Non-Compliance with Child Safe Standard 2 - A Child Safe Policy or a Statement of Commitment to Child Safety

# IMPACT: Children could be exposed to unsafe behaviour.

Four CAR's has been identified to address this risk, all remain outstanding. They are:

CAR 1	Officer	Status	Due Date
Develop a framework for Child	Service Delivery Review	Work in	01/07/2017
Safe Standards	Coordinator	Progress	
Comments: A draft Framework has be	en developed and is to be review	ed and adopted.	
CAR 2	Officer	Status	Due Date
Develop a Child Safe Standard	Service Delivery Review	Work in	01/07/2017
Policy and Procedure	Coordinator	Progress	
Comments: A draft Policy and Procedure has been developed and is to be reviewed and adopted.			dopted.
CAR 3	Officer	Status	Due Date
Engaging children and young people and seek ideas as to how	Director Community Wellbeing	Not Started	01/07/2017
the organisation promotes child safety			
Comments:			
CAR 4	Officer	Status	Due Date
Update Community Engagement	Service Delivery Review	Work in	01/07/2017
Policy to include engaging with	Coordinator	Progress	
children and young people			
<b>Comments:</b> Community Engagement Policy is currently being reviewed and is progressing towards adoption.			

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RISK 120:– Non-Compliance with Child Safe Standard No. 4 - Screening supervision, training and other human resource practices that reduce the risk of child abuse by new and existing personnel

# IMPACT: Children could be exposed to unsafe behaviour

Seven CAR's has been identified to address this risk. They are:

CAR 1	Officer	Status	Due Date
Modify Position Descriptions	Manager Organisational	Not Started	01/12/17
across the organisation to reflect	Development		
a commitment to Child Safety			
Comments: A Child Safe clause will b	e added to the Positions Descri	iptions as they are	reviewed
during the Performance Review proces	ss		
CAR 2	Officer	Status	Due Date
Develop a statement around child	Manager Finance	Not Started	01/07/17
safety contractors and make			
aware of the child safety standard			
documentation			
Comments:			
CAR 3	Officer	Status	Due Date
Modify the Code of Conduct to	Service Delivery Review	Work in	01/07/17
encompass volunteers and	Coordinator	Progress	
contractors			
Comments: Code is currently being re	eviewed and are progressing to	wards adoption	
CAR 4	Officer	Status	Due Date
Determine which Councillors,	Service Delivery Review	Not Started	01/07/17
staff, volunteers and contractor	Coordinator		
require a Working with Children			
Check			
Comments:		<u>'</u>	
CAR 5	Officer	Status	Due Date
Develop recruitment procedures	Manager Organisational	Not Started	01/07/17
including interview processes,	Development		
referee checks, working with			
children checks and other			
screening requirements			
Comments:			
CAR 6	Officer	Status	Due Date
Develop a strategy to ensure staff	Manager Organisational	Not Started	01/07/17
are aware and have the required	Development		
skills regarding the risks to			
children and young people, the			
different types of harm and			
relevant legislative requirements			
Comments:			
CAR 7	Officer	Status	Due Date
		Not Started	01/07/17
Review staff, volunteers and	Manager Organisational	Not Started	01/01/11
	Manager Organisational Development	Not Started	01/01/17
Review staff, volunteers and		Not Started	01/01/17

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# RISK 121:– Non-Compliance with Child Safe Standard No. 5 (Processes for responding to and reporting suspected child abuse)

# IMPACT: Children could be exposed to unsafe behaviour

Five CAR's has been identified to address this risk. They are:

CAR 1	Officer	Status	Due Date
Implement a whole of Council	Service Delivery Review	Not Started	01/07/17
approach for reporting and acting	Coordinator		
on disclosures of concerns in			
respect to child safety  Comments:			
	Officer	Chatria	Due Dete
CAR 2	• 111001	Status	Due Date
Train all Councillors, staff,	Manager Organisational	Not Started	01/07/17
volunteers and contractors on	Development		
responding and reporting			
suspected child abuse.  Comments:			
	0.00	0	
CAR 3	Officer	Status	Due Date
Develop policies and procedures	Manager Information	Not Started	01/07/17
concerning record keeping			
requirements, confidentiality and			
privacy Comments:			
	240		
CAR 4	Officer	Status	Due Date
Develop a complaints process	Manager Finance	Not Started	01/07/17
that is accessible for children and			
families			
Comments:			
CAR 5	Officer	Status	Due Date
Develop child friendly processes	Service Delivery Review	Not Started	01/07/17
to ensure children and young	Coordinator		
people know who to talk to if they			
feel unsafe or have a concern			
Comments:			

# RISK 122:- Non-Compliance with Child Safe Standard No. 6 - Strategies to identify and reduce or remove risks of child abuse.

# IMPACT: Children could be exposed to unsafe behaviour

One CAR's has been identified to address this risk. It is:

e Delivery Review nator	Work in Progress	01/07/17
		loped and is to be reviewed and adopted

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# RISK 123:- Non-Compliance with Child Safe Standard No. 7 - Strategies to promote the participation and empowerment of children and young people

# IMPACT: Children could be exposed to unsafe behaviour

Three CAR's has been identified to address this risk. They are:

CAR 1	Officer	Status	Due Date
Promote the participation and	Director Community	Not Started	01/07/17
empowerment of children in	Wellbeing		
decision making process			
Comments:			
CAR 2	Officer	Status	Due Date
Inform children of their rights and	Director Community	Not Started	01/07/17
empower them to bring up	Wellbeing		
concerns			
Comments:			
CAR 3	Officer	Status	Due Date
Provide information in a child	Director Community	Not Started	01/07/17
friendly and accessible way	Wellbeing		
Comments:			

### Insurances

Council has partnered with surrounding Councils and Procurement Australia to put our insurances out to tender.

Four providers have tendered for Council's insurances, including Council's current insurance provider.

Currently an assessment of the tenders is being undertaken, this process should provide Council with a cost effective outcome.

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# 10.3 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAIL-WEDDERBURN ENGINE PARK

File Number: 02/01/048

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

#### RECOMMENDATION

That Council appoints the persons named in this report as members of the Wedderburn Engine Park Section 86 Committee of Management, effective immediately.

# **CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report. Ms Michelle Hargreaves is involved in the subject matter of the report but has not been involved in its preparation. The interest has been declared in a primary return.

### PREVIOUS COUNCIL DISCUSSION

Council approved the current list of committee members for Wedderburn Engine Park Committee of Management on 28 June 2016.

### **BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

Members and Office Bearers of the Committee

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

Item 10.3 Page 567

### ISSUES/DISCUSSION

Wedderburn Engine Park is an organisation based committee with representatives from each of the stakeholder groups. The following is a list of nominated representatives for the committee which meets the minimum requirement:

Name	Organisation
Bruce Hargreaves	President-Community member
Michelle Hargreaves	Secretary-Community member
Neville White	Wedderburn Historical Engines & Machinery Club
Peter Norman	Wedderburn Historical Engines & Machinery Club
Glenn Harrison	Wedderburn Men's Shed
Frank Cinquegrana	Wedderburn Men's Shed

The Council representative for this committee is Councillor Gavan Holt.

#### COST/BENEFITS

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

### **RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

# **CONSULTATION AND ENGAGEMENT**

Nil

Item 10.3 Page 568

# 10.4 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAIL-DINGEE PROGRESS ASSOCIATION

File Number: 02/01/017

Author: Michelle Hargreaves, Administration Officer
Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

#### RECOMMENDATION

That Council appoints the persons named in this report as members of the Dingee Progress Association Section 86 Committee of Management, effective immediately.

### **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

Council approved the current list of committee members for Dingee Progress Association Committee of Management on 15 December 2015.

#### **BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

Members and Office Bearers of the Committee

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

Item 10.4 Page 569

### ISSUES/DISCUSSION

Dingee Progress Association is a community based committee with preferred representation requiring at least 6 community representatives. The following is a list of nominated representatives for the Committee which meets the minimum requirement:

Name	Position
John Gledhill	President
Robert Plant	Vice President
Wendy McCormick	Secretary
Pam Plant	Treasurer
Frank Winzar	Committee Member
John Martin	Committee Member
Sharon Martin	Committee Member
Marg Gledhill	Committee Member
Neil Stepien	Committee Member
Sharlene Crage	Committee Member
Paul Condliffe	Committee Member
David Lakeman	Committee Member
Keith Pratt	Committee Member
Julie Beck	Committee Member
Charlie Matarazzo	Committee Member
Barb Pratt	Committee Member
Jean Hellsten	Committee Member

Council officers recently met with members of the Committee of Management to discuss alternative governance arrangements. While these arrangements are being established it is proposed to reappoint the members to ensure continued insurance coverage in accordance with the delegation.

The Council representative for this committee is Councillor Cheryl McKinnon

### COST/BENEFITS

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

### **RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

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# **CONSULTATION AND ENGAGEMENT**

Nil

Item 10.4 Page 571

# 10.5 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAILS-INGLEWOOD RIDING CLUB

File Number: 02/01/049

Author: Michelle Hargreaves, Administration Officer
Authoriser: Sharon Morrison, Director Corporate Services

Attachments: Nil

#### RECOMMENDATION

That Council appoints the persons named in this report as members of the Inglewood Riding Club Section 86 Committee of Management, effective immediately.

### **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

Council approved the current list of committee members for Inglewood Riding Club Committee of Management on 27 January 2016.

#### **BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

Members and Office Bearers of the Committee

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

Item 10.5 Page 572

### ISSUES/DISCUSSION

Inglewood Riding Club is a community based committee with preferred representation requiring at least 6 community representatives. The following is a list of nominated representatives for the committee which meets the minimum requirement:

Name	Position
Emma Donaldson	President
Leigh Howard	Secretary
Brie Williams	Treasurer
Vhonda Pettit	Committee Member
Carey Imms	Committee Member
Susan Roberts	Committee Member

The Council representative for this committee is Councillor Colleen Condliffe.

Council officers recently met with members of the Committee of Management as well as members of the Inglewood Car Club to discuss alternative governance arrangement for the facility managed by the Committee of Management. While these arrangements are being established it is proposed to reappoint the Inglewood Riding Club members to ensure continued insurance coverage in accordance with the delegation.

## COST/BENEFITS

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

#### **RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

# **CONSULTATION AND ENGAGEMENT**

Nil

Item 10.5 Page 573

# 10.6 DOCUMENTS FOR SIGNING AND SEALING

File Number: 02/01/001

Author: Lynne Habner, A/Manager Executive and Commercial Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: Nil

# **RECOMMENDATION**

That Council:

1. receive and note the 'Documents for Signing and Sealing' report

2. endorse the use of the seal on the documents listed.

# **REPORT**

This report provides Council with those documents signed and sealed during the month as follows:

 Lease between Loddon Shire Council (as Landlord) and Inglewood and Districts Community Enterprises for premises at 64 Brooke Street Inglewood

Item 10.6 Page 574

# 10.7 DINGEE BUSHLAND RESERVE

File Number: 19/01/010

Author: Sharon Morrison, Director Corporate Services

Authoriser: Phil Pinyon, Chief Executive Officer

Attachments: 1. Letter from DELWP

2. Plan of Proposed Dingee Walking Track

3. Dingee Community Plan 2017 Revised Edition

### RECOMMENDATION

That Council apply in writing to become the Committee of Management for Crown Allotments 2015, 2016, 2017, 141, 143 and 145.

### **CONFLICT OF INTEREST**

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

# PREVIOUS COUNCIL DISCUSSION

None

# **BACKGROUND**

Council recently applied to Department of Environment, Land, Water & Planning (DELWP) for consent for a walking track, culvert works and seating at the Dingee Bushland Reserve.

The area is adjacent to the Dingee Recreation Reserve. Attached is a map identifying the proposed walking track on both the Dingee Bushland Reserve (Crown Allotments 2015, 2017 and 145) and the Dingee Recreation Reserve (2016, 141 and 143).

A letter has been received from DELWP asking that Council become the Committee of Management for Crown Allotments 2015, 2016, 2017, 141, 143 and 145. Attached is a copy of the letter.

# ISSUES/DISCUSSION

The proposed track has been identified in Dingee Community Plan (attached) as a high priority.

As part of the project Council will need to:

- apply in writing to become the Committee of Management for the reserve
- obtain advice from Aboriginal Victoria prior to commencing works
- not remove native vegetation during works
- manage earthmoving equipment to reduce the spread of weeds
- obtain a Minor Works Agreement from Parks Victoria

### **COST/BENEFITS**

Establishment, auditing and maintenance of the track is within Council's tracks and trails budget.

Item 10.7 Page 575

# **RISK ANALYSIS**

One of the key risks is the cost associated with becoming a Committee of Management. This risk has been addressed through the provision of a budget for the maintenance of the reserve as well as the involvement of the Dingee community in the management of the walking track.

# **CONSULTATION AND ENGAGEMENT**

Council has been working with the community for some years to develop this track and the Progress Association is fully supportive of the project. The Department of Sustainability and Environment and Parks Victoria are also supportive of the project and have endorsed it.

Item 10.7 Page 576



Mr Tony Bellenger Loddon Shire Council P O Box 21 WEDDERBURN VIC 3518

7 Taylor Street Box 3100, Bendigo DC 3554 Telephone 5430 4444 DX 214506

Ref: SP458590 / L6-10279.77(20170227 cn)

Dear Mr Bellenger,

### APPLICATION FOR LAND OWNERS' CONSENT PROPOSED WALKING TRACK: DINGEE BUSHLAND RESERVE

I refer to your application for land owner's consent for a walking track, culvert works and seating at Dingee Bushland Reserve.

#### Management of Dingee Bushland Reserve

Currently Crown Allotments 2016, 141 and 143, Parish of Dingee are managed by Dingee Recreation Committee of Management and Crown Allotments 2015, 2017 and 145, Parish of Dingee are managed by Parks Victoria. As the proposed walking track will be located across the recreation reserve as well as the Dingee Bushland Reserve, the department considers that Council should be appointed as Committee of Management over the entire Reserve. This is deemed necessary to formalise Council's commitment to own, maintain, replace/decommission all new infrastructure and manage relating matters within the Reserve as necessary. Council has indicated it would be prepared to become a Committee of Management over the entire Reserve.

#### Cultural Heritage

Please note that the works are within a landform considered to have potential for the identification and possible disturbance of Aboriginal Cultural Heritage values. Aboriginal Victoria should be contacted for advice about this matter.

#### Land Owner's Consent

The Department of Environment, Land, Water and Planning, as land owner for Crown land described as Crown Allotments 2015, 2016, 2017, 2018, 141, 143 and 145, Parish of Dingee, hereby consents to the use and development of this land for an informal walking track, directional signage, seating and installation of channel culverts subject to the following conditions:

#### Committee of Management

1. Prior to the commencement of works, Loddon Shire Council must apply in writing to become Committee of Management over Crown Allotments 2015, 2017 and 145, Parish of Dingee.

#### Native Vegetation

2. There is to be no removal of native vegetation associated with the development.

#### **Privacy Statement**

Any personal information about you or a third party in your correspondence will be protected under the provisions of the Privacy and Data Protection Act 2000. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Privacy Coordinator, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 8002



#### Weeds and Pathogens

To reduce the spread of weeds, all earthmoving equipment must be free of soil and seed and sprayed with Phytoclean (after pressure washing) before being taken to the work site and again on completion of the project

#### Minor Works Agreement

Upon receipt of Council's application for Committee of Management, Parks Victoria Area Chief Ranger Mark McKimmie will issue a Minor Works Agreement to authorise the works to commence as soon as possible without awaiting the outcome of the land transfer application.

This consent is valid for three months from the date of this letter.

If you have any questions regarding this matter please contact Chris Naylor on telephone (03) 5430 4634.

Yours sincerely

**Peter Shadwick** 

reter hodwek

Senior Statutory Planner Regional Planning & Approvals

07/03/2017

cc: Parks Victoria



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ORDINARY COUNCIL MEETING AGENDA 27 JUNE 2017





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Proposed Dingee Walking Track



Item 10.7- Attachment 2

# DINGEE COMMUNITY PLAN

Bringing Families Together to Live Work and Play

Making Dingee a Happy and Healthy Environment.

"An envíable place to dwell"

#### 1. RECREATION RESERVE

CRICKET CLUB RECREATION RESERVE BOWLS CLUB TENNIS CLUB

- 2. MEMORIAL HALL
- 3. INTERSECTION
- 4. TOWN WATER SUPPLY
- 5. FOOTPATHS, WALKING TRACK & TRAILS
- 6. ROADS
- 7. TOWN DRAINAGE
- 8. HEALTH/WELLBEING
- 9. SCHOOLS/EDUCATION
- 10. POPULATION GROWTH
- 11. RURAL FIRE BRIGADE
- 12. TOURISM & OVERNIGHT ACCOMMODATION
- 13. TOWN & DISTRICT BEAUTIFICATION
- 14. SIGNIFICANT HISTORICAL PROPERTIES & SITES
- 15. INDUSTRY
- 16. WASTE DISPOSAL/RECYCLING TIP
- 17. COMMUNITY CENTRE

#### 1. RECREATION RESERVE

#### CRICKET CLUB

REC RESERVE Landscape unused open channel around the Reserve. To tidy and make

more manageable. (Rec. Reserve)

**REC RESERVE** Share Care Taker - A Care Taker that could be shared between 1, 2 or

more communities to maintain Recreation Reserves, with local

contribution to project.

**BOWLS CLUB** Storage shed (possibly share with Tennis club)

Hot Water Urn - Wall mounted

**TENNIS CLUB** Replacement of external fencing.

Upgrade of existing playground.

Storage shed to house nets, lawn mower, line marker. (Share Bowls club)

Replace roof on shelters

Replace present sprinkler watering system (secondhand sprinkler heads being procured to prolong life of system, getting harder to acquire)

#### 2. MEMORIAL HALL.

**PRIORITY 1** Repair broken concrete and modify entrance to accommodate

disabled access. (See project report for details) Work to commence January 2016. "Leon Strachan" Back in March to complete. Seal window vents and paint internal window frames. Purchase and install blinds for all large windows (9)

**PRIORITY 2** Modify existing toilets to include disabled toilet.

Storage shed for the storage of tables and chairs etc.

#### 3. INTERSECTION

PRIORITY 1 Add improved signage and road marking to eliminate confusion and

indicate correct traffic flow. In order to make the intersection less

treacherous. Deputation of dignitaries to inspect the site.

**PRIORITY 2** Work towards a complete overhaul of the intersection so that the current

dangerous situation is eliminated.

#### 4. TOWN WATER SUPPLY

#### PRIORITY 1

Current water supply quite unacceptable.

Coliban Water presently trialing, at Dingee, a filter system that may be suitable for small rural towns

Request potable water supply for Dingee Residential Area with adequate pressure, presently below an acceptable level.

Suggest start with Automatic back flushing filter at the pump station which would minimise the blocking of filters at each private metre, this would at least help the pressure problem to some degree.

#### 5. FOOTPATHS - WALKING TRACKS & TRAILS

**PRIORITY 1** Continue present walking track around the cricket oval behind Bowling

Green and along the northern side of the road to form a loop and link up with already established walking track. Work with Rec Reserve, North Central Catchment Management Authority, Shire, Green Army, DPA.

Parks Victoria, Dept. Enviroment Land, Water & Planning.

PRIORITY 2 Walking/Bike Riding trail 5km. east of town to the Tang Tang Wildlife

Reserve. Brolga nesting ground. National wet and dry land areas.

**PRIORITY 3** Long term to cover all other residential and recreational areas with paved

access.

Creating a safe pedestrian access within the residential area with

appropriate resting areas

#### 6. ROADS

Upgrade of roads leading to Dingee and surrounding areas.

PRIORITY 1 10Km. South of Dingee on the Bendigo/Pyramid Road from Waterford

Road to the Shire Boundary.

**PRIORITY 2** Gravel Bakers Road thru to Durham Ox road Fire Brigade

Map 2(2E-F)

Gravel Steels Road from Waterford Road to Tandarra Serpentine Road Fire Brigade Map 5(5B) Presently the Royal Mail Service cannot use these

routes in wet weather to successfully complete their mail delivers.

#### 7. TOWN DRAINAGE

Continue to achieve better drainage system within the town.

**PRIORITY 1** Upgrade and improve present drainage on West side of town.

Water does not drain away; goes stagnant and odoriferous in the centre of

our town.

#### 8. HEALTH/WELLBEING

**PRIORITY 1** Building of Five (5) additional senior units Grevillea Court, King Street

DINGEE.

**PRIORITY 2** Establishment of a Men's Shed.

#### 9. SCHOOL/EDUCATION

PRIORITY 1

#### 10. POPULATION GROWTH

The lack of available building blocks is inhibiting the town's growth.

**PRIORITY 1** Resolve and give the community assistance and a solution to be able to

build on vacant blocks within town limits

ie. Septic systems or alternatives.

**PRIORITY 2** Rezoning of land within the town limits to increase the availability of

building blocks. Building blocks within the urban area, if rated rural could

they be changed to residential to encourage them to be built on.

**PRIORITY 3** Develop existing vacant blocks in township and build 'spec' homes in

conjunction with shire and/or local builder for on selling to new residents. Selling of properties will be marketed to Bendigonians with the idea of promoting our proximity to Bendigo, the ability to have a quality lifestyle in a relaxed and family orientated community, with eventual rail travel

to/from Bendigo for workers to commute.

#### 11. RURAL FIRE BRIGADE

**PRIORITY 1** Urgent need to improve water volume/pressure.

Option tank and pressure pump.

#### 12. TOURISM & OVERNIGHT ACCOMMODATION

**PRIORITY 1** Continue with Vic Roads for signage at Eaglehawk.

Create information boards at Points of interest both in town and

surrounding areas

Dingee town signs need upgrading especially after dark.

**PRIORITY 2** Need for overnight and short term permanent accommodation

facilities. Caravans, Granny Flats or Hotel Rooms needed. Caravan sites could be established behind present hotel.

#### 13. TOWN & DISTRICT BEAUTIFICATION

**PRIORITY 1** Establish a watering system to water nature strips and the park

Shire Gardening Manager working on a plan.

**PRIORITY 2** Establish water supply to Historical Wall recreational area.

**PRIORITY 3** Need for Shade trees within the town

#### 14. HISTORICAL PROPERTIES & SITES

**PRIORITY 1** Erect a monument in memory of Ernie Old.

**PRIORITY 2** Establish information boards recording history of local identities and

historical events at significant sites within our local area.

**PRIORITY 3** Secure heritage listing for Railway Station building to ensure its future

existence. Presently listed on Loddon Planning Scheme Heritage Overlay. Vic Track have announced a substantial makeover of the railway building in view of CWA's intention to operate the Regional Library agency.

**PRIORITY 4** Erect information Board for Historical Wall.

**15. INDUSTRY** Develop a plan to attract new industry to the area that will

compliment our existing businesses and industry. In particular, concentrate on those industries that support rural enterprise.

Industry growth would support plans for increasing our population and also provide local people with an alternative source of employment.

#### 16. WASTE DISPOSAL/RECYCLING TIP

**PRIORITY 1** Sewerage for Town, so town blocks can be built on without having

to be a double block to accommodate Septic system regulations.

**PRIORITY 2** The Recycle/waste disposal depot operating, does not separate recycle

material from material not suitable for recycling.

#### 17. COMMUNITY CENTRE

**PRIORITY 1** Installation of watering system.

Construction of a Fernery

Kitchen registration for catering purposes

Dish Washer

#### THE END

### 11 GENERAL BUSINESS

#### 12 CONFIDENTIAL ITEMS

Closing of Meeting to the Public

#### RECOMMENDATION

That the meeting be closed to the public.

#### RECOMMENDATION

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

#### 12.1 Review of confidential actions

This matter is considered to be confidential under Section 89(2) - (h) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with Any other matter which the Council or special committee considers would prejudice the Council or any person.

#### 12.2 Disposal of excess Council land

This matter is considered to be confidential under Section 89(2) - (h) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with Any other matter which the Council or special committee considers would prejudice the Council or any person.

#### 12.3 Future Operation of Blue Eucy Museum

This matter is considered to be confidential under Section 89(2) - (a) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters.

#### 12.4 MAV Electricity Small Tariff Tender

This matter is considered to be confidential under Section 89(2) - (d) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contractual matters.

## 12.5 Provision for Cleaning Services at Ioddon Shire Council Offices, Depot, Public Toilets, BBQ's & Surrounds

This matter is considered to be confidential under Section 89(2) - (d) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with contractual matters.

#### **NEXT MEETING**

The next Ordinary Meeting of Council will be held on 25 July 2017 at Serpentine.

There being no further business the meeting was closed at enter time.		
Confirmed this	day of	2016