

Ordinary Council Meeting Minutes

15 December 2020



This page is left blank intentionally.



1	OPENING & ANNOUNCEMENT OF VISITORS	3
2	ANNOUNCEMENTS OF PRESIDING MEMBER	3
3	ATTENDANCE RECORD	3
3.1	Present	3
3.2	Apologies	3
3.3	Leave of Absence Previously Granted	3
4	DECLARATIONS OF INTEREST	3
5	PUBLIC QUESTION TIME	3
6	MINUTES OF PREVIOUS MEETINGS	4
6.1	Ordinary Council Meeting – 24 November 2020	4
7	PETITIONS/PRESENTATIONS/DEPUTATIONS/DELEGATES/REPORTS/SUBMISSIONS	4
7.1	Petitions	4
7.2	Presentations	4
7.3	Deputations	4
7.4	Delegates Reports/Submissions	4
8	METHOD OF DEALING WITH AGENDA BUSINESS (Show of hands)	4
9	REPORTS	5
9.2	PLANNING & DEVELOPMENT	5
9.2.1	Dalwallinu Town Hall	5
9.2.2	Subdivision Application N° 160200 – Lots 7 & 8 Sawyer Avenue, Dalwallinu*	8
9.3	CORPORATE SERVICES	11
9.3.1	Accounts for Payment for November 2020*	11
9.3.2	Monthly Financial Statements for November 2020*	14
9.3.3	Request to waive hire fee – Dalwallinu Uniting Church*	16
9.4	CHIEF EXECUTIVE OFFICER	18
9.4.1	Annual Leave – Chief Executive Officer	18
10	APPLICATIONS FOR LEAVE OF ABSENCE	20
11	MOTIONS OF WHICH NOTICE HAS BEEN RECEIVED	20
11.1	Notice of Motion 01-1220 – Thank you to the Shire of Dalwallinu Staff	20
12	QUESTIONS FROM MEMBERS WITHOUT NOTICE	22
13	NEW BUSINESS OF AN URGENT NATURE (INTRODUCED BY DECISION OF THE MEETING)	22
13.1	Adoption of the 2019-2020 Annual Report and setting the Annual Meeting of Electors.*	23
13.2	Report on Audit Independent Auditor's Report	25
14	MEETING CLOSED TO THE PUBLIC – CONFIDENTIAL BUSINESS AS PER LOCAL GOVERNMENT ACT, 1995, SECTION 5.23(2)	28
15	SCHEDULING OF MEETING	28
16	CLOSURE	28



SHIRE OF DALWALLINU

MINUTES of the Ordinary Meeting of Council held at the Council Chambers, Shire Administration Centre, Dalwallinu on Tuesday 15 December 2020 at 3.30pm.

1 OPENING & ANNOUNCEMENT OF VISITORS

The Chairperson (President) opened the meeting at 3.33pm.

2 ANNOUNCEMENTS OF PRESIDING MEMBER

3 ATTENDANCE RECORD

3.1 Present

Shire President	Cr SC Carter
Deputy President	Cr KL Carter
	Cr MM Harms
	Cr KM McNeill
	Cr NW Mills
	Cr BH Boys
	Cr KJ Christian
	Cr AR Dickins
Chief Executive Officer	Mrs JM Knight
Manager Works & Services	Mr WJ Taylor

3.2 Apologies

Nil

3.3 Leave of Absence Previously Granted

Nil

4 DECLARATIONS OF INTEREST

Financial Interest - Jean Knight – Item 9.4.1

5 PUBLIC QUESTION TIME

Nil



6 MINUTES OF PREVIOUS MEETINGS

6.1 Ordinary Council Meeting – 24 November 2020

MOTION 9655

Moved Cr KJ Christian
Seconded Cr BH Boys

That the Minutes of the Ordinary Meeting of Council held 24 November 2020 be confirmed.

CARRIED 8/0

7 PETITIONS/PRESENTATIONS/DEPUTATIONS/DELEGATES/REPORTS/SUBMISSIONS

7.1 Petitions

7.2 Presentations

7.3 Deputations

7.4 Delegates Reports/Submissions

8 METHOD OF DEALING WITH AGENDA BUSINESS (Show of hands)



9 **REPORTS**
9.2 **PLANNING & DEVELOPMENT**
9.2.1 **Dalwallinu Town Hall**

Report Date	15 December 2020
Applicant	Shire of Dalwallinu
File Ref	A46202
Previous Meeting Reference	OCM 15 May 2001 (Item No 8.1.1) OCM 20 September 2012 (Motion 7537) OCM 17 October 2012 (Motion 7565) OCM 1 February 2013 (Motion 7639) OCM 19 June 2014 (Motion 8048) OCM 9 July 2015 (Motion 8356)
Prepared by	Doug Burke, Manager Planning & Development Services
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting Requirements	Simple Majority
Attachments	Nil

Purpose of Report

Council is requested to give consideration for the recommendation that consultants be engaged to provide concept plans for a potential repurposing of the Dalwallinu Town Hall site.

Background

The Shire has been aware of the physical dilapidation of the Dalwallinu Town Hall for a number of years. The deterioration of the building is due to a number of factors associated with rising damp. The effects of the rising damp are amplified by the associated soil salinity and the failure of the sub-floor ventilation system. The damage to the Town Hall building is two-fold.

Firstly, because of the change in surrounding ground levels, sealing of adjacent roads and footpaths, and change in the pattern of nearby development, the inbuilt sub-floor ventilation system has catastrophically failed. This has in turn led to the 'cupping' and deformation of the timber floors and the propagation of mould in the sub-floor space which leads to a condition called 'sick building syndrome'. This has directly contributed to the front two rooms having their timber flooring removed entirely and the spaces hermetically sealed to minimise the transportation of microbial spores through the atmosphere.

Secondly, the building's structural integrity is being compromised by the salts transported through the walls by hydraulic action - which is the root cause of the manifest spalling and concrete cancer. The underlying soil structure is made up predominately from outcrops of 'coffee-rock' and highly plastic clays. This latter horizon is responsible for excessive movement in the foundation material which has led to self-evident cracking in the masonry walls.

Over the subsequent years, a number of investigations have been undertaken to determine the factors at play and the possible measures that could be undertaken to mitigate the cause/s and rectify existing damage.



Consultation

Councillors

Legislative Implications

Nil

Policy Implications

Nil

Financial Implications

Cost of engaging suitably qualified and experienced consultants. This fee for service would be capped at \$20K.

Strategic Implications

Nil

Site Inspection

The site has been inspected on a number of occasions by building surveyors, conservation consultants and structural engineers. Reports resulting from the inspections have been tabled at previous meetings dating back to 2005.

Triple Bottom Line Assessment**Economic implications**

There are no known significant economic implications associated with this proposal.

Social implications

The building has a number of implied values, which include "*its value to the Dalwallinu community for the aesthetic that represents the confident status of the town in 1924 when it was constructed.*" (Laura Gray; Heritage and Conservation Consultant; July 2013)

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

The reporting officer has briefed councillors at a number of meetings as to the status of the Town Hall building. It is perceived that there are two fundamental choices as to the future of the building:

1) To retain and maintain

The impacts associated with the lack of effective sub-floor ventilation can be essentially cancelled by building work being undertaken to remove all remaining timber floors and replacing said flooring with a properly installed concrete slab. This would allow for continued occupation of the building until such time as the incessant structural failures compromises the safety of the occupants.

Because of recognised constraints imposed by the soil type, water table activity, nearby development and the proximity of energy infrastructure; the ability to insulate the building from further degeneration caused by the effects of hydraulic activity is unrealistic. Even to attempt a minimal opportunity of stalling further deterioration would be a costly exercise.



2) To remove and repurpose

An alternative to having the building becoming 'a white elephant' with no useful purpose and potentially becoming dilapidated, would be to accept that its removal and repurposing of the site could be potentially beneficial in rejuvenating that sector of the streetscape. A carefully considered refurbishment could transition the site into a visionary community space that would effectively be the nexus between the Discovery Centre, the Amphitheatre, the town centre and the Memorial Park.

Though contractors have previously been engaged to provide direction and estimated costings as to the practicability of retaining the building, the same cannot be said for looking at the alternatives involved in potentially repurposing the site to that of an alternative sustainable community asset. It is envisaged that landscape architects can prepare illustrative concept designs that can provide the Council with a talking point.

As such, it is recommended that the Shire engage the services of two or three consultants to provide concept plans for the site for Council to explore tangible, realistic designs for the site as an alternative to retaining the Town Hall.

Officer Recommendation/Resolution

MOTION 9656

Moved Cr MM Harms
Seconded Cr KL Carter

That Council directs the Chief Executive Officer to engage the services of suitably experienced landscape architect consultants to provide concept plans of the Dalwallinu Town Hall site for further consideration.

CARRIED 7/1



9.2.2 Subdivision Application N° 160200 – Lots 7 & 8 Sawyer Avenue, Dalwallinu*

Report Date:	15 December 2020
Applicant:	FM Surveys P/L
File Ref:	Property files – A39201
Previous Meeting Reference:	Nil
Author:	Doug Burke, Manager Planning & Development Services
Senior Officer:	Jean Knight, Chief Executive Officer
Voting Requirements:	Simple Majority
Disclosure of Interest:	Nil
Attachments:	Supporting documentation

Purpose of Report

The Western Australian Planning Commission (WAPC) has referred an application for the subdivision of the subject property to Council for comment (refer to attachment 9.2.2). Council has until 13 January 2021 to provide the WAPC with their response.

The recommendation is that the WAPC be advised that the Shire of Dalwallinu has no objection to the proposed freehold subdivision.

Background

Subject Property:	Lots 7 & 8 Sawyer Avenue, Dalwallinu
Land Use Zoning:	Residential
Property Owner:	Bradyn Joel Wallis
Applicant:	F M Surveys P/L
Consent Authority:	Western Australia Planning Commission
Proposed Development:	Consolidation of the two parent blocks
Value of Development:	N/A
Outside Consultation:	Nil

F. M. Surveys has submitted a proposal to subdivide the existing two land parcels into one by way of consolidation. The properties are located on the Sawyers Avenue near the intersection with Grant Street in the northern part of the Dalwallinu township. The property is zoned 'Residential R10/30' under the Local Planning Scheme.





Location of subject property (SynergySoft)

Policy Requirements

Development Control Policy 2.2 – Subdivision of Residential Land

Legislative Requirements

Planning and Development Act 2005

Shire of Dalwallinu Town Planning Scheme N° 2

Strategic Implications

The Dalwallinu Local Planning Strategy 2013.

Financial Implications

Nil

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.



Environmental implications

There are no known significant environmental implications associated with this proposal.

Comment

The proposed amalgamation will create a residential block of 1800m². The consolidation of the two blocks allows for an enhanced choice of development on the ensuing site without the need to consider internal boundary divisions.

Officer Recommendation/Resolution

MOTION 9657

Moved Cr KM McNeill
Seconded Cr BH Boys

That Council endorse the proposed subdivision and advise the Western Australian Planning Commission that they have no objection to the proposal for Lots 7 & 8 Sawyer Avenue, Dalwallinu, as per the plan of subdivision accompanying the Application No: 160200.

CARRIED 8/0



9.3 CORPORATE SERVICES
9.3.1 Accounts for Payment for November 2020*

Report Date	15 December 2020
Applicant	Shire of Dalwallinu
File Ref	FM/9 Financial Reporting
Previous Meeting Reference	Nil
Prepared by	Christie Andrews, Senior Finance Officer
Supervised by	Hanna Jolly, Manager Corporate Services
Disclosure of interest	Nil
Voting Requirements	Simple Majority
Attachments	Summary of Accounts for Payment

Purpose of Report

Council is requested to consider the acceptance and approval of the Schedule of Accounts for Payment.

Background

A list of invoices paid for the month of November 2020 from the Municipal Account, to the sum of \$1,157,083.43 paid by EFT is attached together with a list of bank fees, payroll, direct debit payments, loan payments and transfer to Term Deposits. These payments total \$1,375,720.65. There were no payments from the Trust Account. Total payments from all accounts being \$1,375,720.65 have been listed for Council's ratification.

Consultation

In accordance with the requirements of the *Local Government Act 1995* a list of accounts paid, by approval of the Chief Executive Officer under Council's delegated authority, is to be completed for each month showing:

- The payees names
- The amount of the payments
- Sufficient information to identify the payment
- The date of the payment

The attached list meets the requirements of the Financial Regulations,

In addition to the above statutory requirements, Financial Management Regulation Section 13(4) requires 'the total of the other outstanding accounts be calculated and a statement be presented to Council at the next Council meeting'.

Legislative Implications

State

Local Government Act 1995

Local Government (Financial Management) Regulations 1996



Policy Implications

Nil

Financial Implications

Payments are in accordance with the adopted budget for 2020/21.

Strategic Implications

Nil

Site Inspection

Site inspection undertaken: Not applicable

Triple Bottom Line Assessment*Economic implications*

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

Accounts for Payments are in accordance with the adopted budget for 2020/21 or authorised by separate resolution.



Officer Recommendation/Resolution

MOTION 9658

Moved Cr NW Mills
Seconded Cr KL Carter

That Council, in accordance with the requirements of sections 13(1), 13(3), and 13(4) of the *Local Government (Financial Management) Regulations 1996* a list of payments made in November 2020 under Chief Executive Officer's delegated authority is endorsed in respect to the following bank accounts:

1. Municipal Fund Account totalling \$1,375,720.65 consisting of:

EFT Payments (EFT 11340 – EFT 11433)	\$1,157,083.43
EFT Payments (Payroll)	\$115,879.00
Direct Debit – Superannuation (DD15857.1-9 and DD15876.1-11)	\$22,450.47
Direct Debit – Credit Card (DD15867.1)	\$1,796.80
Direct Debit – Payments to Dept of Transport	\$77,308.35
Bank Fees	\$1,202.60

CARRIED 8/0



9.3.2 Monthly Financial Statements for November 2020*

Report Date	15 December 2020
Applicant	Shire of Dalwallinu
File Ref	FM/9 Financial Reporting
Previous Meeting Reference	Nil
Prepared by	Hanna Jolly, Manager Corporate Services
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting Requirements	Simple Majority
Attachments	Monthly Statements of Financial Activity, Variance Report, Investments Held and Bank Reconciliations

Purpose of Report

Council is requested to receive and accept the Financial Reports for the month end 30 November 2020.

Background

There is a statutory requirement that Financial Reports be recorded in the Minutes of the meeting to which they are presented. The financial Reports, as circulated, give an overview of the current financial position of the Shire and the status of capital income and expenditure.

Consultation

Nil

Legislative Implications

State

Local Government Act 1995

Local Government (Financial Management) Regulations 1996 s34(1), s19(1)(2) and s34(2)

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Site Inspection

Site inspection undertaken: Not applicable

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.



Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

Financial Reports as at last day of business of the previous month are appended, for the period ending 30 November 2020. It is to be noted that that opening balances on these financial statements might need further adjustments as the year ending 30 June 2020 has not been finalised yet.

Attached for council's consideration are:

1. Statement of Financial Activity
2. Variance Reports
3. Investments Held
4. Bank Reconciliations

As per Council resolution, all items that have a variance of more than \$10,000 have been noted on the variance reports.

Officer Recommendation/Resolution

MOTION 9659

Moved Cr AR Dickins
Seconded Cr KJ Christian

That the Council accept the Financial Reports as submitted for the month ending 30 November 2020.

CARRIED 8/0



9.3.3 Request to waive hire fee – Dalwallinu Uniting Church*

Report Date	15 December 2020
Applicant	Dalwallinu Uniting Church
File Ref	CU/6 – Customer Service - Requests
Previous Meeting Reference	Nil
Prepared by	Jean Knight, Chief Executive Officer
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting Requirements	Absolute Majority
Attachments	Correspondence from Dalwallinu Uniting Church

Purpose of Report

Council is requested to authorise the Chief Executive Officer to waive the hire fees relating to the Dalwallinu Recreation Centre foyer and kitchen.

Background

Correspondence has been received from the Dalwallinu Uniting Church requesting that Council waive the hire fee for the use of the Dalwallinu Recreation Centre foyer and kitchen.

The Dalwallinu Uniting Church would like to commence regular morning tea gatherings for the seniors of the community.

Consultation

Nil

Legislative Implications

State

Local Government Act Section 6.12

Policy Implications

Nil

Financial Implications

There will be a loss in revenue of \$136.36 for each use of the foyer and kitchen. Approx \$545 per annum.

There is a key bond of \$70.00.

Strategic Implications

Nil

Site Inspection

Site inspection undertaken: Not applicable



Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

The Shire of Dalwallinu regularly hosts youth programs for the community and has been floating ideas for programs for seniors with little to no success.

This proposal to host regular morning teas for the seniors is worthy of our support. This would be a valuable opportunity for the seniors of our community to come together on a regular basis.

On discussions with Mr Rod Donnes, he would like the morning teas to evolve with special guests or days where seniors bring along an item and tell the group a bit of its history etc.

It is the Officers Recommendation to support this request as our contribution towards the start of a seniors program in our community.

Officer Recommendation/Resolution

MOTION 9660

Moved Cr KJ Christian
Seconded Cr KM McNeill

That Council:

1. authorise the Chief Executive Officer to waive the hire fee of \$150.00 (inc GST) for the hire of the Dalwallinu Recreation Centre foyer and kitchen for the seniors morning tea events until further notice;
2. authorise the Chief Executive Officer to waive the key bond of \$70.00.

CARRIED BY ABSOLUTE MAJORITY 6/2

CEO Jean Knight declared a financial interest in Item 9.4.1 and left the meeting at 3.44pm.



9.4 CHIEF EXECUTIVE OFFICER
9.4.1 Annual Leave – Chief Executive Officer

Report Date	15 December 2020
Applicant	Shire of Dalwallinu
File Ref	PE/139 – Personal File
Previous Meeting Reference	Nil
Prepared by	Jean Knight, Chief Executive Officer
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Financial Interest
Voting Requirements	Simple Majority
Attachments	Nil

Purpose of Report

Council is requested to note the dates for the Chief Executive Officer's approved annual leave.

Background

At the Ordinary Meeting of Council held 20 December 2016, Council authorised the Shire President to approve all future leave requests for the Chief Executive Officer.

Consultation

Shire President

Legislative Implications

Nil

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Site Inspection

Site inspection undertaken: Not applicable

Triple Bottom Line Assessment

Economic implications

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.



Officer Comment

As at 3 December 2020, the Chief Executive Officer has forty five (45) annual leave days accrued. This request is for five (5) days.

The Officer is conscious of the amount of leave that has accrued but given the Covid-19 pandemic has been unable to utilise this leave. The Officer will however, monitor the accrual and should the accrual be more than the allowable amount by the Auditors, will request to cash out any leave in excess of the acceptable amount prior to June 30.

The Shire President has approved the Chief Executive Officer's leave from Friday 18 December 2020 to Thursday 24 December 2020 being a total of five (5) days.

As the leave is only for five (5) days, there will be no appointment of an Acting Chief Executive Officer.

Officer Recommendation/Resolution

MOTION 9661

Moved Cr KJ Christian
Seconded Cr AR Dickins

That Council notes the Chief Executive Officer's approved annual leave from Friday 18 December 2020 to Thursday 24 December 2020.

CARRIED 8/0

CEO Jean Knight returned to the meeting at 3.45pm.



10 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

11 MOTIONS OF WHICH NOTICE HAS BEEN RECEIVED**11.1 Notice of Motion 01-1220 – Thank you to the Shire of Dalwallinu Staff**

Report Date	15 December 2020
Applicant	Cr AR Dickins
File Ref	GO/22 - Councillors
Previous Meeting Reference	Nil
Prepared by	CR AR Dickins
Supervised by	N/A
Disclosure of interest	Nil
Voting Requirements	Simple Majority
Attachments	Nil

Background

The past twelve months have been an extraordinarily busy time for the Shire of Dalwallinu. The Shire of Dalwallinu staff were some of the very few in the state that continued with ‘business as usual’ and continued to manage services and provide to the community, with the only closures and restrictions being the ones imposed by the WA State Government.

Over the past eighteen (18) months the Shire of Dalwallinu staff have been very busy. The list below highlights some of the achievements during this time:

- Dalwallinu Recreation Centre Precinct Project – Completed;
- Dalwallinu Recreation Centre Upgrade – Completed;
- Dalwallinu Townscape Projects – Completed;
- Construction of two units in James Street - Completed
- Undertook re-structure of Administration roles;
- Re-branded the Shire of Dalwallinu logo in conjunction with the Working Group and Council;
- Finalised the review of Elected Member Representation;
- Successfully disposed of properties which were surplus to Council’s requirements totalling \$549,000 (4 lots in Pioneer Place, Harris St, 70 McNeill St and 3 Myers St);
- Construction of the twelve (12) lot residential subdivision in Bell Street Dalwallinu – Completed;
- Extraordinarily successful marketing of the Bell St and Sawyer Avenue lots;
- Successfully completed negotiations between Panaceum and Dr Femi Onikola for the independent running of the Dalwallinu Medical Centre;
- Timely management and administration of additional State and Federal government stimulus packages to best meet community priorities, in addition to regular service, maintenance and budgeted programs;
- Displaying flexibility and willingness in both duties and roles to maintain services to ratepayers in time of staffing stresses and shortages.



In the 2020-2021 budget the Shire were given an additional \$760K to spend on roads and community infrastructure projects. Those funds alone created an additional 15 projects. For the 2020-2021 year the Shire has 58 projects to undertake and to date the staff have completed and/or commenced 67% of them five months into the budget cycle.

Council Resolution

MOTION 9662

Moved Cr AR Dickins
Seconded Cr KM McNeill

That Council thank the Chief Executive Officer, the Senior Managers and all of the Administration and Works staff for their performance and commitment to serve the Shire and ratepayers throughout 2020, particularly during the extraordinary demands and complications enforced through the period of the WA Government state of emergency imposed due to the Covid-19 pandemic.

CARRIED 8/0



12 QUESTIONS FROM MEMBERS WITHOUT NOTICE

13 NEW BUSINESS OF AN URGENT NATURE (INTRODUCED BY DECISION OF THE MEETING)

PROCEDURAL MOTION 9663

Moved Cr KM McNeill
Seconded Cr AR Dickins

That Council introduce two items of New Business of an Urgent Nature:

- 13.1 Adoption of the 2019-2020 Annual report and setting the Annual Meeting of Electors
- 13.2 Report on Audit Independent Auditor's Report

CARRIED 8/0



13.1 Adoption of the 2019-2020 Annual Report and setting the Annual Meeting of Electors.*

Report Date	15 December 2020
Applicant	Shire of Dalwallinu
File Ref	FM/9 Financial Reporting
Previous Meeting Reference	Nil
Prepared by	Hanna Jolly, Manager Corporate Services
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting Requirements	Absolute Majority
Attachments	Annual Report including Auditors Report, Management Report

Purpose of Report

For Council to accept the Annual Report and Financial Statements for 2019-2020 and set a date, time and place to convene the Annual Meeting of Electors.

Background

The Office of the Auditor General (OAG) have completed the audit of the 2019-2020 Financial Reports. The *Local Government Act 1995* requires that Council accept the report no later than 31 December 2020.

Further, the Act also requires that the Annual Report be presented to the Annual Electors Meeting no later than 56 days after it is accepted by Council. If the Annual Report is accepted at the OCM on 15 December 2020, the Annual Electors Meeting must be held on or before Tuesday 9 February 2021.

An Audit Exit meeting was held on Thursday 10 December 2020 where the Auditor gave the Annual Audit Completion Report. Attendees at this meeting were Mr Robert Hall, Mr Mark Ambrose, Cr NW Mills, CEO Jean Knight and MCS Mrs Hanna Jolly.

Consultation

Auditor – Robert Hall of Butler Settineri

Auditor – Marius van der Merwe Partner of Butler Settineri

Director OAG – Mark Ambrose

Audit Committee Meeting – 15 December 2020

Legislative Implications

State

Local Government Act 1995 – sections 5.27 Electors' general meeting, 5.29 Convening electors' meetings and 5.54 Acceptance of annual reports

Policy Implications

Nil

Financial Implications

Nil



Strategic Implications

Nil

Site Inspection

Site inspection undertaken: Not applicable

Triple Bottom Line Assessment*Economic implications*

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

The Office of the Auditor General (OAG) has recently completed the 2019-2020 audit and the Independent Auditor's Report is attached to this report.

The Annual Financial Report together with Auditors report are required to be sent to the Department of Local Government, Sports & Cultural Industries within 30 days of the Shire receiving the Audit Report which will be 13 January 2021.

Council Resolution**MOTION 9664**

Moved Cr AR Dickins
Seconded Cr KM McNeill

That Council:

1. Accepts the 2019-2020 Annual Report including the Audited Annual Financial Statements;
2. Receives the 2019-2020 Independent Audit Report and Management Report;
3. Advise the Chief Executive Officer to convene the Annual Meeting of Electors for the 2019-2020 financial year, on 4 February 2021 commencing at 6.00pm in the Council Chambers, Dalwallinu; and
4. Advise the Chief Executive Officer to convene the Annual Community Meeting at Kalannie on 16 February 2021 commencing at 6.00pm.

CARRIED BY ABSOLUTE MAJORITY 8/0



13.2 Report on Audit Independent Auditor's Report

Report date	15 December 2020
Applicant	Shire of Dalwallinu
File ref	FM/7 – Financial Management Audit
Previous Meeting Reference	Audit Committee 15 December 2020
Prepared by	Hanna Jolly, Manager Corporate Services
Supervised by	Jean Knight, Chief Executive Officer
Disclosure of interest	Nil
Voting requirements	Simple Majority
Attachments	Nil

Purpose of Report

Council is requested to accept a recommendation addressing the matter relating to the Shire's Operating Surplus Ratio, identified as significant by the auditor.

Background

Section 7.12A of the *Local Government Act 1995* states that a Local Government must prepare a report addressing any matters identified as significant by the auditor. The auditor in his report identified a significant adverse trend in the Shire's Operating Surplus Ratio. The Shire is required to prepare a report stating what action it has taken or intends to take with respect to this matter and give a copy of that report to the Minister within 3 months after the audit report is received by the Local Government.

The 2019-20 audited financial statement was received by the Audit Committee on 15 December 2020.

Mr Mark Ambrose, the Senior Director Financial Audit, highlighted in his report

"(i) in my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:

- a. *The Operating Surplus Ratio as a reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' basic standard for the current year and past 2 years."*

The Audit Committee is required to examine the report of the Auditor and prepare a report on the actions the Shire of Dalwallinu has taken or intends to take in relation the matters raised.

Consultation

Auditor – Marius van der Merwe Partner of Butler Settineri

Auditor – Robert Hall if Butler Settineri

Senior Director OAG – Mr Mark Ambrose

Legislative Implications

State

Local Government Act 1995 – s7.12A(4)

Policy Implications

Nil



Financial Implications

Nil

Strategic Implications

Nil

Triple Bottom Line Assessment*Economic implications*

There are no known significant economic implications associated with this proposal.

Social implications

There are no known significant social implications associated with this proposal.

Environmental implications

There are no known significant environmental implications associated with this proposal.

Officer Comment

A template report was provided in the Department Circulars and has been completed as follows:



ACTION PLAN/REPORT

Section 7.12A(4) (a) of the *Local Government Act 1995*

Office of the Auditor General (OAG) – Performance Audit

Purpose of Report

To address the adverse trend in the Operating Surplus Ratio.

Significant Matter Identified by OAG

A significant adverse trend was noted in the Operating Surplus Ratio

Implication

When this ratio starts to drift into negative territory it indicates a deficit and higher risk.

Management Comment

The Operating Surplus Ratio highlights the Shire of Dalwallinu's reliance on external funding to fund renewal of assets. An analysis of neighbouring shires indicates this is a common issue in the Wheatbelt region.

Action taken or Intended to be taken

Council and management will continue to monitor income and expenditure as well as identifying ways to improve the operating position to increase the ratio above the acceptable target of 0.01. However this ratio is likely to remain below the benchmark in the coming years whilst the removal of capital grants from the formula for calculating the ratio continues to occur.

Completion or Proposed Completion Date

Ongoing

Recommendation

(to be completed by OAG)

Council Resolution

MOTION 9665

Moved Cr KM McNeill
Seconded Cr MM Harms

That Council:

1. Accepts the Action Plan/Report and
2. Directs the Chief Executive Officer to forward a copy of the report to the Minister for Local Government, Sport and Cultural Industries.

CARRIED 8/0



14 MEETING CLOSED TO THE PUBLIC – CONFIDENTIAL BUSINESS AS PER LOCAL GOVERNMENT ACT, 1995, SECTION 5.23(2)

15 SCHEDULING OF MEETING

The next Ordinary Meeting of Council will be held on 23 February 2021 at the Shire of Dalwallinu Council Chambers, Dalwallinu commencing at 3.30pm.

16 CLOSURE

There being no further business, the Chairperson closed the meeting at 3.57pm.

17 CERTIFICATION

I, Keith Leslie Carter, certify that the minutes of the Ordinary Council Meeting held on 15 December 2020, as shown on page numbers 1 to 28 were confirmed as a true record at the meeting held on 23 February 2021.



CHAIRPERSON

