

WAGAIT SHIRE COUNCIL

**AGENDA
AUDIT COMMITTEE MEETING**

**COUNCIL CHAMBERS
LOT 62, WAGAIT TOWER ROAD
Time 9:00AM**

Wednesday 6 February 2019



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1.0 Present:

Committee members:

Chair Russell Anderson

President Peter Clee

Cr Neil White

Barry Bamford

Council staff:

CEO Mark Sidey

Office Manager Pam Wanrooy

2.0 Opening of Meeting:

The Chair Russell Anderson declared the meeting open at and welcomes all to the meeting.

The Chair advises that the meeting will be audio taped for minute taking purposes as authorised by the Chief Executive Officer.

3.0 Apologies:

Resolution No. 2019/ That the apology of be accepted. Moved: Seconded:

4.0 Confirmation of previous Minutes for the Audit Committee held Tuesday 11 September 2019

WAGAIT SHIRE COUNCIL

**MINUTES
AUDIT COMMITTEE MEETING**

**COUNCIL CHAMBERS
LOT 62, WAGAIT TOWER ROAD
Time 9:30AM**

Tuesday 11 September 2018



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1.0 Present:

Committee members:

Chair Russell Anderson
President Peter Clee
Vice President Neil White
Barry Bamford

Council staff:

CEO Mark Sidey
Office Manager Pam Wanrooy

2.0 Opening of Meeting:

The Chair Russell Anderson declared the meeting open at 9.38am and welcomes all to the meeting.

The Chair advises that the meeting will be audio taped for minute taking purposes as authorised by the Chief Executive Officer.

3.0 Apologies: NIL

4.0 Confirmation of previous Minutes for the Audit Committee held Tuesday 8 June 2018

Resolution No. 2018/032

That the minutes of the Audit Committee Meeting of Friday 8 June 2018 be confirmed by committee members as a true and correct record.

Moved: Vice president Neil White

Seconded: President Peter Clee

5.0 Matters arising from the previous minutes:

Nil

6.0 Declaration of interests of committee members or staff:

Nil

7.0 Agenda Items:

7.1 2018/19 to 2022/23 Strategic Plan

Development of the strategic plan has been placed on hold until after the Council by-election, which is scheduled for September 22.

7.2 P32 – Bullying Policy

The draft bullying policy will remain in draft until a wider review of associated policies is completed.

7.3 Policies for development

The CEO is to develop a Corporate Credit Card Usage policy. The Corporate Credit Card Usage Policy is to be included as an Agenda item for the February 2019 Audit Committee Meeting.

The Audit Committee to consider whether additional policies require development.

7.4 Budget Review

The Audit Committee suggested in its 8 June 2018 meeting that two budget reviews be undertaken each financial year. The first such review will occur at the next Audit Committee meeting. If there are any changes to the budget, the CEO is to take these changes to Council for approval, and this will form part of the budget review. All changes must also be advertised on the council web page.

7.5 P34 Authorisation of Payments Policy

CEO to modify P34 Authorisation of Payments Policy and bring this back to next Audit Committee Meeting. It was noted that for insurance purposes, the person who prepares the bank reconciliation should not be a signatory otherwise the insurance policy can be null and void. In the absence of the CEO, the CEO can appoint an interim CEO to fulfil their duties. In the absence of the President, the President needs to appoint a councillor (usually the Deputy President) to act in their role.

Resolution No. 2018/033

That the Audit Committee recommends to Council that the draft “P34 Authorisation of Payments Policy” be reviewed and be re-presented to the next Audit Committee meeting.

Moved: President Peter Clee

Seconded: Vice President Neil White

7.6 Policy for Meeting Procedures

This has been held over pending further consultation and development.

7.5 General Purpose Financial Report for Year Ended 30 June 2018

Colin James advised the Audit Committee that the Financial Statements were something Council should be proud of.

Lowrys Accountants presented a copy of their management Letter to committee members. Colin James advised no major issues were raised in the letter – just some procedural matters that the Committee / Council should look at.

It was noted council is now due for an external valuation and should seek an external evaluator to provide the services.

The Audit Committee has requested that Lowrys Accounts make some adjustments to the Audited 2017/2018 General Purpose financial Report.

- Page 16, Note 1, (p) “New Accounting Standards for Application in Future Periods” the note be amended to read “The has not adopted any of the new and amended pronouncements.” that are relevant to the Council but applicable in future reporting periods.
- Page 24 “Valuation of Building and improvements” Lowry’s has altered their report to include the word infrastructure to read as follows:
 1. “Valuation of buildings and improvements and infrastructure was undertaken by Integrated Valuation Services as at 6 July 2015”.
 2. That Council members believe that the fair value of buildings and improvements and infrastructure is \$2,237,468 as at 30 June 2018.
 3. Asset replacement and maintenance reserve
- Page 25, Note 11, Reserves – “Other reserves” is to be replace with “Asset replacement and maintenance reserves”

Resolution No. 2018/034
That the Audit Committee recommend Council note the Audited 2017/2018 General Purpose Financial Report for the year ended 30 June 2018.
Moved: Barry Bamford
Seconded: Vice President Neil White

8.0 Other Business

Nil

9.0 Confidential Items:

Nil.

10.0 Closure of Meeting:

The next meeting of the Wagait Shire Council Audit Committee will be held in the Wagait Shire Council Office and is planned tentatively for Wednesday 6th February at 9.30am depending on availability of members.

The Chair declared the meeting closed at 11.00am.

Resolution No. 2019/
That the minutes of the Audit Committee Meeting of Tuesday 11 September 2018 be confirmed by committee members as a true and correct record.
Moved:
Seconded:

5.0 Matters arising from the previous minutes:

6.0 Declaration of interests of committee members or staff:

7.0 Agenda Items:

7.1 2019/2020 to 2023/2024 Strategic Plan

Consultation session moderated by True North occurred on Saturday November 10. Approximately 25 people were in attendance. The notes from the meeting were circulated to those present and other interested members of the community for feedback. All feedback was to be received by 31 December. Only 1 submission was received. Development of Strategic plan has commenced.

7.2 CEO Vehicle logbook

The Chief Executive Officer furnished the Audit Committee with the log book associated with his vehicle as requested by the President.

7.3 Budget Review

At this juncture there have not been any revisions or amendments to the 2018/2019 budget.

7.4 Compliance Review

The Department of Housing and Community Development undertook a Compliance Review in September 2018. 15 issues were identified.



DEPARTMENT OF
HOUSING AND COMMUNITY
DEVELOPMENT

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File Ref: HCD2017/02022-5

Mr Peter Clee
President
Wagait Shire Council
PMB 10
DARWIN NT 0801

Email: president.clee@wagait.nt.gov.au

Dear President

2018 Compliance Review – Wagait Shire Council

In September this year the Local Government Inspectors conducted a compliance review on the Wagait Shire Council which included a site visit to the council's office at 62 Wagait Tower Road, Wagait Beach, NT 0822 from 19 to 21 September 2018.

The inspectors have now prepared a report on the results of the review which is enclosed for your consideration. The report identifies fifteen issues which the inspectors consider should be brought to council's attention. To assist council, each issue includes recommended remedial action which provides guidance on how to rectify each specific issue. In some instances the recommendation may include a specific timeframe within which council must complete certain action.

Council is requested to consider the report at its next council meeting and advise the inspectors if it disagrees with any of the issues. Please provide this response in writing and include documentation to support council's position within 10 days of the council meeting. If the issues in the report are accepted then a response is not required and inspectors will assume council will commence addressing the issues in the report. Inspectors will continue to monitor council's progress until satisfied all the issues identified in the report have been addressed.

Due to the limited scope of this review the report should not be solely relied upon by council in forming an opinion on the existence and adequacy of its governance, operational and financial systems. Under the provisions of the *Local Government Act*, it is the responsibility of elected members and the Chief Executive Officer to ensure that council is conducting its business lawfully.

I take this opportunity to thank the council and its staff for the cooperation and assistance provided to the inspectors during the course of this review.

If you require any further information in regards to the compliance review, please do not hesitate to contact Mr Abdus Sattar, Manager Compliance, on 8999 8348 or email lg.compliance@nt.gov.au.

Yours sincerely,



Meeta Ramkumar
Senior Director Sustainability and Compliance

4 December 2018

CC: Mr Mark Sidey, Chief Executive Officer

DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT

**Compliance Review Report
Wagait Shire Council
2018**

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1. Executive summary

This report has been prepared by inspectors of local government who have undertaken a review of the Wagait Shire Council (WSC or Council) in accordance with Section 205 of the *Local Government Act* (the Act). The compliance review primarily covered the period 1 July 2017 to 31 August 2018, however, where necessary, the inspectors have also considered information from outside this period in order to assist with the review process.

The purpose of the report is to furnish Council members and management with objective analysis, recommendations, and information relating to the activities reviewed by local government inspectors.

In reaching the conclusions made in this report, inspectors have relied on the information provided by WSC, information on Council's website and information held by the Department of Housing and Community Development (the department).

2. Background

Section 205 of the Act mandates the establishment of a program of compliance reviews for local government bodies to ensure they conduct their business lawfully. Compliance reviews are to be undertaken by inspectors of local government. After conducting a compliance review, section 207 of the Act requires inspectors to report the results of the review to the Council.

The inspectors consider the results of the review reported back to Council includes (but is not limited to) any identified, perceived or suspected failures to comply with legislated requirements, as well as other general observations and assessments which should be brought to Council's attention and will assist with improving internal processes or practices in the areas of: internal controls; human resource management; Council's governance arrangements; communication protocols; strength of controls over the management and use of public assets; and expenditure of public monies.

3. Scope of work

The compliance review considered the following legislation and regulatory requirements:

- Local Government Act (the Act)
- Local Government (Accounting) Regulations (Accounting Regulations)
- Local Government (Administration) Regulations (Administration Regulations)
- Ministerial Guidelines and General Instructions
- Council's internal policies and procedures
- Other Federal and/or Territory legislative requirements (as considered appropriate).

4. Basis of testing

The compliance review utilised a variety of testing and assessment methods including, but not limited to:

- Site visits at WSC office at 62 Wagait Tower Road, Wagait Beach, NT 0822 from 19 to 21 September 2018
- Consultation and discussions with relevant Council staff
- Examination and review of a sample number of files and source documents
- Assessment of implementation and adherence to Council policies and decisions
- Strength of document management and workflow management
- Review of source and supporting documentation and information.

5. Summary of Findings

Based on the inspectors' interpretation of legislative and policy requirements, the issues below require Council's attention. Details of individual findings are disclosed in Attachment A.

1	Council's procurement process for transactions valued between \$10 000 and \$100 000 did not comply with the requirements of Regulation 28 of the Accounting Regulations in all instances.
2	The CEO has disposed of a vehicle without approval from the Council or without delegated authority.
3	On one occasion the monthly member allowance paid to the president was made in advance.
4	The Council does not have a travel policy.
5	There is no formal documentation issued by the Council which stipulates the travelling allowance rates to be paid for official travel.
6	A number of Council's policies are overdue for review.
7	The Council does not have an Investment Policy.
8	The Council does not have a Borrowing Policy.
9	The Council does not have a Credit Card Policy.
10	The Council does not have a Stocktake Policy nor has it conducted stocktakes of its property on a regular basis.
11	The Council's policies relating to employment and human resource management requires review and updating.
12	There is a lack of documentation to demonstrate the recruitment process for the Sport and Recreation Officer was based on merit and was fair and equitable.
13	The CEO has not implemented adequate procedures for the proper custody of the Council's records or ensured Council's records are properly filed and indexed.
14	Instances noted of poor documentation processes on Council expenditure.
15	Council's Common Seal Register is not kept on a computer and is incomplete.

Disclaimer

In some instances, the inspectors have had to exercise judgment and assumptions as can be necessary to complete a review of this kind. The inspectors have done so based on their experience, interpretation, and analysis of the information provided. The inspectors do, however, acknowledge that there may be other information that may exist within the Council that was not provided or sought that may have the effect of negating individual findings and conclusions in this report.

Although due professional care in the performance of the review was exercised, this should not be construed to mean that unreported non-compliance or irregularities do not exist within Council. The deterrence and detection of fraud are the responsibility of management. The review alone, even when carried out with professional care, does not guarantee that fraud or other irregularities will be detected.

Issue 1

Council's procurement process for transactions valued between \$10 000 and \$100 000 did not comply with the requirements of Regulation 28 of the Accounting Regulations in all instances.

Background:

Section 101 of the Act provides that the CEO is responsible to the council to ensure that proper standards of financial management are maintained, in particular, proper controls over expenditure and, that financial and other records are properly made and maintained.

Regulation 28 of the Accounting Regulations states:

(2) If a council proposes to obtain supplies at a cost of more than \$10 000 but not more than \$100 000, the council must obtain written quotations from at least three possible suppliers and the council must choose a supplier from amongst those submitting written quotations.

(3) If it is not practicable to obtain quotations from three possible suppliers under sub regulation (2), the council must obtain as many as practicable and must record in writing its reasons for not obtaining the three quotations.

Finding:

In 2017-18 there were a total of 6 transactions valued at between \$10 000 and \$100 000. Each transaction was assessed for compliance with the Accounting Regulations as detailed in the table below. The table also provides commentary from the inspectors regarding the nature of the transactions and the approval process:

Date	Name of supplier and goods or services supplied	Amount	Accounting Regulations met	Inspector's conclusion / comment
7/11/2017	Melbourne Barbecue Centre Pty Ltd - 2x RG23 Electric Barbecues	\$14 824.70	YES	Purchase was for x2 units which were separate assets and individually priced below \$10 000.
30/7/2017	Kerry's Automotive Group	\$48 883.95	YES Three quotes obtained	It appears from the information provided, the purchase of the vehicle was made in conjunction with the trade in of existing council vehicle. Although the requirements of the Accounting Regulations have been met, the disposal appears to not have been actioned with proper authority and is further detailed in issue 2 of this report.

Date	Name of supplier and goods or services supplied	Amount	Accounting Regulations met	Inspector's conclusion / comment
24/4/2018	Custom Built Kitchens NT	\$16 215.10	YES Three quotes obtained	As the replacement kitchen was for the CEO's residence, it is not good internal control practice for the CEO to be approving works for his own council supplied residence. There should be a separation of duties of works authorised by the council prior to commencement of any works.
3/05/18	Bores NT Pty Ltd - Drill Production Hole and other associated costs	\$10 813.00	NO One quote obtained	Only one quote obtained and no written reasons provided why three quotes were not obtained.
3/5/2018	Total Excavations - Road repairs (Repair shoulders)	\$47 980.68	YES Two quotes obtained	A Quotation Exemption Form was used, but was signed by the Chief Executive officer as the responsible officer and approving officer. It is not good internal control practise for the responsible officer and approving officer to be the same person. There should be a separation of duties between the requesting and approving officer.
16/5/2018	Darwin River Diggers Pty Ltd - Removal of dump material, clean up and access track to dump site	\$29 400	YES Two quotes obtained	A Quotation Exemption Form was used, but was signed by the Chief Executive officer as the responsible officer and approving officer. It is not good internal control practise for the responsible officer and approving officer to be the same person. There should be a separation of duties between the requesting and approving officer.

Conclusion:

Council has not complied with the requirements of regulation 28 of the Accounting Regulations for all its procurement activities. The Council did not obtain three written quotations or record in writing the reasons for not obtaining three quotes for the purchase of supplies between \$10 000 and \$100 000.

Recommended Remedial Action:

The CEO must review Council's internal procurement processes and by 31 December 2018, put in place formal procedures to ensure the requirements of regulation 28 of the Accounting Regulations are complied with at all times.

Issue 2

The CEO has disposed of a vehicle without approval from the Council or without delegated authority.

Background:

Section 101 of the Act provides that the CEO is responsible to ensure that the council's policies, plans and lawful decisions are implemented and proper standards of financial management are maintained and, in particular, proper control over expenditure.

Ministerial Guideline 7 "Disposal of Property" provides that decisions for sale or disposal of real property must be made by council resolution unless council has delegated this authority. Where council delegates such authority the delegation should be limited.

Finding:

On 3 August 2017, the CEO disposed of a Council vehicle when it was traded in as part of the purchase of a new vehicle for the Council CEO. The disposal and subsequent purchase of new vehicle was done at Kerry's Automotive in Darwin. The trade in of the Mitsubishi Challenger vehicle constitutes the disposal of an asset.

The inspectors could not find a Council resolution which authorised this trade in. Furthermore, it was noted that Council does not have an asset disposal policy.

Upon review of the delegations manual, it was noted that Council has not issued a delegation to the CEO to dispose of Council assets.

Conclusion:

CEO has failed to ensure that the Council's policies, plans and lawful decisions are implemented and proper standards of financial management are maintained and, in particular, proper control over expenditure.

Recommended Remedial Action:

1. At the next council meeting the CEO must inform the council that a vehicle has been disposed of without proper authority. Details of the cost of the new vehicle and trade-in value must form part of the report to council.
2. The Council must develop a policy relating to disposal of assets which is compliant with the requirements of the Act and Ministerial Guideline 7.
3. Until an asset disposal policy and the appropriate delegations for exercise of that policy are developed and approved, the CEO must ensure that Council approves all decisions relating to the disposal of property.

Issue 3

On one occasion the monthly member allowance paid to the president was made in advance.

Background:

Section 71(5) of the Act provides that allowances are to be paid as determined by the Council or by the local government guidelines but are not to be paid in advance.

Section 101 of the Act provides that the CEO is responsible to ensure that the Council's policies, plans and lawful decisions are implemented and proper standards of financial management are maintained and, in particular, proper control over expenditure.

Finding:

Council typically pays elected members in arrears on the last day of the month for which the allowance is payable.

The Council president was paid his monthly member allowance of \$500 for the period 1 December 2017 to 31 December 2017 on 15 December 2017.

Conclusion:

The Council has breached the requirements of the Act as the president has been paid his allowance in advance which is strictly prohibited under section 71(5).

Recommended Remedial Action:

By 31 January 2019, the Council must confirm in writing to the inspectors that elected member allowances will not be paid in advance.

Issue 4

The Council does not have a travel policy.

Background:

Section 101 of the Act requires the CEO to ensure the council's policies, plans and lawful decisions are implemented and that proper standards of financial management are maintained, in particular, proper controls over expenditure and those financial and other records are properly made and maintained.

Regulation 10 of the Accounting Regulations requires the CEO must establish and maintain internal controls to:

- (a) safeguard the assets of the council; and
- (b) ensure the accuracy, completeness and reliability of the accounting data.

Finding 1:

The Council does not have a travel policy for councillors or employees which details:

- travel approval requirements;
- travel allowance limits and claims;
- any conditions over air travel bookings, accommodation, taxi use, hire cars; private vehicle allowance and use; and
- acquittal requirements.

Finding 2:

Council does not have any specific requirements relating to the approval requirements for the president or the CEO's travel. A review of travel documentation revealed there was no separation of duties between the President and CEO booking trips and approving their own travel, allowances and other related expenses.

Finding 3:

From a review of travel expenditure it appears that both the president and the CEO have travelled for official purposes, however the purpose of each trip has not been clearly documented. The allowances paid on each trip were not formally recorded on forms where prior approval for payment of those allowances was obtained.

Finding 4:

Council does not have a procedure or requirement for staff and president to acquit official travel to ensure the travel was undertaken as planned. As travelling officers are entitled to be paid travelling allowance, variations in travel dates may have the effect on the travelling officer being over / under paid this allowance and potentially additional charges for travel and accommodation being incurred by the Council.

Conclusion:

Travel is being undertaken by council staff and elected members without a formal policy. The lack of an appropriate travel policy does not promote the highest degree of accountability or control over public money and increases the risk of unauthorised travel going undetected.

Recommended Remedial Action:

By 31 March 2019 the Council must have a travel policy encompassing all aspects of Council's travel activities.

A copy of the travel policy must be provided to the inspectors once finalised.

Issue 5

There is no formal documentation issued by the Council which stipulates the travelling allowance rates to be paid for official travel.

Background:

Section 101 of the Act provides that the CEO is responsible to the Council to ensure the council's policies, plans and lawful decisions are implemented and that proper standards of financial management are maintained, in particular, proper controls over expenditure and that financial and other records are properly made and maintained.

Section 72 of the Act requires a council member or member of a local authority is (subject to conditions and limitations determined by the council) entitled to payment or reimbursement of reasonable expenses for travel and accommodation necessary for:

- (a) attending a meeting of the council, local authority, local board or a council committee; or
- (b) attending to business of the council in accordance with a prior resolution of the council.

Finding:

The Council's Office Manager advised that travel allowance comprised of meals and incidental expenses based on rates determined annually by the Australian Taxation Office (ATO). There was no specific policy or other documentation provided to inspectors to substantiate this or verify the travel allowance rates being paid were duly authorised.

The inspectors noted that the rate of allowances paid to Council staff and the president in the 2017-18 financial year were based on the ATO Tax Determination rates for 2016-17 as follows:

ATO Travel Allowance Rate for 2016-17 (Employee's annual salary \$117,450 and below)				
Breakfast	Lunch	Dinner	Incidental	Total
\$26.45	\$29.75	\$50.70	\$19.05	\$125.95

As the ATO issues revised travel allowance rates for each financial year, the inspectors were unable to ascertain whether the 2016-17 travel allowance rates used by council were the official rates approved by Council to be used in 2017-18 or if the rates should have been increased per the 2017-18 rates issued by the ATO.

Conclusion:

The lack of an appropriate travel policy detailing the rates of travel allowances does not promote the highest degree of accountability or control over public money.

Recommended Remedial Action:

The Council's new Travel Policy must clearly state on what basis travelling allowance rates are to be set against.

Issue 6

A number of Council's policies are overdue for review.

Background:

Section 101 of the Act requires the CEO:

- (f) to ensure that proper standards of financial management are maintained and, in particular, proper controls over expenditure; and
- (g) to ensure that financial and other records are properly made and maintained.

Regulation 10(b) of the Accounting Regulations states that the CEO must establish and maintain internal controls to ensure the accuracy, completeness and reliability of the accounting data.

Finding:

There are several sections of the Act, Accounting Regulations and Administrative Regulations which requires ensuring council's operating activities are conducted within the boundaries of legislative requirements. The use of policies is a key internal control tool that ensures council business is being conducted in a consistent and legal manner. Failure to review policies as and when they fall due is reflective of poor internal controls and exposing the council to a higher level of business risk.

The inspectors observed that there were a number of policies which were either overdue for review or where a review date is not stipulated in the policy.

Policy No.	Policy Name	Adopted by Council	Review Date
P05	Council Staff Code of Conduct	17/01/2017	01/01/2018
P06	Vehicular Crossover / Drainage	16/09/2008	20/01/2011
P08	Human Resource Management	15/12/2009	Policy does not state when it must be reviewed
P09	Accounting and Policy Manual – adopted in 2015	19/05/2015	Policy does not state when it must be reviewed
P10	Council Records – adopted	20/10/2009	Policy does not state when it must be reviewed
P11	Complaints against Council, Employees & Work Practices	19/02/2008	20/01/2011
P13	Use of Council Firearms	21/01/2007	Policy does not state when it must be reviewed
P15	Procedures for Council Meetings and Council Committee Meetings	20/10/2009	17/02/2009 Noted as <u>Under Review</u> by the CEO's listing
P20	Fraud Protection Plan	16/12/2009	Policy does not state when it must be reviewed
P21	Dispute Resolution Policy	21/06/2016	Policy does not state when it must be reviewed
P24	Caretaker Policy	18/10/2016	Once during the term of council
P26	Delegation Manual	16/06/2015	Next Council election (i.e. 2017)
P27	Rates and Charges	16/06/2015	Next Council election (i.e. 2017)
P28	Media	20/06/2015	Next Council election (i.e. 2017)
P30	Privacy	19/05/2015	Next Council election (i.e. 2017)
P31	Counselling, Disciplining & Dismissing Employees	21/02/2017	January 2018

Conclusion:

Proper standards of internal controls have not been maintained as a number of Council policies have not been reviewed in a timely manner and are outdated. The delegations manual is a key internal control document and provides a foundation of which other internal policies are formed.

Recommended Remedial Action:

The delegation manual must be reviewed and updated by 31 March 2019.

The Council CEO must prepare a schedule for when policies will be updated and provide a copy of this schedule to the inspectors by 31 March 2019.

Thereafter policies are to be reviewed as per the individual policy review dates.

Issue 7

The Council does not have an Investment Policy.

Background:

Section 121(3) of the Act, requires that council investments must be consistent with Ministerial Guideline 4 (Local Government Investment Guidelines).

Ministerial Guideline 4, requires a council to have an investment policy which sets out the objectives of council for the allocation of its investment resources. For the policy to take effect, and for staff to act under the policy, it must be passed by a resolution of council. Council members will be held accountable for investments made under the policy.

Finding:

Council does not have an Investment Policy as required by Ministerial Guideline 4. This policy is a mandatory requirement as the council has a fixed term deposit.

Conclusion:

The Council has invested public money without an investment policy as required under the Act and Ministerial Guideline 4.

Recommended Remedial Action:

By 31 March 2019, the Council must develop and approve an Investment Policy in accordance with the requirements of the Act and Ministerial Guideline 4.

A copy of the Investment Policy must be provided to the inspectors once approved.

Issue 8

The Council does not have a Borrowing Policy.

Background:

Section 122 of the Act states a council borrows money if the council obtains any form of financial accommodation.

Section 123 of the Act states a council may borrow money but only with the Minister's approval (to be given only after consultation with the Treasurer). However, section 123(2) states the Minister's approval is not required for a transaction classified as a minor transaction under guidelines issued by the Minister.

Ministerial Guideline 5 (Local Government Borrowing Guidelines) issued under the Act states a "minor transaction" includes all credit card transactions.

Finding:

As at 30 June 2018, council staff and the president were issued with a credit card which is a form of financial accommodation. The council is therefore required to have a borrowing policy per Ministerial Guideline 5.

A Borrowing Policy is a mandatory requirement as the council has taken a form of financial accommodation.

Conclusion:

Council has failed to comply with Ministerial Guideline 5.

Recommended Remedial Action:

By 31 March 2019, the Council must develop and approve a Borrowing Policy in accordance with the requirements of the Act and Ministerial Guideline 5.

A copy of the Borrowing Policy must be provided to the inspectors once approved.

Issue 9

The Council does not have a Credit Card Policy.

Background:

Section 101 of the Act requires the CEO to ensure the council's policies, plans and lawful decisions are implemented and that proper standards of financial management are maintained, in particular, proper controls over expenditure and those financial and other records are properly made and maintained.

Finding 1:

There are three credit cards issued to council officers. The Council does not have a credit card policy for elected members or employees which sets the framework for the grounds of when a credit card will be issued; credit limits; conditions of use; cardholder's responsibilities; credit card reconciliation procedures; cancellation of credit cards; or procedures for replacing lost, stolen or damaged cards.

It was noted during the review that credit card statements are reviewed monthly and all expenditure items are approved for payment by the delegated officer. However, in the opinion of the inspectors, a formal policy document with respect to credit cards is required to ensure adequate controls are in place.

Finding 2:

The President's credit card limit is \$10 000 which is in excess of the delegated limit of \$3 000 as prescribed in Council's delegations manual.

Conclusion:

The lack of a credit card policy increases the risk of unauthorised credit card use going undetected within Council. It reflects poor controls over expenditure and represents a lack of accountability over the use of public funds. It is also required to give clear guidance to any new personnel in the Council.

Recommended Remedial Action:

By 31 March 2019 the Council must have a credit card policy relating to Council's credit card activities and adherence to that policy must be monitored. The policy must also ensure it places internal controls on the limits of spending in accordance with delegated limits specified in the council delegations manual. A copy of the adopted policy must be provided to inspectors once finalised.

Issue 10

The Council does not have a Stocktake Policy nor has it conducted stocktakes of its property on a regular basis.

Background:

Regulation 10(1) of the Accounting Regulations provides the CEO must establish and maintain internal controls to:

- a) safeguard the assets of the council; and
- b) ensure the accuracy, completeness, and reliability of the accounting data.

Regulation 22 of the Accounting Regulations states:

1. The CEO is responsible for the safekeeping of all council property (including stores, materials, and tools).
2. The CEO must ensure that adequate records are kept of council property.
3. The CEO must ensure that stocktakes of council property are carried out regularly in accordance with the Accounting Standards and any applicable council policies.

Finding:

During the compliance review, the inspectors were advised no stocktakes have been conducted over all Council's property. The Council also does not have a policy for the conduct of regular stocktakes.

The lack of a formal policy to conduct regular stocktakes increases the risk of accounting records not being accurate and theft or unauthorised purchases being undetected. A lack of stocktake procedures may also result in errors occurring during stocktakes due to a lack of understanding by Council staff of the process and /or information needed to be recorded.

Conclusion:

The CEO has not followed the requirements of the Accounting Regulation 10 to establish and maintain internal controls to safeguard Council assets and has also not ensured stocktakes of Council property are carried out regularly in accordance Regulation 22.

Recommended Remedial Action:

By 31 March 2019 a stocktake policy must be issued as required under regulation 22 of the Accounting Regulations. The CEO must ensure all future stocktakes are conducted in accordance with the Council's policy.

A copy of the Stocktake Policy must be provided to the inspectors once approved.

Issue 11

The Council's policies relating to employment and human resource management requires review and updating.

Background:

Section 104 of the Act states a council must ensure that its policies on human resource management give effect to the following principles:

- (a) Selection processes for appointment or promotion:
 - (i) must be based on merit; and
 - (ii) must be fair and equitable;
- (b) Staff must have reasonable access to training and development and opportunities for advancement and promotion;
- (c) Staff must be treated fairly and consistently and must not be subjected to arbitrary or capricious decisions;
- (d) There must be suitable processes for dealing with employment-related grievances;
- (e) Working conditions must be safe and healthy;
- (f) There must be:
 - (i) no unlawful discrimination against a member, or potential member of staff on the ground of sex, sexuality, marital status, pregnancy, race physical or intellectual impairment, age or any other ground; and
 - (ii) no other form of unreasonable or otherwise unjustifiable discrimination against a member or potential member of staff.

Section 105 of the Act states:

- 1) The CEO must maintain an up-to-date statement of council's employment policies.
- 2) The statement of employment policies:
 - (a) must cover:
 - i. recruitment; and
 - ii. probation and performance assessment; and
 - iii. promotion; and
 - iv. access to employment-related benefits; and
 - v. resolution of employment-related grievances; and
 - (b) may cover other employment-related subjects.
- 3) The statement of employment policies must be consistent with the principles of human resource management.

Finding:

The CEO has not maintained a statement of council's employment policies covering the areas required under section 105. The two page human resource management policy (P08) approved on 12 December 2009, outlines certain human resources principles but the policy fails to provide any procedural guidance to staff on how to implement the principles of human resource management.

Policy (P08) is deficient in the following areas:

- (a) The policy states that appointment and promotion must be based on merit and must be fair and equitable, however there are no procedural steps to ensure that a recruitment process is conducted according to those principles;
- (b) the policy does not cover information about probation periods, how performance assessments are to be conducted or how council will consider promotions; and
- (c) the policy does not cover access to employment-related benefits such as portability of long service leave rights as required by the Act; and
- (d) the policy makes no reference to the local government industry award under which the council manages its employment conditions.

Conclusion:

Council does not have a statement of employment policies, as required under section 105 of the Act and lacks specific policies in other areas of human resource management.

Recommended Remedial Action:

By 31 May 2019, Council must develop a suite of employment and human resource management policies that meets all the requirements of the Act and covers other areas of human resource management.

A copy of the policies must be provided to the inspectors once finalised.

Issue 12

There is a lack of documentation to demonstrate the recruitment process for the Sport and Recreation Officer was based on merit and was fair and equitable.

Background:

Section 101 of the Act, provides that the CEO is responsible to the council to ensure that financial and other records are properly made and maintained.

Section 104 of the Act requires a council to ensure that its policies on human resource management give effect to an appointment or promotion selection process which is fair and equitable and based on merit and staff are treated fairly and consistently and are not subjected to arbitrary or capricious decisions.

Council's Human Resource Management Policy (P08) states the selection process for appointment or promotion must be based on merit and must be fair and equitable.

Finding:

Council's Human Resource Management Policy (P08) lacks procedural detail on how recruitment action is to be undertaken to ensure the process for appointment or promotion of staff is based on merit, is conducted in a fair and equitable manner, and is properly recorded in council's record management system.

In 2017-18 a Sport and Recreation Officer was recruited by the CEO. The only documentation provided to the inspectors relating to the recruitment process were two applications and a hand written interview note for one of the two applicants. A formal recruitment file was not created which recorded details of the assessment and shortlisting process and on what grounds the successful applicant was selected for appointment. The panel for this recruitment action comprised only of the CEO.

In the inspector's opinion, for the CEO to undertake an entire recruitment process is not best practice as this lacks transparency and accountability in the decision making process and can be perceived as an unfair and inequitable process. The lack of full and complete documentation to substantiate on what grounds a recruitment action decision was taken also reflects poor record keeping practices.

Conclusion:

The recruitment process and record keeping practice relating to the appointment of the Sport and Recreation Officer did not meet the highest standards of accountability.

Recommended Remedial Action:

The CEO must confirm to the inspectors in writing that all future recruitment action will be undertaken in a more transparent and accountable manner.

Issue 13

The CEO has not implemented adequate procedures for the proper custody of the Council's records or ensured Council's records are properly filed and indexed.

Background:

Section 101 of the Act requires the CEO to ensure that financial and other records are properly made and maintained.

Regulation 14 of the Administration Regulations states the CEO is responsible for ensuring the proper custody of the council's records and that council's records are properly filed and indexed to facilitate access.

Section 134 of the *Information Act* requires a public sector organisation (being a local government council) to keep full and accurate records of its activities and operations and implement the practices and procedures for managing its records necessary for compliance with the standards applicable to the organisation.

Finding:

The current management of Council's records is primarily through a paper-based filing system with copies otherwise held on the Council's server in a hierarchy of labelled folders and on the Council's email system.

The current system lacks any formal registration controls, and there is no formal classification, naming convention or indexing system used to facilitate document retrieval over time.

During the compliance review site visit the inspectors found that some but not all filing cabinets had a listing of their contents.

Although inactive records were stored in labelled boxes, there is no controlled list of all the inactive records. The current storage arrangement (in the council workshop) does not adequately protect inactive records from unauthorised access, loss or destruction, either intentionally or otherwise.

The Council's records policy (P10) approved in October 2009 is deficient as it only contains the list of primary records as described in the Administration Regulations. It does not encompass the whole regulatory environment for the creation, capture, usage and preservation of records/information. There are no related procedures for records management.

The council does however have a Privacy Policy (P30) that seeks to prevent unauthorised access to records.

The inspectors acknowledge the council has considered investing in a local government records disposal schedule and agreed to make a financial contribution via the Local Government Association of the Northern Territory (LGANT) for copyright permission to use the Keywords for Councils, provided by the State Records Authority of New South Wales (NSW), this also gives permission for the Council to use the Local Authority Disposal Schedule 2018/3.

However, the Council does not have proper procedures for the custody of the Council's records or ensured Council's records are properly filed and indexed.

Conclusion:

The CEO has not ensured financial and other records are properly made and maintained.

Recommended Remedial Action:

By 31 March 2019, the Council must report to the inspectors on its progress with implementing an appropriate records management system to ensure compliance with legislative requirements.

Issue 14

Instances noted of poor documentation processes on Council expenditure.

Background:

Section 101 of the Act provides that the CEO is responsible to the Council to ensure that proper standards of financial management are maintained and, in particular, proper controls over expenditure and that financial and other records are properly made and maintained.

Finding:

As part of sampling undertaken in the compliance review, on three occasions documentation of expenditure was lacking.

On one occasion an amount of \$122 paid to Fork and Dagger Bar on 5 October 2017, did not have any documentation to substantiate the expense was for official council business. Although it was noted that the expense was for a meal related to a meeting, no further details were provided on who the attendees were at that meeting or the purpose of the meeting.

There were also two instances noted where the invoices relating to fuel for the CEO's car had been misplaced. One expense was a payment to Alleron Store of \$115.40 on 4 November 2017 and another was a payment to Highway Inn of \$218.06 on 17 December 2017. For both instances, there was a brief signed statement from the CEO sighting the nature of the expense and the amount.

Conclusion:

When Council expenditure is not correctly documented it reflects a lack of accountability over the use of public funds and increases the risk of funds being used for non-official purposes.

Recommended Remedial Action:

The CEO must confirm in writing to the inspectors that all supporting documentation of Council expenditure will be kept properly; where supporting documentation is misplaced, then a statutory declaration will need to be completed and filed in the Council's record management system.

Issue 15

Council's Common Seal Register is not kept on a computer and is incomplete.

Background:

Regulation 11(1) of the Administration Regulations states that a council must keep a register containing copies of all documents executed under the council's common seal. Regulation 11(4) requires council to keep the register by computer

Finding:

The Council does not have a computerised common seal register containing copies of all documents executed under the Council's common seal.

During the site visit the inspectors requested and sighted a hardcopy, hand-written register listing occasions when documents have been executed under the common seal.

The register is incomplete for the following reasons:

- i. it does not contain copies of all documents executed under the common seal;
- ii. it only records the use of the common seal from the 11 April 2014 to the time of the site visit; and
- iii. it only records the date and reason for the use of the common seal on each occasion.

Documents listed in the register are generally kept in manila folders in a filing cabinet. The common seal register does not have any cross referencing to indicate the physical location of documents recorded in the register.

Conclusion:

Council has not maintained a register containing copies of all documents executed under the Council's common seal. The register does not contain copies of all documents executed since the Administration Regulations were introduced in 2008 as it only contains a list of documents executed under the common seal since 2014. The Council also does not maintain an electronic common seal register as required by Administration Regulations.

Recommended Remedial Action:

By 31 March 2019 the Council must establish a computerised common seal register containing copies (or references to copies) of all documents executed under the Council's common seal as required by the Administration Regulations.

Resolution No. 2019/

That the Audit Committee note the Compliance Review Report.

Moved:

Seconded:


7.4.1 Compliance Review Actions Update

Issue No.	Issue	Action	Date reqd	Comments / Action undertaken
1	Not all purchases between 10 & 100k met Accounting Regulations	Review procurement processes and put in procedures	31/12/2018	Reviewed procurement processes Dec 2018. Council does not have a procurement policy - development of same is under way.
2	Disposed of vehicle (asset) without council authority	1 - At next meeting inform council vehicle has been disposed of without proper authority. Details of cost of new vehicle and trade in value must form part of report to council. 2 - Develop a disposal of assets policy compliant with ministerial guideline 7. 3 - Until policy and delegations are sorted out, don't dispose of anything.	1 - Next council meeting - 2 & 3 open	At council's meeting of 23/01/19, a report relating to disposal of vehicle was provided by CEO. A resolution notes and receives report. Resolution and covering letter provided to inspector 25-1-19. Asset Disposal policy drafted and sent to councillors for comment on 8-1-19. Draft Asset Disposal Policy included in Audit Committee Agenda for February 6th meeting.
3	On 1 occasion - councillor allowance paid in advance	Confirm in writing to inspectors that elected members allowances will not be paid in advance.	31/01/19	Completed - At council's meeting of 23/01/19 a resolution confirmed councillor's allowances will not be paid in advance. Resolution and covering letter provided to inspector 25-1-19.
4	The council does not have a travel policy	Develop travel policy - advise inspectors once done.	31/03/2019	Travel and Accommodation Policy drafted and sent to councillors for comment on 29 January. Draft Travel and Accommodation Policy included in Audit Committee Agenda for February 6th meeting.
5	No formal documents outlining travel allowance	Include rates in new travel policy	31/03/2019	Travel and Accommodation Policy drafted and sent to councillors for comment on 29 January. Draft Travel and Accommodation Policy included in Audit Committee Agenda for February 6th meeting.
6	Council policies are out of date	Review delegations manual by and develop schedule for others	31/03/2019	Delegations manual has been reviewed. Schedule to be developed.
7	Council does not have an investment policy	Develop investment policy and provide copy to inspectors	31/03/2019	Investment Policy drafted and sent to councillors for comment on 30 January. Draft Investment Policy included in Audit Committee Agenda for February 6th meeting.
8	Council does not have a borrowing policy	Develop borrowing policy consistent with guideline 5 and provide copy to inspectors	31/03/2019	Borrowing Policy drafted and sent to councillors for comment on 29 January. Draft Borrowing Policy included in Audit Committee Agenda for February 6th meeting.
9	Council does not have a credit card policy	Develop credit card policy and make sure it is consistent with delegations manual - provide copy to inspectors	31/03/2019	Draft Credit Card Policy sent to councillors 8/1/19. Draft Credit Card Policy included in Audit Committee Agenda for February 6th meeting.
10	Council does not have a stocktake policy	Develop stocktake policy - accounting regs 10,22 - provide copy to inspectors.	31/03/2019	Draft Stocktake policy sent to councillors 18-1-19. Draft Stocktake Policy included in Audit Committee Agenda for February 6th meeting.

11	Council does not have a statement of employment policies as required under S105 of the act and lacks other specific HR policies.	Develop suite of HR policies and provide to inspector.	31/05/2019	Two quotations to develop a full suite of HR policies have been obtained. This issue will be brought to council's February 19 meeting with a recommendation that council proceed to engage a contractor.
12	PO8 lacks detail with respect to recruitment	Confirm in writing to inspectors that all further recruitment action will be undertaken in a more transparent and accountable manner.	Undated	Completed - letter sent to inspector 23-01-2019
13	CEO has not ensured financial and other records are properly maintained.	Council must report to inspector with respect to progress on implementing appropriate records management system.	31/03/2019	Record Management Review Report and associated documents received on January 25. Documents included a Records Management Framework, a Records Management Policy, introductory training presentation, a guideline for managing emails as records, a guideline for records naming conventions. A quotation to install and configure an electronic document management system was obtained in January 2018. Council chose not to proceed with this at that stage. An updated quotation has been requested, as has a second quote. A quotation to update council's IT system has also been received. Letter updating inspector sent 01/02/2019.
14	Poor documentation on expenditure	CEO to inform inspectors that all supporting documents of council will be kept properly - where misplaced - stat dec to be provided.	Undated	Completed - letter sent to inspector 15/01/2019
15	Common seal register not kept on computer and is incomplete.	Council to establish computerised common seal register containing copies (or references to copies) of all documents executed under the common seal as required by administration regulations.	31/03/2019	Completed - letter and copy of register sent to inspector 23/01/2019. Inspector returned with queries. Email responding to queries was sent on 1/2/19.

7.5 Policy Review

7.5.1 P15 – Procedures for Council and Council Committee Meetings Policy

	POLICY TITLE:	PROCEDURES FOR COUNCIL AND COUNCIL COMMITTEE MEETINGS POLICY
	POLICY NUMBER:	P15
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

This policy has been developed to provide a structure for the orderly and efficient proceedings of meetings.

2. SCOPE:

This policy applies to all Council meetings and meetings of committees of Council.

3. DEFINITIONS:

Agenda - Means a list of items for consideration at the meeting together with reports and other attachments relating to those items.

Amendment - Means a motion moved as an alternative to the original motion.

CEO - The Chief Executive Officer of Wagait Shire Council.

Council - Means the Council of Wagait Shire Council.

Committee - Means a Committee established by the Council in accordance with Section 54 of the Local Government Act.

Confidential session - Is a session during a meeting of Council or a Committee from which the media and the public has been excluded by a resolution carried in accordance with Regulation 8 of the Local Government (Administration) Regulations.

Councillor - Means an Elected Member of the Wagait Shire Council.

Deputation - Individuals and groups may request presentation time on the agenda of a Council meeting to make a formal address to the Council. Deputations provide an opportunity for members of the public to address Council on a specific issue.

Minutes - Means the record of proceedings at any meeting of the Council or its committees.

Motion - is a proposal to be considered by Council at a meeting. It is a request to do something or to express an opinion about something. A motion formally puts the subject of the motion as an item of business for the Council.

Officer - Means an employee of Council.

Ordinary meeting - Means a meeting of the Council that is usually the monthly meeting of the Council and not a special meeting of the council.

Petition - A petition is a formal request used to lobby a law-making body such as local government. It may request an amendment to general law or the review of

an administrative decision. The petition is placed before the law-making body with the object of implementing the particular action or amendment. Petitioning is one of the traditional forms by which people can make requests direct to Council.

Principal Member – Means the President or Mayor of Wagait Shire Council or in their absence the appointed deputy.

Quorum - means the minimum number of members needing to be present to constitute a valid meeting.

Resolution - is a motion that has been passed by a majority of councillors at the meeting.

Special meeting – means a meeting of the Council that has been called in accordance with sections 58 and 59 of the Local Government Act.

4. POLICY:

4.1 Setting the dates, place and times for ordinary meetings.

- (1) The Council shall pass a resolution which sets the day, the time and the place each month, or every two months, for each ordinary meeting of the Council. The Council may set the same day each month for its ordinary meeting (e.g. the second Tuesday of every month).
- (2) The resolution for the setting of dates is normally confirmed at the first meeting following an election of the Council although it may be changed by resolution thereafter.

4.2 The order in which agenda is to be dealt with at an ordinary meeting.

- (1) The order in which agenda is to be prepared shall include:
 - (a) A list of the names of the members present at the meeting
 - (b) Apologies from members who have given reasons why that they will not be present at the meeting
 - (c) Members who wish to declare that they have a conflict of interest with any one agenda item at the meeting
 - (d) A model resolution for council to confirm whether or not the minutes of the previous meeting are a true and correct record of that meeting
 - (e) Inward correspondence requiring a decision of council
 - (f) Councillor's reports
 - (g) Officer's reports
 - (h) Finance report
 - (i) Agenda items of which previous notification has been given
 - (j) Questions from members – with or without notice
 - (k) Questions from the public – with notice
 - (l) Petitions/deputations
 - (m) Confidential business
 - (n) Confirmation of the date and time of the next meeting.
 - (o) Closure of the meeting

The order of business at an ordinary meeting may be altered for a particular meeting if the members present at that meeting pass a motion to that effect.

4.3 Agenda papers for ordinary meetings.

- (1) The CEO must prepare and distribute to members, at least three business days before each ordinary meeting and at least four hours before each special meeting, an agenda which complies with the Local Government Act and include the unconfirmed minutes of the previous meeting.
- (2) Copies of the agenda must be made available to the public at the council office.

4.4 Notice to be given of agenda items for an ordinary meeting.

- (1) Members shall give notice to the CEO, at least five days before the meeting, of important agenda items for a meeting.
- (2) The notice must be in writing and signed by the member who wished the matter to be considered and the notice may include a petition.

4.5 Procedures for General Business at an ordinary meeting.

- (1) The CEO or a member may give notice at the beginning of a meeting requesting that matters to be considered during the part of the meeting be set aside and take place during general business.
- (2) Before giving notice, members or the CEO, must have regard to the nature of the matter and whether it requires a decision or is for information only.
- (3) Members must only give notice of matters for decision by Council in the event of the matter not requiring much deliberation.
- (4) Where a matter requires reasonable consideration or analysis the Council shall consider deferring it to the next meeting.

4.6 Petitions

- (1) A petition may be presented to a meeting of the Council by a member.
- (2) Before presenting the petition, the member must, as far as practicable, become acquainted with the subject matter of the petition.
- (3) The member must state the nature of the petition and then read the petition.
- (4) The petition must be worded in a respectful language.
- (5) Each page of the petition must restate the whole of the petition.
- (6) The signature on a page not complying with subclause (5) must not be taken into account by the council when considering the petition.
- (7) A person must not attach to a petition –
 - (a) A signature purporting to be that of another person; or
 - (b) The name of another person.
- (8) If a petition is presented at a meeting of the Council and was not included in the agenda for the meeting –
 - (a) A person present at the meeting and associated with the petition, may make a statement, explanation, submission or comment regarding the petition only if first invited to do so by the Principal Member; and

- (b) No debate on or in relation to the petition must be allowed and the only motion that may be moved is that:
 - (i) The petition be received and noted; or
 - (ii) To be referred to a committee or officer for consideration and a report to the Council.

4.7 Deputations

- (1) A deputation wishing to attend and be heard at a meeting must apply in writing to the CEO not less than 5 business days before the meeting.
- (2) The application must state why the deputation wishes to attend and be heard.
- (3) The CEO, on receiving the application, must notify the Principal Member of the application.
- (4) The Principal Member must determine whether the deputation may be heard and notify the CEO accordingly.
- (5) The CEO must –
 - (a) Inform the deputation of the Principal Member’s determination; and
 - (b) If the Principal Member has determined to hear the deputation, arrange a convenient time for the deputation to be heard at a meeting of the Council.
- (6) Only 2 persons in the deputation may address the meeting unless the members determine otherwise by resolution.
- (7) A person in the deputation who is addressing the meeting must be temperate in speech and matter and must not use insulting or offensive language.
- (8) The deputation must be given adequate opportunity and facility to explain the purpose of the deputation.
- (9) The Principal Member may halt an address by a person in a deputation if –
 - (a) The Principal Member is satisfied that the purpose of the deputation has been sufficiently explained to the members; or
 - (b) The person is severe in speech or manner or uses insulting or offensive language.

4.8 Motions to be dealt with in the order they appear in the agenda papers unless otherwise determined.

- (1) That Principal Member shall ask members present at the meeting to move motions in the order that agenda items appear in the agenda papers (as well as any other motions that arise during consideration of those items) unless otherwise determined by resolution by Council at the meeting.

4.9 Motions to have a mover and a seconder for debate to commence and members must speak about the agenda item.

- (1) A member who moves a motion may speak in support of the motion before it is seconded.
- (2) The Principal Member shall only allow debate on a motion if it is seconded, requesting initially for a member that may wish to speak against the motion and thereafter with members wanting to speak either for or against the motion.
- (3) A motion that is not seconded must be recorded in the minutes as having lapsed.

(4) A member speaking about a motion must confine his or her remarks to the matter being considered.

(5) In the event there are no motions to amend the original motion the Principal Member shall put the motion to the vote.

4.10 Motions not be withdrawn without consent

(1) When a motion has been moved and seconded, it becomes subject to the control of the ordinary meeting and may not be withdrawn without the consent of members.

4.11 A member may move an amendment to a motion so long as it still relates to that motion.

(1) When a motion has been moved and seconded, a member may move an amendment to it.

(2) A member who moves or seconds a motion must not move or second an amendment to a motion.

(3) Any amendment so moved, must not negate the intent of the original motion.

(4) The principal member shall reject any proposed amendment that attempts to negate a motion, or replace an amended motion with the original motion.

4.13 Council may only deal with one amendment to a motion at a time.

(1) Once an amendment has been moved, no further amendment can be considered until that amendment is disposed of, either because it lapses, or is seconded and put to the vote.

4.14 The amendment, if voted on and carried, becomes the motion.

(1) Once an amendment is put to the vote and carried, the motion as amended, then becomes the motion before the ordinary meeting.

(2) Following the carriage of an amended motion (and subsequent debate if any), the Principal Member shall put the amended motion to the vote of members present at the meeting.

4.15 Dealing with further amendments to motions.

(1) If an amendment to a motion is lost, then further amendments may be considered until a motion is carried (be it the original motion or some variation of it) or all motions are exhausted.

4.16 Limitation as to the number and duration of speeches

(1) Except with the consent of members present at the meeting, the mover of an original motion, in his or her opening speech, must not speak for more than ten minutes.

- (2) Except with the consent of members present at the meeting, a member, other than the mover of the original motion, must not speak for more than five minutes at any one time.
- (3) A member, who is the mover of an original motion, has a right of general reply (and may speak for up to five minutes once all debate is completed) to all observations which have been made in reference to the motion and every amendment involved in respect of it.
- (4) A member, other than the mover of an original motion, has a right to speak once to the motion and any amendment proposed to it.

4.17 Principal Member to maintain order, to decide who can speak first and to have priority when speaking.

- (1) The Principal Member must maintain order, and may, without the intervention of any other members, call any member to order whenever, in his or her opinion, it is necessary to do so.
- (2) If two or more members attempt to speak at the same time, the Principal Member must decide which of the members may speak first.
- (3) The Principal Member may, at any time during the debate on the matter, indicate an intention to speak.
- (4) If the Principal Member indicates an intention to speak, a member speaking or proposing to speak to the debate must be silent until the Principal Member has been heard.

4.18 Members must address other members and council officers properly at meetings, and may request the Principal Member to bring order to the meeting.

- (1) Members must comply with the adopted Code of Conduct at meetings.
- (2) A member who considers that another member is out of order may call upon the Principal Member to maintain order.
- (3) The call for order must be dealt with immediately, without further discussion, in accordance with a council's code of conduct.

4.19 How the Principal Member shall deal with calls for order from members.

- (1) Where a member calls for order, the Principal Member must rule on the call by determining whether the comments made by a member are out of order.
- (2) Where the Principal Member rules that a member is out of order on more than three occasions at a meeting the Principal Member may request the member to leave the meeting.
- (3) If the Principal Member decides that any motion, amendment or other matter (including a matter he or she considers is objectionable) is out of order, it must be rejected and not be considered further.

4.20 Rescinding or altering resolutions

- (1) A resolution of the Council may be altered or rescinded if a notice of motion is carried at a meeting to have the matter dealt with at another meeting, and this is done within three months of the original notice of resolution being passed.
- (2) The CEO shall ensure that any notices of motion, once carried, are included in the agenda for future meetings of the Council.

4.21 Motions to improve the handling of matters at a meeting

- (1) A member may move a motion to have a matter put to the vote only after the Principal Member has –
 - (a) First queried whether members wish to speak for, or against, the particular motion to do with the matter, and
 - (b) At least two members have had the opportunity to do so.
- (2) If the motion to put a matter to have the vote is lost, debate on the matter must be allowed to continue for at least ten minutes before the presiding member can allow a similar motion for the matter to be put to the vote.
- (3) If the motion to put the matter to the vote is carried, the Principal Member must immediately put the motion to do with the matter to the vote.
- (4) A member may move a motion to have debate on a matter put off to the next Council Meeting and have the Meeting move to the next item of business, and
 - (a) If the motion is carried, the CEO must ensure the matter is included in the agenda for the next meeting; or
 - (b) If the motion is lost, the Principal Member must continue to allow debate on the matter until it is put to the vote.
- (5) A member may move a motion to have a meeting put off for a short period and
 - (a) If the motion is carried, the meeting must continue with the matter before the meeting at the point where it was delayed, and
 - (b) If the motion is lost, the presiding member must not accept a similar motion within 30 minutes after the motion was lost.

4.22 Member absences from, and attendances at, ordinary and special meetings

- (1) If a quorum of members is not present at a meeting in accordance with clause 64 of the Local Government Act, the Principal Member must postpone the meeting to a date, time and place as the Principal Member thinks fit.
- (2) Members may attend ordinary, special or committee meetings by technological means so long as there are no members of the public in attendance when confidential matters are discussed and undue influence is not exercised over members by members of the public during the meeting.

4.23 Public Attendance and participation at meetings.

- (1) Members of the public, including journalists, shall be allowed to attend ordinary, special or committee meetings unless Council chooses to close them for confidential reasons.

- (2) A member of the public must not take part, or attempt to take part, in the proceedings of a meeting without notice as outlined in either Section 7 or Section 4.23(4).
- (3) No members of the public shall ask questions of invited guests under any circumstances.
- (4) A member of the public who wishes to ask a question must do so in writing to the CEO at least 7 business days prior to the meeting.
- (5) A question on notice from a member of the public must be included in the agenda for the next meeting of the Council or otherwise answered administratively.

4.24 The Principal Member is to maintain order when the public is participating in Ordinary, Special or Committee Meetings.

- (1) Members of the public that submit questions The Principal Member may invite questions, submissions or comments from members of the public at a meeting of the council but is not obliged to do so.
- (2) If the Principal Member considers a question comment, or statement of a member of the public at a meeting of the council is offensive, irrelevant, unduly long or deals with a confidential matter, the Principal Member may rule the matter out of order and proceed to deal with it or the next item of business.
- (3) On receiving a comment or submission from a member of the public, the council must:
 - (a) Refer it to a committee
 - (b) Request it be included in the agenda for the next council meeting
 - (c) Deal with it under general business at the Meeting of the Council, or
 - (d) Note it and take no further action.

4.25 Procedures for Council Committees

- (1) Committees of Council shall follow the same procedures as provided for Council Meetings unless the committee resolves otherwise.
- (2) Minutes of committee meetings shall be included in the agenda of Council Meetings as recommendations and Council may adopt them in whole, or part, or be simply noted with no further action required.
- (3) When conferring a power or function on a committee the Council shall have regard to its annual budget and plans it has adopted as a basis for providing direction for its committees.

4.26 Changing these procedures

- (1) The Council may change these procedures by resolution at a Meeting.

5. ASSOCIATED DOCUMENTS

Nil.

6. REFERENCES AND LEGISLATION


Local Government Act

7. REVIEW HISTORY

Date Approved: 20.10.2009		Approved By:	Councillors – resolution no.	Date for review: 17/02/2011	3 years
Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	

Resolution No. 2019/
That the Audit Committee recommend that the draft updated P15 Procedures for Council and Council Committee Meetings Policy, be adopted by council.
Moved:
Seconded:

7.5.2 P35 – Authorisation of Payments Policy

	POLICY TITLE:	AUTHORISATION OF PAYMENTYS POLICY
	POLICY NUMBER:	P35
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

To provide clear guidelines for the payment of creditors, employees and councillors.

2. SCOPE:

The Policy applies to all Wagait Shire Council payment transactions.

3. DEFINITIONS:

The Act: Means the Local Government Act.

Business day: Means any day except a Saturday, Sunday or public holiday.

Exceptional Circumstances: Means the principal member or hief Executive Officer are not in a position to authorise payment/s when required or are not contactable when authorisation is required.

4. POLICY:

- 4.1 Pursuant to S119(2) of the Act all money received by a council must be paid into an authorised deposit account, and all expenditure made by a council must be made from an authorised deposit account.

Section 20 of the Local Government (Accounting) Regulations provides:

- (1) A cheque issued on behalf of a council must be signed by at least 2 persons authorised by resolution of the council to sign cheques on its behalf.
- (2) An electronic disbursement from an authorised account must be processed by at least 2 persons authorised by resolution of the council to process electronic disbursements on its behalf.
- (3) An authorisation under subregulation (1) or (2):
 - (a) may only be given to 1 or more of the following:
 - (i) the council's principal member;
 - (ii) the CEO;

- (iii) a member of the council's staff; and
- (b) may be given subject to limitations and conditions determined by the council and specified in its resolution.

Section 43 of the Local Government Act provides:

- (2) The deputy principal member is able to carry out any of the principal member's functions when the principal member:
 - (a) delegates the functions to the deputy; or
 - (b) is absent from official duties because of illness or for some other pressing reason; or
 - (c) is on leave.
- (3) If the principal member is absent from official duties on leave or for some other reason, and there is no deputy principal member or the deputy is not available to act in the principal member's position, the council may, by resolution, appoint some other member of the council to act in the principal member's position for a specified period or until the principal member resumes official duties.

4.2

Council does not make any payments by cheque. Payments other than those minor incidentals made from Petty Cash will be via EFT.

- 1) Payments to creditors will generally occur on the 1st day of each month and the 15th day of each month.
- 2) Payments to staff will generally occur every second Friday for the fortnight prior.
- 3) Payment of Councillor allowances will generally occur on the first day of each month for the month prior. Councillor allowances will not be pre-paid.

Authorisation of payments will generally be required on the day prior to the payment date.

Should any of the nominated authorisation days not fall on a business day, payments will generally be authorised on the last business day prior to said day.

The office manager shall ensure all payments requiring authorisation have been entered ready for authorisation by the day before the relevant payment date.

Should any payments be required outside of the scheduled days, the date of payment will be authorised by the Chief Executive Officer.

- 4.3 Unless exceptional circumstances apply, all payments are required to be approved by the principal member and Chief Executive Officer.

Should the principal member not be in a position to authorise the relevant payment/s on the authorisation date, the principal member shall ensure an appropriate delegation is in place as per section 43 of the Local Government Act.

Should the Chief Executive Officer not be in a position to authorise the relevant payment/s on the authorisation date, the acting Chief Executive Officer or Sport & Recreation Officer shall authorise the payments in conjunction with either the principal member or their appointed delegate.

5. ASSOCIATED DOCUMENTS

Councillor Code of Conduct
 P05 Council Staff Code of Conduct
 P26 Delegations manual

6. REFERENCES AND LEGISLATION


Local Government Act.
 Local Government (Accounting) Regulations.

7. REVIEW HISTORY

Date Approved:	Approved By:	Councillors - resolution no.	Date for review:	3 years from approval
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	

Resolution No. 2019/
 That the Audit Committee recommend that the updated draft of P35 Authorisation of Payments Policy, be adopted by council.
 Moved:
 Seconded:

7.5.3 P39 – Australia Day Awards Deliberations Policy

	POLICY TITLE:	AUSTRALIA DAY AWARDS DELIBERATIONS POLICY
	POLICY NUMBER:	P39
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

This policy outlines the procedure for choosing Wagait Shire Council’s Australia Day Awards recipients.

2. SCOPE:

This policy applies Councillors and the Chief Executive Officer.

3. DEFINITIONS:

Conflict of interest – For the purpose of this policy, a member has a conflict of interest if they:

- have a close family relationship with the nominee; or
- have some involvement in the management of financial or personal matters of the nominee; or
- is in a business relationship with the nominee; or
- are the nominee.

4. POLICY:

- 4.1 Each year, Council will invite nominations for person(s) / groups who have made outstanding contributions to the community for:
- Community event of the year;
 - Young citizen of the year (person must be under 30 years of age on 26th January of the relevant year); and
 - Citizen of the year
- 4.2 Nominations should be submitted to council administration on a valid Australia Day Nomination Form by the nominated due date.
- 4.3 Nominations can be submitted by email, post or in person at the council office.
- 4.4 Following the closure of nominations, The Chief Executive Officer will collate and distribute eligible nominations to councillors with pro-forma scoring tables.
- 4.5 Deliberations of nominations will occur in a closed session at Council’s January meeting.
- 4.6 Should councillors require further information with respect to any of the nominations, questions are to be put to the Chief Executive Officer prior to the January meeting who will then make relevant enquiries and circulate response/s.

- 4.7 The successful nominee/s will be confirmed by way of a decision of council.
- 4.8 All nominees will be advised of their nomination prior to Australia Day and be invited to attend the Australia Day awards proceedings on 26th January.
- 4.9 During the proceedings, the names of the nominees for each category will be read out and the winner announced.

5. ASSOCIATED DOCUMENTS
Australia Day Council scoring tables.

6. REFERENCES AND LEGISLATION
Local Government Act.


7. REVIEW HISTORY

Date Approved:		Approved By:	Councillors – resolution no.	Date for review:	
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Resolution No. 2018/
That the Audit Committee recommend that the draft P39 Australia Day Awards Deliberations Policy, be adopted by council.
Moved:
Seconded:

7.5.4 P41 – Asset Disposal Policy

	POLICY TITLE:	ASSET DISPOSAL POLICY
	POLICY NUMBER:	P41
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

To provide a framework consistent with legislative requirements that provides clear guidelines relating to the sale or disposal of assets or materials surplus to the operational needs of Wagait Shire Council.

2. SCOPE:

The Policy applies to

- all current and non-current assets and items surplus to council requirements; and
- all employees of council.

3. DEFINITIONS:

Asset: An asset is a resource controlled by council as a result of past events and from which future economic benefits are expected to flow to the entity for more than 12 months. Assets include tangible items like property, plant and equipment and intangible assets like software.

Useful life: The useful life of an asset is the period over which an asset is expected to be available for use by council.

Depreciable amount: The depreciable amount is the cost of an asset, or fair value less its residual value.

Residual value: The residual value is the estimated amount that council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

4. POLICY:

Section 182(1) of the *Local Government Act 2008* provides that, "Subject to the Minister's guidelines, a council may deal with or dispose of property of which the council is the owner."

4.1. Reasons for Disposal

Any sale or disposal of assets should be consistent with the council's objectives set out in strategic plans. When considering options for the sale and disposal of assets, council will look for opportunities to advance the objectives of the council's strategic plan.

Council may dispose assets due to renewal programs in line with asset management plans, the long term financial plan or annual budget.

4.2. Method of Disposal

The following practices of disposal are approved by council:

- Destruction / landfill – where items are of no value;
- Open tender;
- Selected tender;
- Quotation sought by officers for external party to sell on behalf of council;
- Trade in;
- Auction;
- Other means directed by council.

The following items should be considered selecting the method of disposal:

- Potential to obtain best price;
- Number of known potential purchasers;
- Current and possible preferred future use of the asset;
- Opportunity to promote local economic growth and development;
- Total estimated value of the sale;
- Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of the sale;
- Compliance with statutory and other obligations.

4.3. Approval for Disposal

Council has delegated authority for disposal of assets, except the sale of land, under section 32 of the Local Government Act to the Chief Executive Officer as documented in the delegation manual.

The Chief Executive Officer has delegated authority to dispose of equipment, stores or other property of council including, but not limited to plant, machinery and vehicles which are obsolete, worn out or of no further use providing the estimated disposal value of the asset is less than \$2,000 or the asset to be disposed of is outlined in the annual budget.

Advice to council regarding disposal of assets shall include:

- Identification of asset (linkage to financial asset register)
- Reason for disposal
- Method of disposal
- Application of proceeds

Property which has been purchased, or the purchase of which has been contributed to, by a funding source, may not be disposed of unless the terms of the funding agreement have been met. This includes any requirement to gain approval from the funding body to dispose of property.

4.4. Proceeds from Sale of Assets

Proceeds from the sale of assets should be applied to a particular purpose:

- Reduction of any debt associated with the asset acquisition or upgrade since the original purchase or construction;
- Offset of cost of replacement assets required for operations arising from the asset sale;
- Specific Reserve Fund or asset replacement reserve;
- Other specific purpose as determined by Council resolution.

4.5. Financial Recognition of Disposal

When an asset is sold and its selling price varies from the carrying amount in council’s balance sheet, a gain or loss on disposal will be recognised directly to the Income Statement in accordance with AASB 140 or AASB 116 respectively.

If an asset is derecognised before it has been fully depreciated, the carrying amount represents a loss on disposal and will be expensed.

Where an asset disposed of has been subject to revaluation, the net increment in the asset revaluation reserve relating to the disposed asset will be transferred to accumulated surplus. The amount transferred must not exceed the balance of the asset revaluation.

Partial disposal of an asset is recognised if a partial renewal/replacement has taken place and the carrying value of that disposed part in regards to AASB 116 can be identified.

Alternatively, if the fair value of the replaced part cannot be identified, the cost of the replacement is added in the carrying amount of the asset and the fair value shall be reassessed at revaluation.

5. ASSOCIATED DOCUMENTS

P05 Council Staff Code of Conduct
P26 Delegations manual

6. REFERENCES AND LEGISLATION


Ministerial Guideline 7 – Disposal of Property
Local Government Act
Local Government (Accounting) Regulations
Australian accounting standards.

7. REVIEW HISTORY

Date Approved:		Approved By:	Councillors – resolution no.	Date for review:	3 years from approval
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Resolution No. 2019/
That the Audit Committee recommend that the draft P41 Asset Disposal Policy, be adopted by council.
Moved:
Seconded:

7.5.5 P42 – Stocktake Policy

	POLICY TITLE:	STOCKTAKE POLICY
	POLICY NUMBER:	P42
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

The purpose of this policy is to provide for effective monitoring of council's property, plant and equipment.

2. SCOPE:

This Policy applies to all council property, plant and equipment listed as such in council's asset register.

This policy does not relate to large fixed items such as buildings, roads, playgrounds or other fixed assets.

3. DEFINITIONS:

Property, plant and equipment: Non-current assets listed in council's asset register.

Stock take sheet: A list of property, plant and equipment derived from council's asset register.

Major discrepancies: Occur when a non-current asset listed in council's asset register is not present at the time of stock take.

4. POLICY:

Section 22(3) of the Local Government (Accounting) regulations states the CEO must ensure that stock takes of Council's property are carried out in accordance with the Accounting Standards.

4.1 All purchases and disposals will be listed on the asset register. From the asset register, discreet stock take sheets will be developed. Stock take sheets will be maintained for:

- The council office
- The CEO house
- The community centre
- The council workshop
- The sportsground

The Chief Executive Officer may require further stock take sheets to be developed.

- 4.2** An annual stock take will be undertaken during the month of June each year. All items on the stock take sheets will be counted and their condition assessed.

Each stock take will be undertaken by 2 staff members.

The Chief Executive Officer may direct that additional stock takes be undertaken.

- 4.3** The results of the stock takes shall be recorded electronically.

The Chief executive Officer will report major discrepancies and proposed write offs to the council.

5. ASSOCIATED DOCUMENTS

P05 Council Staff Code of Conduct
P41 Asset Disposal Policy
Stocktake sheet

6. REFERENCES AND LEGISLATION

Local Government Act
Local Government (Accounting) Regulations
Australian accounting standards

7. REVIEW HISTORY


Date Approved:	Approved By:	Councillors – resolution no.	Date for review:	3 years from approval
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	

Resolution No. 2019/
That the Audit Committee recommend that the draft P42 Stocktake Policy, be adopted by council.

Moved:

Seconded:

7.5.6 P43 – Credit Card Policy

	POLICY TITLE:	CREDIT CARD POLICY
	POLICY NUMBER:	P43
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

To control the use of corporate credit cards issued under the name of Wagait Shire Council. This purchasing option is designed to facilitate procurement arrangements for those issued with Wagait Shire Council corporate credit cards without exposing council to undue risk or liability.

2. SCOPE:

The Policy applies to

- all employees of council.

3. DEFINITIONS:

Credit cards: Corporate credit cards issued in the name of Wagait Shire Council.

Cardholder: Wagait Shire Council employee that is the holder of a corporate credit card.

4. POLICY:

4.1 Issuing of Credit Cards

4.1.1 Credit Cards are only issued to officers that hold the positions with the required authority given to them by the Chief Executive Officer. Those positions are outlined in the Delegations manual.

4.1.2 To be issued a credit card staff will be provided with a credit card request form from the Chief Executive Officer. The form is provided by Wagait Shire Council's banking service provider. Staff may be required to prove their identity with the bank issuing the credit card.

4.1.3 Council officers issued with credit cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All cardholders are to acknowledge receipt of the Credit Card Policy in form of a signed agreement.

4.2 Credit Limit

4.2.1 The monthly maximum credit limit for credit cards is set in the Delegations manual. The Chief Executive Officer shall have the authority to determine,

within this limit, to vary the credit card limits for individual cardholders. Credit limits can only be increased by amending the Financial Delegations manual by council resolution.

4.3 Cancellation of Credit Cards

- 4.3.1 Each issued credit card remains the sole property of Wagait Shire Council. The Chief Executive Officer may revoke the use of any credit card at any given time.
- 4.3.2 Cancellation of a credit card is necessary where the:
- Cardholder changes job function that has not got appropriate authority;
 - Employment with cardholder ceases;
 - Cardholder has not adhered to set procedures and policies;
 - Misuse of credit card; or
 - Cardholder breaching any terms of this policy.

4.4 Use of Credit Cards

- 4.4.1 Credit cards must only be used for the carrying out of council authorised business and for the meeting of council liabilities where it is deemed to be inefficient or impractical to adhere to the purchase order system.
- 4.4.2 No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure. This includes the payment of parking fines or speeding offences even if incurred whilst on council business.
- 4.4.3 All purchases on the credit card require appropriate authorisation in line with the Procurement Policy and Delegations Manual.
- 4.4.4 Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental transgression by a member of staff other than the Chief Executive Officer, the Chief Executive Officer is to be notified and the Council reimbursed immediately. Should there be an accidental transgression by the Chief Executive Officer, the President is to be notified and the Council reimbursed immediately.

4.5 Cardholder Responsibilities

- 4.5.1 The cardholder has to ensure that the credit card is maintained in a secure manner and guarded against improper use.
- 4.5.2 All documentation regarding a credit card transaction is to be retained by the cardholder and provided to the office manager as part of the reconciliation procedure.
- 4.5.3 All documentation regarding a credit card transaction is to be provided to the office manager the business day after the transaction occurs or within 24 hours of the cardholder returning to work.
- 4.5.4 The cardholder must follow responsibilities outlined by the card provider.
- 4.5.5 Credit cards are to be returned to the Chief Executive Office or office manager on or before the employee's termination date with a full acquittal of expenses.

4.6 Credit Card Reconciliation Procedures

- 4.6.1 Credit card statement accounts will be reconciled by the office manager monthly.
- 4.6.2 All transactions on the statement must be supported by tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable GST rebate to be applied.
- 4.6.3 If no supporting documentation is available the cardholder will provide a statutory declaration detailing the nature of the expense and must state on that declaration all expenditure is of a business nature'. Approval of this expense is referred to the Chief Executive Officer for a decision. Should approval of the expenses be denied, recovery of the expense shall be met by the cardholder.
- 4.6.4 The cardholder shall sign and date the credit card statement with supporting documentation attached.
- 4.6.5 A monthly report of all credit card transactions will be authorised by the Chief Executive Officer as part of the monthly reporting to Council.

4.7 Disputed Transactions

- 4.7.1 Wagait Shire Council is responsible for paying all accounts on the monthly credit card statement and the bank processes a direct debit from the operational bank account for such.
- 4.7.2 It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. Only if this process does not resolve the dispute the cardholder needs to inform Chief Executive Officer, who will initiate a formal dispute process with the bank.
- 4.7.3 A formal dispute process will require the cardholder to fill in a dispute form from the bank. The Chief Executive Officer will facilitate the process between the staff member and the bank.
- 4.7.4 Any amounts in dispute need to be highlighted on the credit card statement.

4.8 Procedures for Lost, Stolen and Damaged Cards

- 4.8.1 The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Chief Executive Officer on the next working day.
- 4.8.2 Advice of a damaged credit card is to be provided to the Chief Executive Officer who will arrange a replacement.

4.9 Council Administration Responsibilities

- 4.9.1 The Chief Executive Officer will ensure that the following responsibilities will be met by council administration:
 - Arrange issues and cancellations of credit cards;
 - Maintain register of all cardholders;
 - Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders;

- Process payments of credit cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements;
- Arrange for all cardholders to sign the Corporate Credit Cardholder Agreement with application for the credit card; and
- Assist with formal dispute process.

5. ASSOCIATED DOCUMENTS

P05 Council Staff Code of Conduct
 P26 Delegations Manual
 P31 Counselling, Disciplining and Dismissing Employees
 Corporate Credit Card agreement

6. REFERENCES AND LEGISLATION


Local Government Act
 Local Government (Accounting) Regulations
 Local Government (Administration) Regulations
 Goods and Services Tax Act 1999
 Australian accounting standards.

7. REVIEW HISTORY

Date Approved:	Approved By:	Councillors - resolution no.	Date for review:	3 years from approval

Resolution No. 2019/
 That the Audit Committee recommend that the draft P43 Credit Card Policy, be adopted by council.
 Moved:
 Seconded:

7.5.7 P44 – Travel and Accommodation Policy

	POLICY TITLE:	TRAVEL AND ACCOMODATION POLICY
	POLICY NUMBER:	P44
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

The purpose of this policy is to outline a set of guiding principles for Wagait Shire Council employees and councillors when arranging and undertaking official work related travel.

2. SCOPE:

This Policy applies to all employees and councillors of Wagait Shire Council.

3. DEFINITIONS:

Approval officer: means the Chief Executive Officer for any employee or councillor travel, or in the case of the Chief Executive Officer, the Principal Member.

Booking officer: means the officer manager or Chief Executive officer.

Official Business: Business conducted on behalf of, and approved by Wagait Shire Council, either to fulfil a legislative requirements or to achieve a benefit for Wagait Shire Council. This may include an employee's or councillor's attendance at external courses, conferences, seminars or workshops.

4. POLICY:

All travel made by employees or councillors of Wagait Shire Council for official business purpose must be approved in advance and Travel Allowance Claim Form should be completed.

An employee or councillor who is required to be absent overnight from their usual place of residence on official work travel will be paid an entitlement for incidentals and meal expenses (as per the travel allowance form) occurring during the period while undertaking official work travel. Overnight travel expenses are currently not subject to tax instalment deductions, and will not be unless required by taxation legislation.

While undertaking official travel, no employee or councillor will be out of pocket for reasonable expenses. However, no staff member or councillor shall gain a financial advantage through the travelling allowance arrangement. Where the allowance determined by the Australian Taxation Office is not considered

appropriate in respect of a particular travel situation, the Chief Executive Officer may substitute a greater or lesser amount to be paid depending on the particular travel situation.

4.1 Travel Allowance

Travel allowance is provided to employees and Councillors conducting official business that requires overnight absence from normal place of work in a location where commercial accommodation is available. Travel allowance comprises meals and incidental expenses based on rates determined by the Australian Taxation Office.

4.2 Payment

Payments for allowance will be paid to employees and councillors into their bank account of their choice in the earliest pay run after the travel occurs and the Travel allowance claim form is submitted to the office manager.

4.3 Travel

Travel relates to all modes of travel. It includes flights, taxis, public transport, rental car and council vehicle use. The mode of travel used for official travel should be approved prior to the travel by the Chief Executive Officer.

If an employee of councillor wishes to travel to a location early or extend their stay beyond business requirements, this will need to be permitted by the approval officer.

4.3.1 Air Travel

The cost of air travel to and from destinations is to be by economy class on the shortest possible route. Council will not pay the cost of air travel upgrades.

4.3.2 Vehicle Travel

Taxis

It will be the responsibility of the person travelling to organise their own taxi request. Receipts are to be kept for reimbursement. Reimbursement should be claimed by submitting Reimbursement Claim Form to the office manager.

Rental Cars

Employees and councillors must seek appropriate approval from the approval officer prior to renting a vehicle. Consideration must be given as to whether the renting of a vehicle is cost effective and appropriate under the circumstances. All rental car bookings are to be made by the booking officer.

Private Vehicle Allowance

Where the Chief Executive Officer has authorised the use of a private vehicle, a mileage allowance per km as approved by in Travel Allowance Claim Form will be paid.

4.4 ACCOMMODATION

Accommodation for employees and councillors when attending official Wagait Shire Council business will be booked and paid for by Wagait Shire Council.

Accommodation for employees and councillors must be approved prior by the relevant authorisation officer.

Additional expenses incurred in accommodation such as telephone calls, room service or mini-bar supplies will be the staff member's/elected member's own responsibility.

Funds will not be paid in lieu of accommodation.

5 ASSOCIATED DOCUMENTS

- P05 Council Staff Code of Conduct
- P43 Credit Card Policy
- P45 Vehicle use Policy
- Travel Allowance Claim Form
- Expense Reimbursement Form
- Accommodation Booking Form

6 REFERENCES AND LEGISLATION


- Local Government Act
- Local Government (Accounting) Regulations
- Fair Work Act 2009
- Income Tax Assessment Act 1997

7 REVIEW HISTORY

Date Approved:	Approved By:	Councillors - resolution no.	Date for review:	3 years from approval
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	

Resolution No. 2019/
That the Audit Committee recommend that the draft P44 Travel and Accommodation Policy, be adopted by council.
Moved:
Seconded:

7.5.8 P45 – Vehicle Use Policy

	POLICY TITLE:	VEHICLE USE POLICY
	POLICY NUMBER:	P45
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

The purpose of this policy is to set conditions and guidelines for the use of council vehicles.

2. SCOPE:

This Policy applies to any driver of any vehicle owned, leased or under the control of Wagait Shire Council.

3. DEFINITIONS:

Authorised persons: means employees of Wagait Shire Council and those provided for in the Chief Executive Officer's contract of employment.

Authorised use: means unrestricted private use, restricted private use and business use as provided for in this policy.

Business use: use required for council officers to necessarily fulfil their employment duties.

Direct Route: means the shortest route (in terms of distance or travel time) between destinations and waypoints necessarily being attended at as part of an employee's duties.

Principal Member: means President or Mayor.

Restricted private use: means the use of a fully maintained Wagait Shire Council vehicle for the purpose of commuting between the officer's place of employment and residence.

Unrestricted private use: Means conditions outlined in the Chief Executive Officer's employment contract.

4. POLICY:

- 4.1** The Chief Executive Officer shall be provided with a fully maintained vehicle as per their employment contract or equivalent agreement.

The works supervisor shall be provided with a fully maintained vehicle for restricted private use.

Should the works supervisor be on leave, the vehicle allocated to the works supervisor shall be re-allocated to the works labourer.

At the discretion of the Chief Executive Officer, restricted private use of council vehicles by employees may be granted on a case by case basis.

At the discretion of the Principal Member, conditions relating to vehicle usage as outlined in the Chief Executive Officer's employment contract may be varied on a case by case basis.

- 4.2** The following matters are the responsibility of those employees who are allocated or provided a council vehicle:

- (a) Washing and cleaning (inside and out) of the vehicle on a regular and as needed basis
- (b) Ensuring that the vehicle is available for council operations on each work day, including ensuring that the vehicle is presented for council use on rostered days off and during periods of annual leave, long service leave and sick leave
- (c) Ensuring that normal operational items such as fuel, oil, battery, radiator, tyres etc are checked at regular intervals and in accordance with manufacturer's recommendations
- (d) Ensuring that overnight garaging (where applicable) is secure, and off road and under cover if possible
- (e) Ensuring that all defects in the operational aspects of the vehicle, or damage to the vehicle, are reported immediately
- (f) Ensuring that the vehicle is regularly serviced as required to meet warranty and manufacturer's specifications, and also that the vehicle is made available for such servicing when required
- (g) That a current and appropriate class of licence is held for the operation of the vehicle (where a licence is held, however due to demerit points / loss of licence it is no longer current, this needs to be reported immediately otherwise the vehicle is being operated without the appropriate current licence)
- (h) That when required, log books are completed correctly and returned on time for Fringe Benefits Tax or utilisation reporting
- (i) If there is any doubt as to its roadworthiness, a vehicle should not be used. Such roadworthiness issues and any faults that may occur during the life of the vehicle, should be immediately reported to the Chief Executive Officer

- (j) Employees shall be responsible for ensuring that an allocated vehicle is used appropriately at all times. Vehicles other than those specifically designed for such use, should not be taken off road. Employees shall be responsible for paying for any damage that occurs when a vehicle has been deemed to have been used inappropriately
- (k) Employees are to ensure that passengers and load limits are not exceeded at any time
- (l) Only authorised persons may drive a council vehicle

In an emergency any person holding an Australian Driver's Licence may drive the vehicle provided the passenger in the vehicle at the time the vehicle is being driven is an employee. An employee whose licence has been suspended shall immediately advise the Chief Executive Officer and arrange for the vehicle to be returned to the Council Depot.

4.3 Smoking in council vehicle's is strictly prohibited

4.4 Liability for All Vehicle Users

Employees utilising Council vehicles are liable for:

- ALL traffic offence notices incurred, including but not limited to fines and loss of points from parking fines, speeding fines, red light camera offences and general traffic offences
- Costs associated with an accident whilst the employee is utilising the vehicle in contravention of approved uses. In particular, employees or their nominated person, if found to be driving a council vehicle under the influence of drugs or alcohol may be held personally responsible for any repairs or legal action resulting from any accident in which they are involved

Similar conditions shall apply to damage occurring as a result of inappropriate behaviour, or use which contravenes this policy.

Employees would not be liable for any insurance excess costs involved if damage to the vehicle occurs in circumstances defined within authorised use

4.5 Approval

Consent to utilise a Council vehicle for restricted private use rests with Chief Executive Officer.

Approval for use shall only be approved where there is an advantage to Wagait Shire Council.

4.6 Withdrawal of Access Rights

Council reserves the right to suspend access to a council vehicle (including private and unrestricted private use) at any time at the discretion of the CEO, if the officer:

- Is convicted of a serious driving offence

- Judged to have incurred excessive insurance claims
- Has not maintained the vehicle in a suitable manner
- Has breached any of the agreed vehicle policy conditions

If an employee has had their access council's fleet withdrawn for any circumstance and is unable to be reallocated within council's structure, then the employee's employment contract may be terminated.

4.7 Share Riding

Where restricted private use is available to an employee, and if agreed to by the employee and solely at their discretion, restricted private use may be extended to include the collection of other council employees, subject to such an activity not requiring a major deviation from the commuter route of the employee with commuter privileges.

4.8 Prohibited

The following uses are not considered to be within the terms of **restricted private use** and are strictly forbidden:

- Private use of vehicles
- Transportation of non-Council persons or members of the public other than for official Council purposes (this includes the transportation of the employee's spouse or children at any time)
- Visits to non-work related locations (with the exception of the Wagait Beach Supermarket or a brief stop at a shop or similar on the direct route for minor, ad hoc and infrequent purposes)

4.9 Liability for restricted private use

All employees shall sign an acknowledgement form attesting to the fact that they are aware of the rules associated with use of Council vehicles, and in particular are aware of the ramifications and liability issues related to usage outside the policy. In particular, the fact that insurances do not apply to use of the vehicle, and any damages caused to both the council vehicle, other vehicles and property generally, and that the employee will be personally liable for such costs.

4.10 Insurance

It should be noted that insurances for council vehicles only apply during approved use. Any usage which contravenes this policy, or is outside approval, may render the council insurance coverage null and void, in which case the employee in charge of the vehicle would be fully responsible for all damage caused during any accident or similar.

4.11 Accident or Damage

In the event of an **accident or damage** to a vehicle it is the responsibility of the employee to:

- Report as soon as practicable to the incident, any involvement in a motor vehicle accident or upon sustaining general damage to the vehicle;
- Report any accident in a motor vehicle to the Northern Territory Police Service where required by law;
- Not accept or acknowledge any liability on behalf of council arising from an accident;
- Complete as soon as practical after the accident, in consultation with the Chief Executive Officer, complete the appropriate claim form and incident report form).

5. ASSOCIATED DOCUMENTS

P05 Council Staff Code of Conduct
 P31 Counselling, Disciplining & Dismissing Employees
 P33 Work Health & Safety
 Insurance claim form
 Incident report form

6. REFERENCES AND LEGISLATION


Work Health & Safety (National Uniform Legislation) Act
 Traffic Act
 Traffic Regulations
 Liquor act
 Local Government Act

7. REVIEW HISTORY

Date Approved:	Approved By:	Councillors – resolution no.	Date for review:	3 years from approval
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	

Resolution No. 2019/
 That the Audit Committee recommend that the draft P45 Vehicle Policy, be adopted by council.
 Moved:
 Seconded:

7.5.9 P46 – Works on Council Verge Policy

	POLICY TITLE:	WORKS ON COUNCIL VERGE POLICY
	POLICY NUMBER:	P46
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

To ensure any works on verges are approved by council and subject to clear guidelines.

2. SCOPE:

The Policy Framework applies to all Wagait Shire property owners.

3. DEFINITIONS:

Tree: a woody perennial plant, typically having a single stem or trunk growing to a considerable height and bearing lateral branches at some distance from the ground.

Verge: means that area of public land between the property boundary and the edge of the road.

4. POLICY:

4.1 Council maintains the verges throughout Wagait Shire by mowing, snipping, herbicide application, tree and bush pruning and/or removal.

4.2 Verge Treatment Options

4.2.1 Grassed Verge

Grassed verges remain the most common and preferred form of nature strip treatment within Wagait Shire.

- The use of tropical grasses provides a low maintenance treatment which requires periodic mowing and weeding
- Grassed verges must allow for pedestrian traffic and ensure clear site lines for pedestrians and motorists
- No permit is required to establish a grassed verge

4.2.2 Alternative Plantings

If an owner proposes anything other than grassing on the verge, an application to council is required. Owners are advised that all maintenance activities for a landscaped verge are to be undertaken by the owner at no cost to council.

The following information is to be contained in the application:

- A Works with a council road reserve permit application
- A sketch of the landscape proposal on for the verge. This need not be to scale however all relevant dimensions are to be included
- A list of the plant species to be used
- Confirmation that the applicant is the owner of the property

The application should also contain a signed letter from the owner indicating:

- They will irrigate the landscaped area from a supply within the property
- They accept all physical and fiscal responsibility for any required maintenance of the landscaped area
- They accept that should the need arise Council may request the removal of the landscaped area

Completed applications can be sent to Wagait Shire Council, PMB 10, Darwin NT 0800 or emailed to council@wagait.nt.gov.au for council's consideration.

The submission will then be reviewed and the owner will be notified in writing of the outcome. Should the submission obtain approval from council the owner will then submit a 'Works within a road reserve permit' prior to the commencement of any works.

4.2.3 Non-Approved Plants

Plants that must not be planted on the verge or on the property boundary include, but are not limited to:

- Prickly or thorny plants, e.g. Bougainvillea
- Plants with spiked leaves or fronds, e.g. Agave, yucca, cycads
- Poisonous plants
- Plants carrying large, heavy fruit, e.g. coconuts
- Declared weed species – see www.nt.gov.au/environment/weeds/declared-weeds for more information
- Trees unless otherwise allowed for in this policy

4.2.4 Prohibited

No trees shall be planted in a position such that it is probable they will interfere overhead power lines at maturity.

None of the following items are to be placed on a verge in such a manner that the items for a barrier to either vehicular or pedestrian traffic.

- Rocks
- Timber posts/poles/sleepers
- Retaining walls
- Hard surfaces such as concrete, pavers, asphalt or stepping stones

Please note: In the event that the landscaped verge is not consistent with the original submission and does cause risk to the public, the treatment may be removed by council and council may seek to recover removal costs

4.3 GUIDELINES FOR DEVELOPMENT AND MAINTENANCE OF A VERGE

4.3.1 Excavation and Cultivation of the Verge

Excavation and cultivation must be by carried out by hand. Mechanical excavation is not permitted other than for the purpose of installing an approved culvert or driveway.

The owner is responsible for repairing any damage to infrastructure caused by any works.

4.3.2 Installation of Driveways and Culverts on Verge

Each property is entitled to a single access. Accesses may be bare earth, concrete or bitumen spoon drain, a culvert or a combination thereof.

The following information is to be contained in the application:

- A works within a council road reserve permit application
- A sketch showing the proposed location of the property access
- Engineering drawings for the proposed access treatment

Council will consider applications for multiple property accesses on a case by case basis.

Completed applications can be sent to Wagait Shire Council, PMB 10, Darwin NT 0800 or emailed to council@wagait.nt.gov.au for council's consideration.

4.3.3 Clearways

Clearways are to be established and maintained on the verge:

- A minimum clear pedestrian width of 1.5 metres is to be retained on the verge.
- The buffer zone MUST be grassed to ensure sight lines are maintained.
- Vegetation should not encroach onto road ways or impede the vision of motorists.
- Approved plantings are to be maintained preferably below a height of 300 millimetres with a maximum unpruned height of 1.5 metres.
- No trees are to be planted within 4 metres of the roadway.

4.4 WORKS ON VERGES BY COUNCIL AND OTHER AGENCIES

Regardless of any development of the verge area, council reserves the right to construct or maintain infrastructure on any part of the verge at its discretion.

If necessary, in doing so, Council may remove any existing plants, shrubs, groundcover, irrigation systems or decorative features without compensation to the owner or resident for such removal or alteration. Remedial work will be undertaken to reinstate the verge however the treatment will be grass only.

Utility companies may require access to the verge to perform maintenance work from time to time.

- The companies are required to make good the verge following maintenance work, but are not required to re-instate residential verges that have been landscaped other than with grass
- Council will not be responsible for replacing plants or landscaping as a result of such works by others

4.5 RISK MANAGEMENT AND SAFETY

Wagait Shire Council is dedicated to providing a safe environment within the municipality.

Any feature placed by an owner that is deemed by council to be a risk to the public as a tripping hazard, obstruction or other hazard, or for which a permit has not been issued or does not comply with the requirements of the permit, may be removed from the verge without consultation or warning.

Where it deems appropriate, council will act to rectify problems in relation to tripping hazards or safety issues.

Council will write to the relevant owner requiring that they attend to the identified problem.

Failure to take action following a request by council may result in legal action.

Council may also undertake the required works at the expense of the property owner.

5. ASSOCIATED DOCUMENTS

Works within a road reserve permit application

6. REFERENCES AND LEGISLATION

Local Government Act.

7. REVIEW HISTORY

Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	


Resolution No. 2019/

That the Audit Committee recommend that the draft P46 Works on Council Verge Policy, be released for community consultation.

Moved:

Seconded:

7.5.10 P47 – Borrowing Policy

	POLICY TITLE:	BORROWING POLICY
	POLICY NUMBER:	P47
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

The purpose of this policy is to:

- Ensure the sound management of council's existing and future debt.
- Clearly state the set of circumstances and risks that should exist when council is considering the use of debt to fund projects and other capital purchases.
- Provide guidance as to the information that must be taken into consideration when council is considering the use of debt.
- Ensure funds are available as required to meet approved outlays.
- Ensure interest rates and other risks (e.g. liquidity risks and investment credit risks) are acknowledged and responsibly managed.
- Ensure the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.
- Ensure outstanding debt is repaid as quickly as possible resulting in gross debt being minimised.

2. SCOPE:

This Policy applies to all employees and councillors of Wagait Shire Council and extends to all borrowing activities of council and any controlled entities.

3. DEFINITIONS:

Borrowings: means any form of financial accommodation for example, an overdraft, a loan, hire purchase or instalment purchase agreement and the present value of future payments under a finance lease.

Minor transaction: a 'minor transaction' for the purposes of Section 123(2) of the Local Government Act is an amount of \$ \$50,000 or less for a schedule 1 local government. This amount is a total amount inclusive of all borrowings that have not been approved by the Minister and includes overdraft facilities, financial leases, secured or unsecured loans, bank overdrafts, lines of credit or any other credit facility.

4. POLICY:

Local Government Ministerial Guideline #5 issued under Section 258 of the Local Government Act requires a council to have a Borrowing Policy in accordance with part 10.3 (Council Borrowing) of the act before any borrowing takes place.

Wagait Shire Council will only consider to undertake borrowing if general principles are followed. Council shall monitor its capacity to pay, to ensure the community is not burdened with unnecessary risk and will review the interest rates, liquidity risks, and investment credit risks. The general principles to be abided by are:-

- all alternative options for undertaking the project without borrowing have been investigated and proved less advantageous to the Council;
- the benefit received from undertaking the borrowing is greater, over the life of the borrowing, than the costs of borrowing;
- repayments will be met from project income or other untied income of council.

4.1 Borrowing purposes

Borrowing can be an appropriate source of funds for local government. However, the use of debt is only appropriate if certain circumstances apply and Wagait Shire Council has a responsibility to ratepayers to employ the funds raised from new borrowings in an efficient and productive manner.

Debt is a productive and equitable source of funds only to the extent that it provides leverage to:

- fund the acquisition, construction, expansion or refurbishment of a major capital asset or other expansion in capital works, or;
- to upgrade obsolete technology, fleet and plant; or to intensify the capital base of council so as to reduce the ongoing cost of operating programs.

Debt is not a productive or equitable use of Wagait Shire Council resources when used as a substitute for current revenue in maintaining or replacing the existing levels of asset infrastructure, or for covering, whether directly or indirectly, the cost of interest on debt. Debt should not be used for these purposes.

4.2 Debt term

Wagait Shire Council will borrow new loans for a period that maximizes efficiency. Wagait Shire Council will plan to repay borrowings over the physical life of the asset as determined by ATO depreciation guidelines, with a renewal period of every 5 years.

Maximum term for minor transactions (<\$50,000) will be for no more than five (5) years with consideration given to whether required funds can be sourced from existing cash reserves or through the imposition of rates, special rates or other charges.

4.3 Long term financial viability

Wagait Shire Council will maintain a Long Term Strategic Financial Plan in order to demonstrate its long term financial viability and ability to service loan repayments. This plan will forecast future revenue and expenditure levels including loan borrowings and servicing costs. The plan will be reviewed annually during the budget process to ensure that council remains financially viable in the long term and that the proposed budgets are consistent with the adopted strategy.

4.4 Type and source of borrowing

- Internal borrowing from reserves may be considered as part of any borrowing strategy.
- Borrowings will only be in Australia dollars.
- Council shall raise all external borrowings at the most competitive rates available and from sources available as defined by legislation with an appropriate financial credit rating.

4.5 Approval for borrowing

The Local Government Act prohibits the council delegating powers to officers for borrowing money. Therefore council must approve all borrowings by way of resolution. Council will assess each borrowing request as separate transactions. Those borrowing transactions approved by council are subject to ministerial approval depending on whether the transaction is defined unless otherwise exempted.

4.5.1 Overdraft:

Under Section 123 Local Government Act the Minister's approval is not required for an advance overdraft if:

- a) The term of the advance does not exceed two months; and
- b) The amount of the advance does not exceed 2% of the Council's total revenue income for the last financial year for which the Council has an audited financial statement.

4.5.2 Minor Transaction:

Under Section 123 Local Government Act the Minister's approval is not required for a transaction classified as a minor transaction under guidelines issued by the Minister. Under the guideline Wagait Shire Council is a Schedule 2 council and a minor transaction therefore is an amount of \$50,000 or less. This is a total amount inclusive of all borrowings that have not been approved by the Minister and includes overdraft facilities, financial leases, secured or unsecured loans, bank overdrafts, lines of credit or any other credit facility (including all credit card transactions).

4.5.3 Minister's Approval:

All borrowings, other than the above mentioned (4.4.1 and 4.4.2), require Minister's approval under Section 122, 123, 124 and 124 of the Local Government Act. Minister's approval for borrowings is given only after consultation with the

Treasurer. Wagait Shire Council may, with the Minister's approval, give security for a borrowing in the nature of a mortgage or charge over property. The Minister will consult with the Treasurer and will not approve a security over a property, if in the Minister's opinion, it is essential that the property be retained in the ownership of the council.

4.5.4 Seeking Approval from Minister for Local Government:

To seek approval for borrowings, Wagait Shire Council should forward a letter requesting to borrow money, including a business case, to the Minister with the responsibility for Local Government. The letter needs to be accompanied with a details business case including, but not limited to:

- Details of the procurement including the assessment of its various options to fund the procurement.
- Forward cash estimates for at least three years and detailing the capacity and ability to service borrowing.
- A report on the current financial position and financial performance against its revenue and expenditure budget.
- Council minutes approving the procurement, approving the intention to borrow and approving the CEO to secure a loan.
- Planned financial agreements indicating the intended term of the borrowing, type of the principal and interest repayments, total cost of borrowing and conditions attaching to any securitisation. This information needs to be supported by a finance proposal from a lending institution.

4.6 Reporting requirements

The Chief Executive Officer will provide council on a monthly basis a report detailing the following:

- total borrowings
- debt service ratio
- debt to revenue ratio and
- net financial liabilities to revenue ratio

And for each loan:

- the purpose for which the loan was received
- security provided for the loan
- the financial institution making the loan
- the type of loan
- the original loan amount
- payments made in the reporting period
- the current outstanding balance on the loan
- the current interest rate
- any default on the terms of the loan

5 ASSOCIATED DOCUMENTS

P05 Council Staff Code of Conduct
P09 Accounting and Policy Manual
P29 Delegations Manual
P43 Councillor code of conduct

6 REFERENCES AND LEGISLATION


Local Government Act
Local Government (Accounting) Regulations
Local Government (Administration) Regulations
Australia Accounting Standards
Ministerial Guideline 5

7 REVIEW HISTORY

Date Approved:		Approved By:	Councillors - resolution no.	Date for review:	3 years from approval
Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	
Date Approved:		Approved By:		Date for review:	

Resolution No. 2019/
That the Audit Committee recommend that the draft P47 Borrowing Policy, be adopted by council.
Moved:
Seconded:

7.5.11 P48 – Investment Policy

	POLICY TITLE:	INVESTMENT POLICY
	POLICY NUMBER:	P48
	CATEGORY:	COUNCIL POLICY
	RESPONSIBLE OFFICER:	CHIEF EXECUTIVE OFFICER

1. PURPOSE:

The purpose of this policy is to outline the mandatory requirements for the management of council's cash and investment portfolio under legislative restrictions. The policy is designed to safeguard council's cash and investment portfolio, achieve appropriate earnings and ensure sufficient liquidity to meet council's business objectives over the long, medium, and short term.

2. SCOPE:

This Policy applies to all employees and councillors of Wagait Shire Council and extends to all investing activities of council and any controlled entities.

3. DEFINITIONS:

Credit risk: means the risk of default by a counterparty and subsequent loss of capital or interest due from that counterparty.

Liquidity risk: means the risk that investments cannot be readily sold for "fair value" due to a lack of buyers. This could result in Council receiving less than full face value for an investment if needed to sell any investment prior to maturity.

Market risk: means the risk that the price of investments varies with market conditions such that the "fair value" is less than the amount paid for the investment by Council and Council may need to accept a loss should Council wish to sell the investment either prior to or at maturity. Market risk can also result in trading profits for Council should the market conditions move favourably resulting in a price increase for the investments held.

4. POLICY:

Wagait Shire Council is committed to maximising appropriate investment returns under the constraints of legislation, whilst maintaining a conservative risk/return portfolio. All activities in regards to council's investments and cash are exercised with the care, diligence and skill of a prudent person, and not for speculative purposes.

Investments are to be made in a manner that seeks to ensure the security and safeguarding of the investment portfolio, whilst ensuring cash flow requirements are met as and when they fall due, and council's risk tolerance is taken into account.

4.1 Risk management

The risk of all assets included in the investment portfolio must be known, measurable and acceptable to council.

4.1.1 Risk appetite is the amount and type of risk council is prepared to pursue to take. It is based on council's objectives and describes the 'comfort zone' council wants to operate in. Risk appetite draws a line between acceptable and unacceptable risk. Risk appetite has to be within the risk capacity of an organisation. Risk capacity is the amount of risk council can afford to take, bear or sustain.

Council has little or no appetite for risks that foreseeably may:

- Have a significant negative impact on council's long term financial sustainability or assets
- Compromise the safety and welfare of staff, contractors and/or members of the community
- Constitute major legal noncompliance, or result in significant successful litigation against council
- Significantly disrupt delivery of essential services
- Cause significant and irreparable damage to the environment
- Result in widespread and sustained damage to council's reputation

Council has some appetite for risks that maintain and improve levels of service to the community, or that improve efficiency, reduce costs and/or generate additional income sources, so long as the tangible benefits from treating the risks are higher than the most cost-effective treatment costs, and there are no higher net benefit opportunities within council's risk capacity.

4.1.2 Risk Management Guidelines

Council has to be aware and manage the market risk, credit risk and liquidity risk of the investment portfolio. To cover for risk the following frameworks have been established and decisions to invest are to comply with those. If any of council's investments are downgraded such that they no longer fall within the investment policy requirements, they will be divested as soon as practicable but in a manner that does not give rise to an unnecessary loss to Council.

4.1.2.1 Portfolio Credit Framework

The Portfolio Credit Framework limits overall credit exposure of the investment portfolio. The limits on the percentage of the portfolio exposed to any particular credit rating category must be complied with as outlined in the following credit framework table.

Rating Table								
	Short Term <= 12 months				Long Term > 12 months			
Standard & Poor	A1	A2	A3	B	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
Moody's	P1	P2	P3	NP	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3
Fitch	F1	F2	F3	B	AAA to AA-	A+ to A-	BBB+ to BBB	BB+ to BB-
Maximum Limit – as % of total Investment Portfolio	100%	80%	50%	10%	100%	80%	30%	5%

If a counterparty has different ratings with different rating agencies the most recent rating shall be applied.

4.1.2.2 Counterparty Credit Framework

The Portfolio Credit Framework limits exposure to individual counterparties/institutions by its credit rating so that single entity exposure is limited, as detailed below.

Rating Table								
	Short Term <= 12 months				Long Term > 12 months			
Standard & Poor	A1	A2	A3	B	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-
Moody's	P1	P2	P3	NP	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3
Fitch	F1	F2	F3	B	AAA to AA-	A+ to A-	BBB+ to BBB	BB+ to BB-
Maximum Limit – as % of total Investment Portfolio	Unlimited	60%	40%	5%	Unlimited	50%	25%	5%

If a counterparty has different ratings with different rating agencies the most recent rating shall be applied.

4.1.2.3 Term to Maturity Framework

The Term to Maturity Framework limits based upon maturity of securities. All investments have to be invested within the maturity constraints identified in the table below.

% of Total Investment Portfolio		
Duration	Minimum	Maximum
<= 12 months	50%	100%
>1 year <= 3 years	0%	50%
>3 years <= 5 years	0%	25%
>5 years	0%	10%

4.1.3 Risk determination Property Investment Portfolio

In respect to investment return decision, council will apply the following table in determining the appropriateness of property investment and development activities.

Level of Risk	Benchmark above 90day BBSW
Low	<2%
Medium	2% to 5%
High	5% to 10%
Speculative	>10%

Note – BBSW – Bank Bill Swap Rate

In determining the level of risk council is to consider the following, as a minimum:

- Council experience in the proposed type of development;
- Nature of tenancies;
- Funding sources;
- Term asset is to be held;
- Recent precedence.

4.2 Delegated Authorities

Under Section 101 of the Local Government Act the Chief Executive Officer is responsible to ensure that council's assets and resources are properly managed and maintained. Delegated signatories for investments that do not require council approval under this policy are the Chief Executive Officer and President.

Investment recommendations require at least two competitive quotations that are in line with council's policies. Quotations are obtained by the Chief Executive Officer. The responsible officer must be capable of understanding and explaining how an investment product works and must be able to interpret existing council policies. Investment recommendations are approved by both of the delegated signatories. The release of funds will require approval in line with the Financial Delegation Policy before funds are released to the counterparty.

4.3 Prudent Person Rule

The investments of council will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolio to safeguard it in accordance with the spirit of this policy and not for speculative purposes.

4.4 Ethics and Conflict of Interest

All employees and councillors involved in the investment process must refrain from activities, personal or otherwise, that would conflict with the proper execution and management of council's investment portfolio. This policy requires all employees and councillors involved in the investment process to:

- Disclose in writing any actual, apparent or potential conflict of interest to the Chief Executive Officer;
- Avoid any actual, apparent or potential conflict of interest; and
- Control any actual, apparent or potential conflict of interest.

An independent advisor, where appointed, is also required to declare that they have no actual or perceived conflicts of interest.

4.5 Prohibited Investments

This policy prohibits any investments carried out for speculative purposes including:

- Derivative based instruments;
- Principle only investments or securities that provide potentially nil or negative cash flow;
- Standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind;
- Share in an unlisted company, or contribute capital to an unlisted trust, unless the Minister in consultation with the Treasurer, approves the acquisition of such share;
- The use of leveraging (borrow to invest) of an investment other than a property investment;
- Complex financial instruments that are not in line with the conservative risk appetite of Council;
- Any kind of investments with counterparties without a credit rating.

Investments must not be made unless in accordance with council's policies and/or council resolution.

4.6 Approved Investments

4.6.1 Legal Name of Investments

All investment must be in the name of Wagait Shire Council. Additionally, Wagait Shire Council must be the beneficial owner of all investments.

4.6.2 Denomination

All investments must be denominated in Australian Dollars.

4.6.3 Documentary Evidence

Documentary evidence must be held for each investment and details thereof must be maintained in an investment register. The Chief Executive Officer is responsible for the accurate, complete and timely maintenance of the investment register.

4.6.4 Authorised Investments

Authorised investment will be limited to:

- Any public funds or securities issued by or guaranteed by, the Commonwealth, any State or Territory of the Commonwealth;
- Interest bearing deposits with, or debentures or bonds issued by, an Authorised Deposit-taking Institution (ADI), as defined under the Banking Act 1959 (Commonwealth), but excluding debt obligations;
- Bank accepted/endorsed bank bills;
- Managed funds with a minimum long-term Standard and Poor rating of A and short term rating of A2;
- Property development and investments.

Any authorised investments for greater than 12 months are to be approved by council resolution.

4.7 Property Development and Investment

The overall mix and nature of investment properties will provide a balanced source of income that complement existing financial holdings. All future investment and development activities will provide a return on investment over the planned investment period. If a decision is made to accept a property investment with no return on investment, then the reasons for that decision must be outlined in the resolution relating to that investment and development activity. All property investment activities will be undertaken in accordance with council's long-term plan and will reflect council's ongoing commitment to financial sustainability. Borrowing for income generating property investments may be considered in line with relevant policy.

4.8 Benchmarking

Performance benchmarks must be established for all investments held or intended to be held. The benchmarks included in the following table are to be complied with for the relevant instruments.

Investment	Performance Benchmark
Cash	Cash Rate
Enhanced/Direct Investments	Ausbond Bank Bill Index
Diversified	CPI + appropriate margin over rolling 3year periods (depending upon composition of funds)
Property Investment Portfolio	Review of performance, assess property's value and usefulness, compare to current cash rates

4.9 Reporting

All investments are to be appropriately recorded in council's financial records and reconciled at least on a monthly basis. Certificates must be obtained from the financial institutions confirming the amounts of investments held on the council's behalf as at 30 June each year and reconciled to the investment register.

A monthly report will be provided to the elected council as part of the monthly financial report. The report will detail the investment portfolio in terms of performance, percentage exposure of total investment portfolio, maturity date and current market value as well as other indicators. Additionally, the report will include details of limits to ensure that the investment portfolio is being managed within policy limits and in accordance with the approved strategy.

5 ASSOCIATED DOCUMENTS

P05 Council Staff Code of Conduct
P09 Accounting and Policy Manual
P29 Delegations Manual
P43 Councillor code of conduct
Investment register

6 REFERENCES AND LEGISLATION

Local Government Act
Local Government (Accounting) Regulations
Local Government (Administration) Regulations
Australia Accounting Standards
Ministerial Guidelines
Local Government General Instructions

7 REVIEW HISTORY

Date Approved:	Approved By:	Councillors resolution no.	Date for review:	3 years from approval
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	
Date Approved:	Approved By:		Date for review:	

Resolution No. 2019/
That the Audit Committee recommend that the draft P48 Investment Policy, be adopted by council.
Moved:
Seconded:

7.6 Human Resources

The compliance review recommended that a full suite of Human Resources policies be developed. Two quotations to undertake this task have been obtained. This issue will be brought to council's February 19 meeting with a recommendation that council proceed to engage a contractor.

7.7 Records Management

The compliance review recommended council install an appropriate records management system. A quotation to install and configure an electronic document management system was obtained in January 2018. Council chose not to proceed with this at that stage. An updated quotation has been requested, as has a second quote. A quotation to update council's IT system has also been received. Council received a Record Management Review Report and associated documents January 25. Documents included a Records Management Framework, a Records Management Policy, introductory training presentation, a guideline for managing emails as records and a guideline for records naming conventions.

7.8 Risk Management

In its meeting of October 17, 2017 the Audit Committee recommended that council have a risk assessment and evaluation plan in place. A quotation to development a Risk Management Framework was received in January 2018 however council chose not to proceed with this at that stage.

8.0 Other Business

Nil.

9.0 Confidential Items:

Nil.

11.0 Closure of Meeting:

The next meeting of the Wagait Shire Council Audit Committee will be held in the Wagait Shire Council Office and is planned tentatively for depending on availability of members.

The Chair declared the meeting closed at