

Audit Committee Meeting 30 July 2019 Attachments

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# Projected Expenditure 2018/19

As at June 2019

Service	% Share of Rates	Expenditure FY Budget	Expenditure 2018/19 YTD	Projection 2018/19	FY Variance	FY Variance %
Road Construction	63.0%	\$4,186,885	\$2,728,782	\$2,728,782	+\$1,458,103	+34.8%
Governance	23.2%	\$1,540,159	\$1,672,104	\$1,672,104	-\$131,945	-8.6%
Finance and Admin	16.8%	\$1,114,953	\$1,144,888	\$1,144,888	-\$29,935	-2.7%
Waste	13.5%	\$898,724	\$776,351	\$776,351	+\$122,373	+13.6%
Maintenance	12.0%	\$797,499	\$805,978	\$805,978	-\$8,479	-1.1%
Public Works Overheads	10.2%	\$678,012	\$688,386	\$688,386	-\$10,374	-1.5%
Parks	9.5%	\$632,879	\$628,465	\$628,465	+\$4,414	+0.7%
Plant and Fleet	9.3%	\$618,173	\$594,680	\$594,680	+\$23,493	+3.8%
Rec Centres Kambalda	8.1%	\$541,156	\$501,708	\$501,708	+\$39,447	+7.3%
Sewerage	5.8%	\$384,704	\$393,518	\$393,518	-\$8,814	-2.3%
Tourism and Museums	5.7%	\$381,903	\$304,622	\$304,622	+\$77,281	+20.2%
IT	5.4%	\$358,893	\$493,961	\$493,961	-\$135,068	-37.6%
Verges	4.6%	\$306,620	\$304,996	\$304,996	+\$1,624	+0.5%
Human Resources	4.2%	\$280,059	\$241,394	\$241,394	+\$38,666	+13.8%
Rec Centres Coolgardie	3.3%	\$220,571	\$182,611	\$182,611	+\$37,960	+17.2%
Rates and General Purpose Fu	3.3%	\$220,226	\$207,182	\$207,182	+\$13,044	+5.9%
Medical Services	3.2%	\$212,345	\$148,176	\$148,176	+\$64,169	+30.2%
Depots and Street Lighting	3.1%	\$205,332	\$180,818	\$180,818	+\$24,514	+11.9%
Economic Development	3.1%	\$204,620	\$239,179	\$239,179	-\$34,558	-16.9%
Pools Coolgardie	2.6%	\$173,490	\$168,103	\$168,103	+\$5,387	+3.1%
CRC Coolgardie	2.4%	\$160,654	\$127,059	\$127,059	+\$33,594	+20.9%
Development Control	2.3%	\$150,000	\$166,303	\$166,303	-\$16,303	-10.9%
CRC Kambalda	2.1%	\$142,875	\$114,404	\$114,404	+\$28,471	+19.9%
Trees	1.7%	\$115,014	\$99,245	\$99,245	+\$15,770	+13.7%
Community Development	1.5%	\$98,060	\$76,577	\$76,577	+\$21,483	+21.9%
Footpath Maintenance	1.5%	\$96,982	\$84,485	\$84,485	+\$12,497	+12.9%
Cashless Card	1.3%	\$86,381	\$81,313	\$81,313	+\$5,068	+5.9%
Records	1.3%	\$83,300	\$57,924	\$57,924	+\$25,376	+30.5%
Council Housing	1.2%	\$76,701	\$84,205	\$84,205	-\$7,504	-9.8%
Law and Order	1.0%	\$69,598	\$99,421	\$99,421	-\$29,823	-42.9%
Drainage	1.0%	\$68,937	\$54,555	\$54,555	+\$14,382	+20.9%
Public Amenities	1.0%	\$66,078	\$60,748	\$60,748	+\$5,329	+8.1%
Aged Accommodation	1.0%	\$65,617	\$54,719	\$54,719	+\$10,898	+16.6%
Animal Control	0.9%	\$62,874	\$50,639	\$50,639	+\$12,235	+19.5%
Look Out	0.4%	\$29,276	\$25,302	\$25,302	+\$3,975	+13.6%
Pools Kambalda	0.4%	\$28,323	\$55,269	\$55,269	-\$26,946	-95.1%
Clubs	0.4%	\$26,100	\$19,987	\$19,987	+\$6,113	+23.4%
Health	0.4%	\$25,000	\$25,351	\$25,351	-\$351	-1.4%
Cemetery	0.4%	\$24,565	\$30,450	\$30,450	-\$5,885	-24.0%
Fire Prevention	0.3%	\$21,217	\$66,689	\$66,689	-\$45,473	-214.3%
Environmental Health	0.3%	\$19,037	\$16,878	\$16,878	+\$2,158	+11.3%
<b>All Services</b>		<b>\$16,476,910</b>	<b>\$15,073,005</b>	<b>\$15,073,005</b>	<b>+\$1,403,905</b>	<b>+8.5%</b>



## YTD Salary Report June 2019

Service	YTD Budget	YTD Actual	Surplus (Deficit)	Payroll Hours	Payroll \$
Check	\$0	\$0	0%	1,612	\$21,866
Public Works Overheads	\$401,094	\$464,767	-16%	12,614	\$436,379
Finance and Admin	\$452,197	\$411,737	9%	10,370	\$395,552
Governance	\$303,376	\$310,092	-2%	5,179	\$344,094
Waste	\$250,037	\$242,931	3%	6,646	\$242,947
Rec Centres Kambalda	\$202,795	\$240,759	-19%	6,768	\$233,475
Parks	\$204,525	\$173,964	15%	6,022	\$179,903
Maintenance	\$114,491	\$152,344	-33%	5,070	\$153,776
Tourism and Museums	\$189,511	\$151,653	20%	4,808	\$146,373
Verges	\$120,217	\$121,274	-1%	4,300	\$128,863
Rec Centres Coolgardie	\$139,053	\$108,996	22%	3,601	\$105,881
Human Resources	\$88,269	\$103,450	-17%	2,737	\$104,312
CRC Kambalda	\$98,548	\$90,419	8%	3,043	\$90,828
Economic Development	\$71,799	\$90,409	-26%	1,409	\$86,163
Cashless Card	\$78,977	\$77,772	2%	2,493	\$73,856
Pools Coolgardie	\$83,153	\$75,584	9%	1,972	\$74,486
Community Development	\$77,910	\$72,264	7%	880	\$39,154
CRC Coolgardie	\$88,445	\$64,414	27%	1,877	\$62,373
Law and Order	\$37,275	\$64,152	-72%	886	\$31,135
Plant and Fleet	\$87,693	\$53,963	38%	1,466	\$57,753
Records	\$61,530	\$33,869	45%	988	\$33,869
Footpath Maintenance	\$34,269	\$33,315	3%	1,108	\$33,467
Road Construction	\$49,685	\$31,009	38%	994	\$30,465
Animal Control	\$16,449	\$29,796	-81%	831	\$28,339
Fire Prevention	\$2,596	\$27,242	-949%	687	\$27,213
Rates and General Purpose Funding	\$74,263	\$25,705	65%	838	\$37,304
Trees	\$22,327	\$25,540	-14%	850	\$25,903
Drainage	\$25,432	\$17,967	29%	836	\$24,916
Sewerage	\$42,644	\$16,691	61%	468	\$15,743
Pools Kambalda	\$5,192	\$14,832	-186%	362	\$14,889
Public Amenities	\$13,785	\$12,525	9%	392	\$11,309
Cemetery	\$8,152	\$11,893	-46%	399	\$12,192
Look Out	\$10,838	\$11,435	-6%	384	\$11,497
Aged Accommodation	\$14,019	\$9,533	32%	333	\$9,971
Depots and Street Lighting	\$14,321	\$6,346	56%	206	\$6,203
Medical Services	\$5,192	\$5,211	0%	177	\$5,360
Council Housing	\$4,362	\$2,230	49%	79	\$2,421
Health	\$0	\$1,480	0%	33	\$1,480
Environmental Health	\$2,596	\$627	76%	22	\$650
<b>TOTAL</b>	<b>\$3,407,304</b>	<b>\$3,491,154</b>	<b>3.0%</b>	<b>94,295</b>	<b>\$3,383,959</b>



# Service Review Report

June Quarter 2019



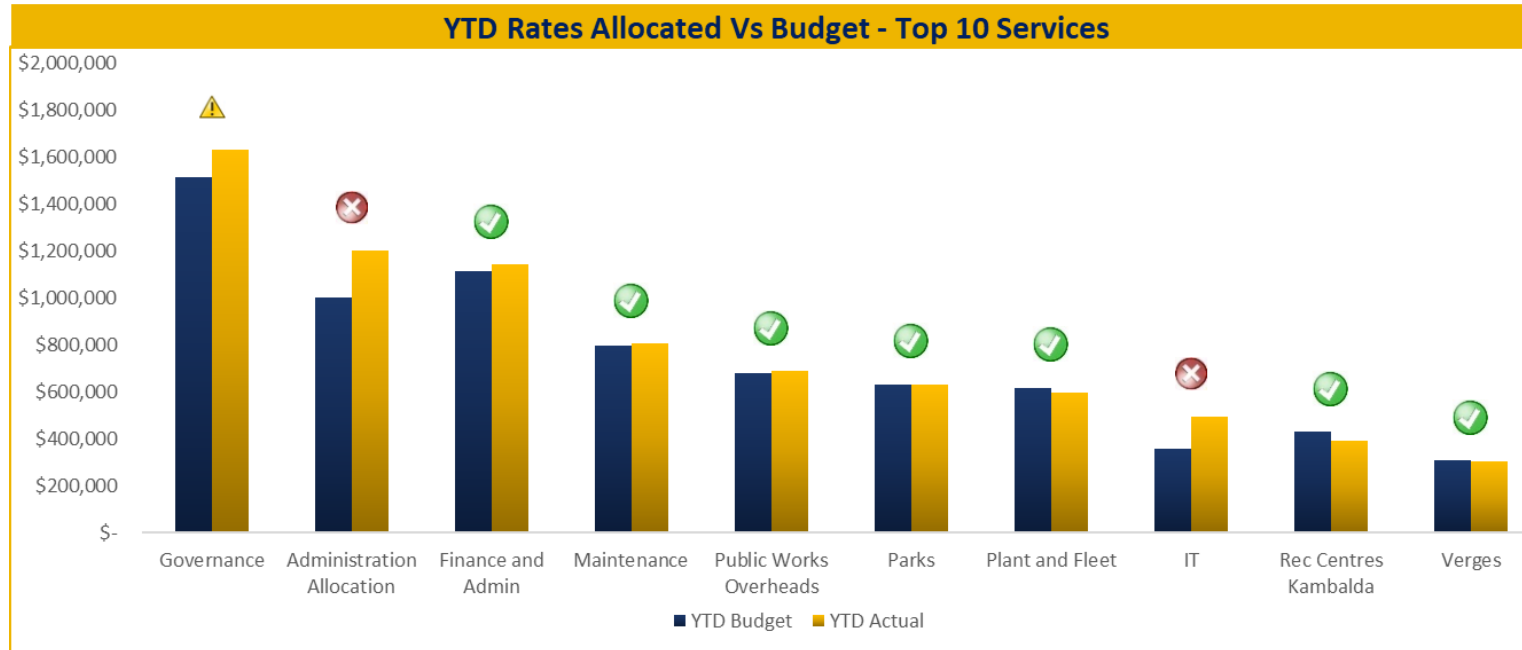
# Summary Slide

## Summary Points

- ▶ At the period ended 30<sup>th</sup> June 2019 the efficiency dividend is estimated at just over 3.2%
- ▶ Road works programme has ended up on track and within budget with the exception of two self funded projects
- ▶ Major works on the Kambalda Pool commenced in May and June with expenditure incurred of \$188,400
- ▶ The Truck Stop Project will be carried forward into next financial year
- ▶ The Coolgardie Community Hub Project will be retendered early in the new Financial Year
- ▶ The Shire finished the year with estimated surplus of \$5,795,097 with estimated reserve holdings of \$3,267,090.
- ▶ Furthermore, the Shire estimated unrestricted cash position at 30th June 2019 is \$1,597,007.



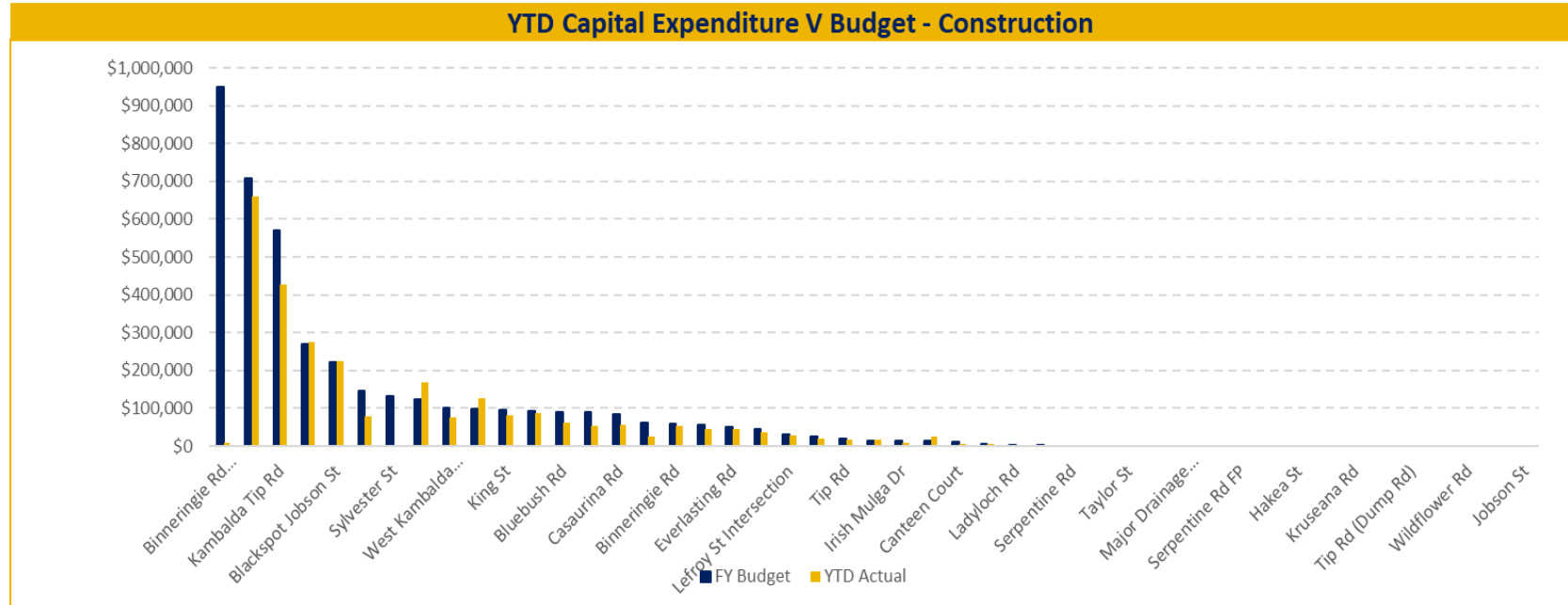
# Top 10 Services



- ▶ **The top 10 services above show that 80 % of the services were within budget**
- ▶ **The IT Budget variance is explained in the slides attached**



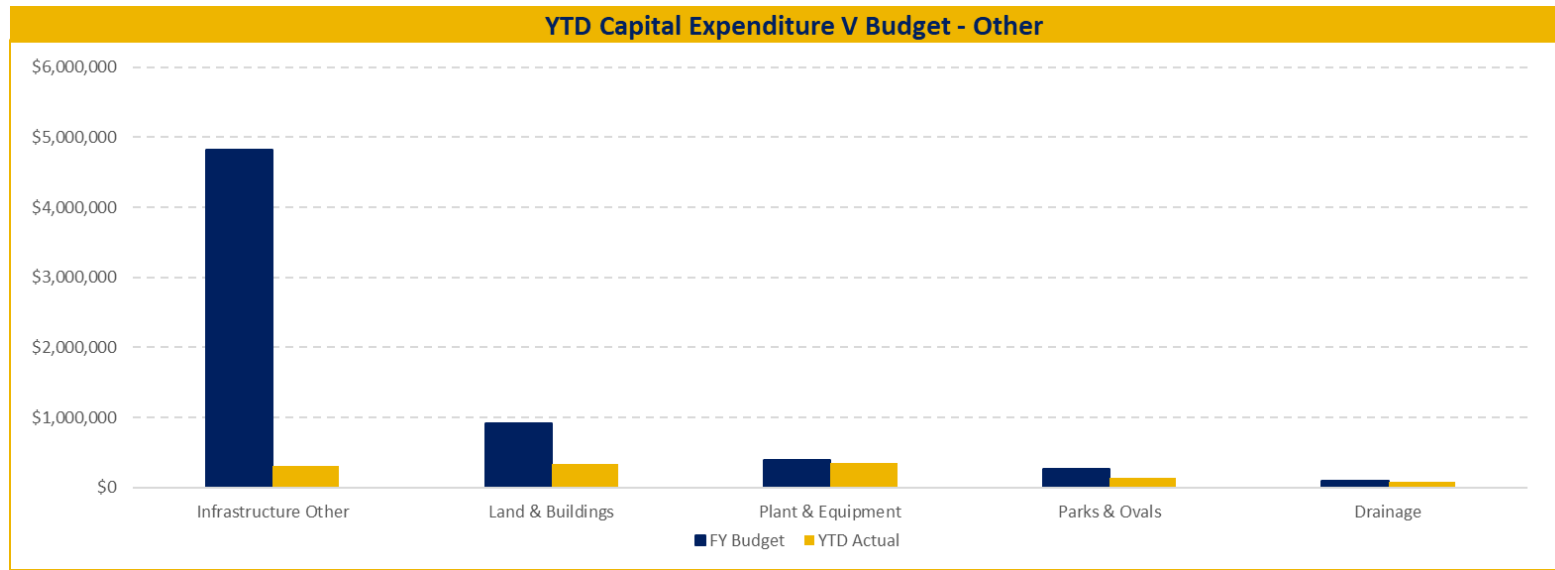
# Capital Expenditure - Road Construction



- ▶ **Binneringie Road has been included in the draft budget for 2019/2020 to be completed in November 2019**
- ▶ **All other Road Projects are on track and been completed this financial budget year within budget**



# Capital Expenditure - Other



- ▶ Infrastructure other include construction of the Kambalda Pool, Truck Stop and Coolgardie Cultural Hub
- ▶ \$188,400 was spent on the pool and the truck stop deferred until 19/20 as is the Cultural Hub
- ▶ Expenditure allocated for plant and equipment was on budget



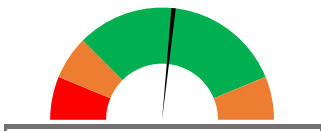


# Road Construction

**BUDGET YTD**

**ACTUAL**

**INCOME**



\$2,373,755

\$2,517,692

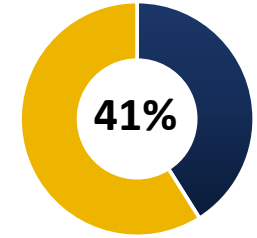
**EXPENDITURE**



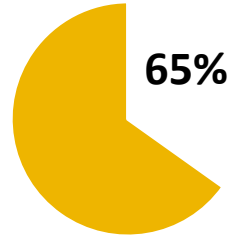
\$4,186,885

\$2,728,782

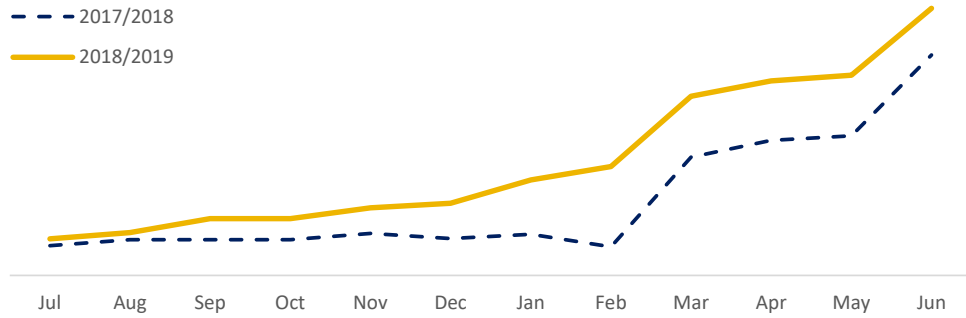
**SHARE OF RATES**



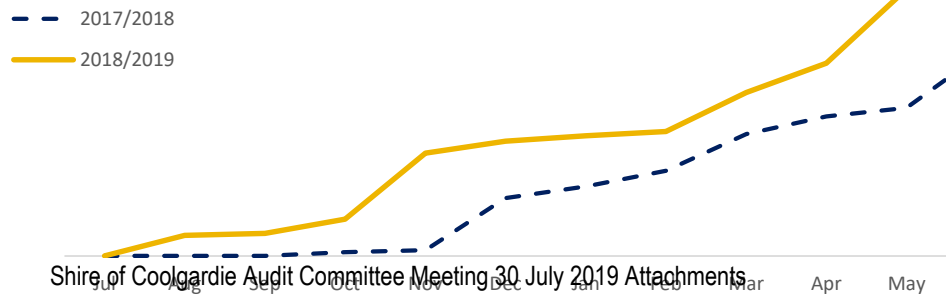
**% EXPENDITURE SPENT**



YTD Income Year on Year



YTD Expenditure Year on Year



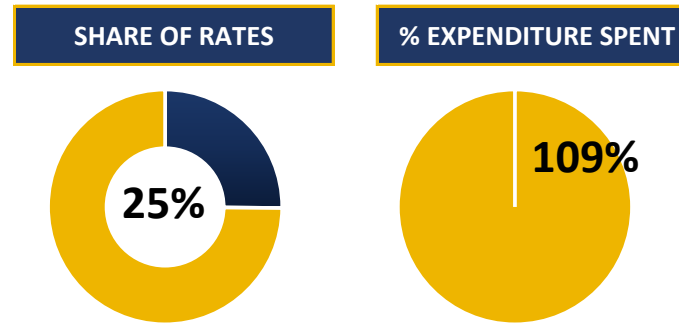
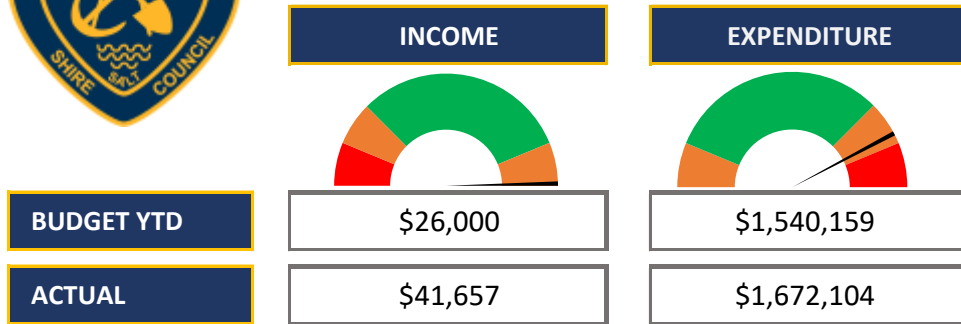
## Manager's Commentary

### Reasons for under expenditure:

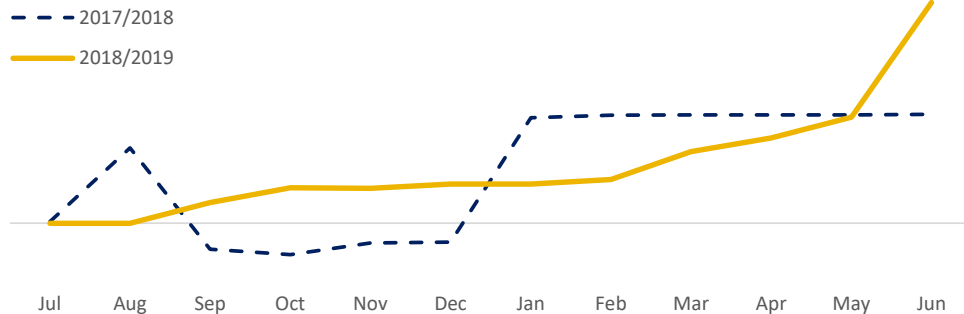
- ▶ Binneringie Road – deferred to 2019/20 (\$950,000)
- ▶ Kambalda Tip Road junction – tender came in at \$428,000 (saving of \$142,000)
- ▶ Coolgardie North Road – tender came in at \$658,000 (saving of \$50,000)
- ▶ Santalum Street – scope of work changed (saving of \$68,000)
- ▶ Casurina Road – received cheaper rate than quoted (saving of \$28,000)
- ▶ Bluebush/Grevilla intersection – (saving of \$27,000)
- ▶ Carins Road culvert – contracted – saving on materials and plant (saving of \$30,000)



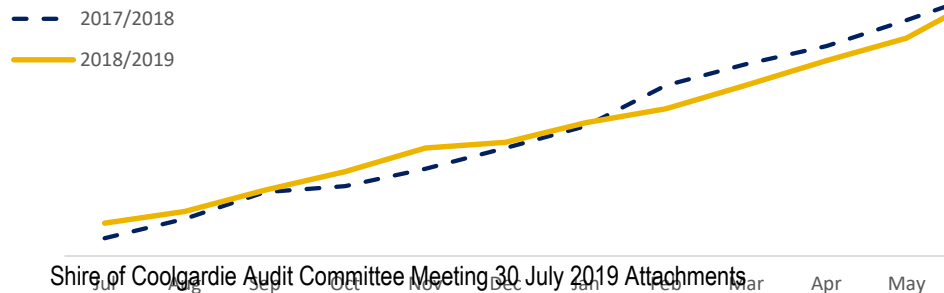
# Governance



YTD Income Year on Year



YTD Expenditure Year on Year



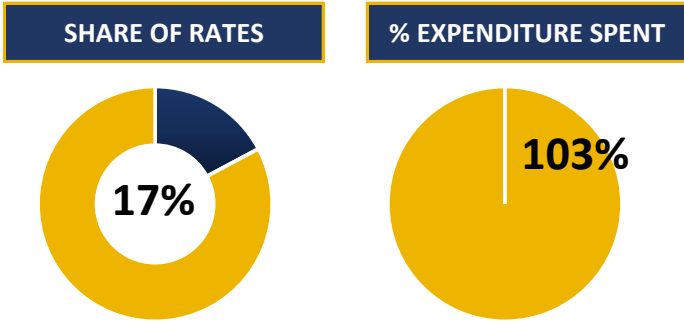
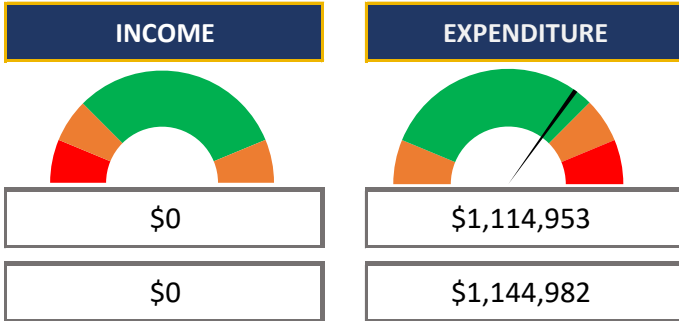
## Manager's commentary

- ▶ The over expenditure in Governance was as a result of \$85,940 expenses associated with GVROC due to the administration undertaken by the Shire
- ▶ However this money was reimbursed to the Shire on the 28<sup>th</sup> June and 1<sup>st</sup> July in two payments
- ▶ Consequently the Governance service area was within budget

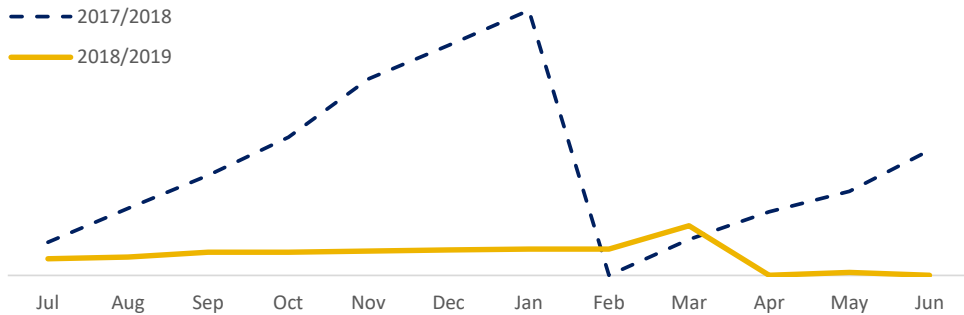


# Finance and Admin

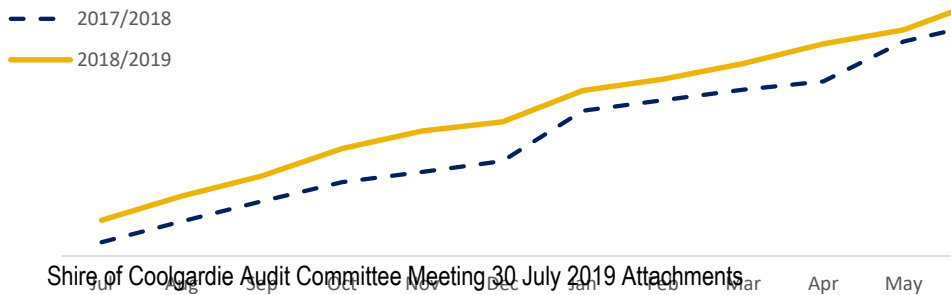
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year

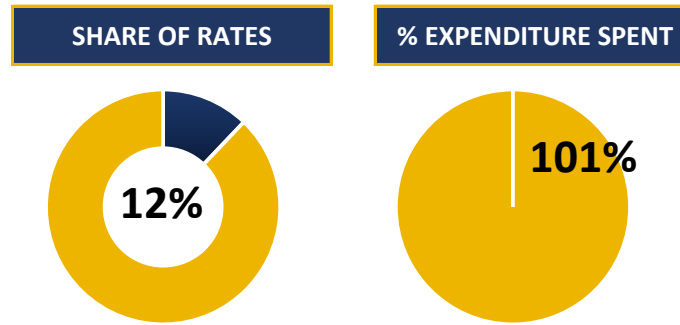
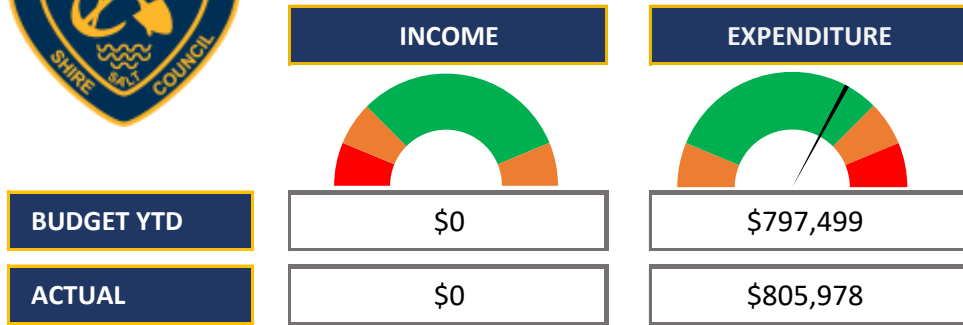


## Manager's commentary

- Finance and administration was within 3% of budget. The accepted variance of 5% was met



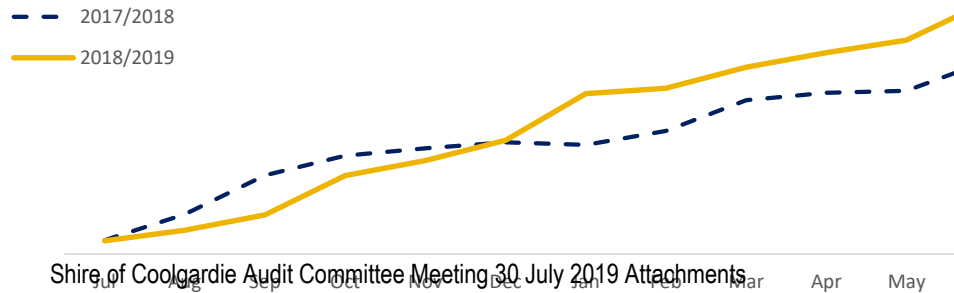
# Maintenance



## Manager's commentary

- Completion of successful year for maintenance works with very little interruptions or major weather events that could delay works.

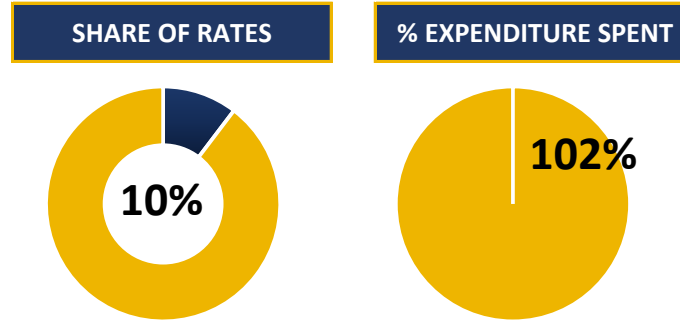
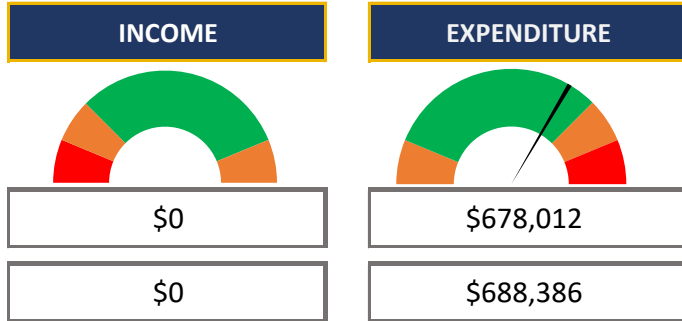
YTD Expenditure Year on Year



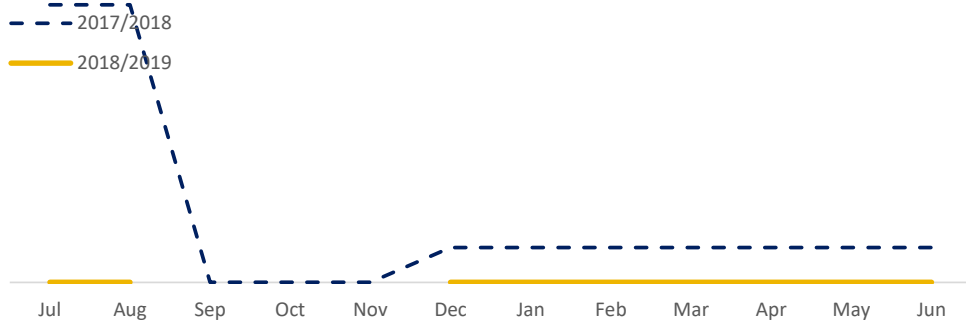


# Public Works Overheads

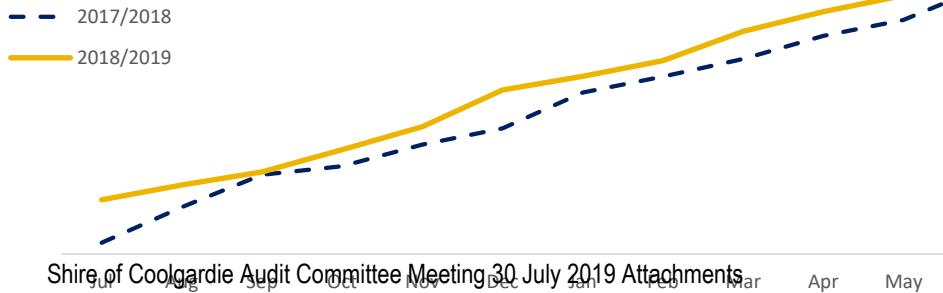
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year



## Manager's commentary

- ▶ **Public Overheads was within 2% of Budget**

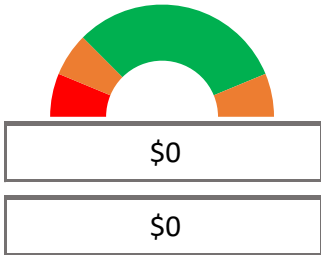


# Parks

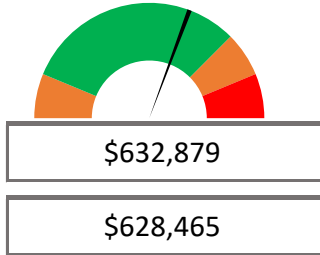
**BUDGET YTD**

**ACTUAL**

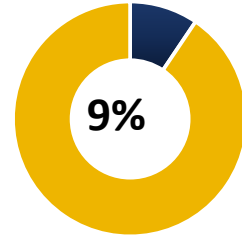
**INCOME**



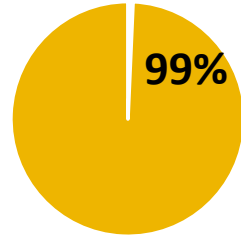
**EXPENDITURE**



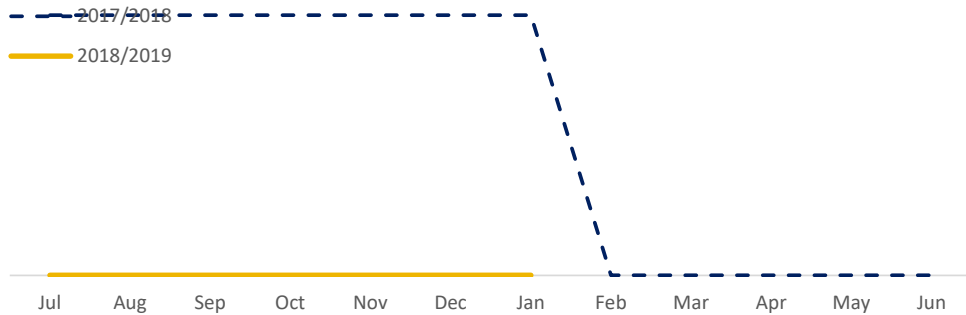
**SHARE OF RATES**



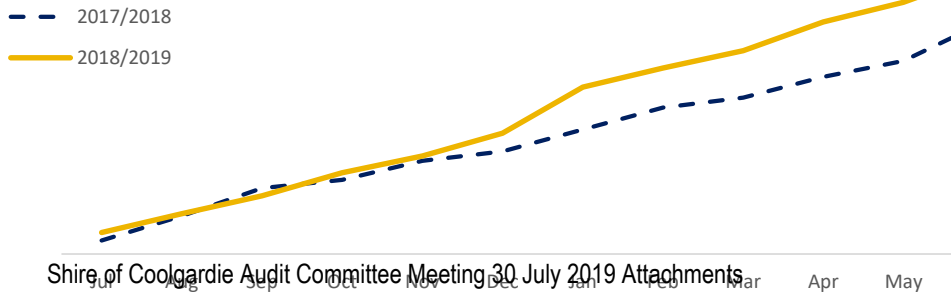
**% EXPENDITURE SPENT**



YTD Income Year on Year



YTD Expenditure Year on Year



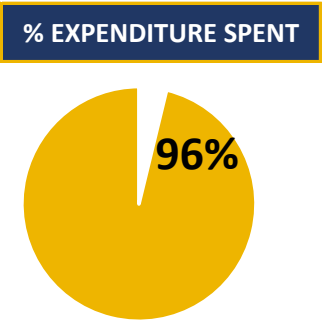
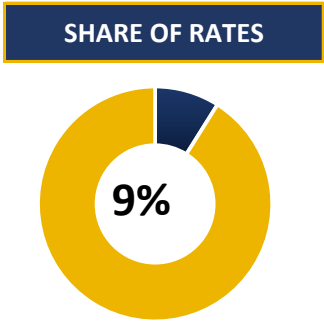
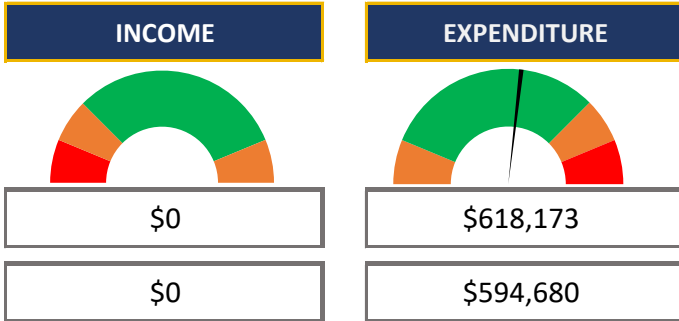
## Manager's commentary

- ▶ Budget performed well with funds almost fully expended.
- ▶ As per Level of Service – crews have performed well to be within +5%-5% of budget.

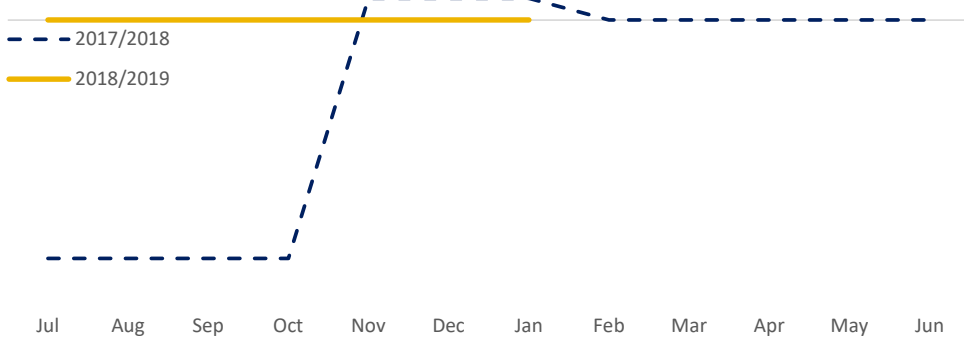


# Plant and Fleet

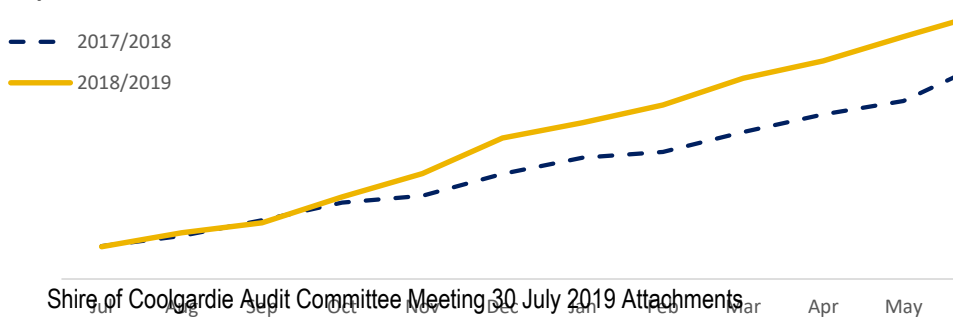
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year

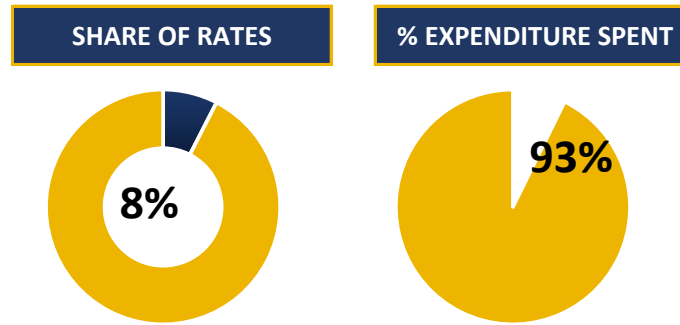
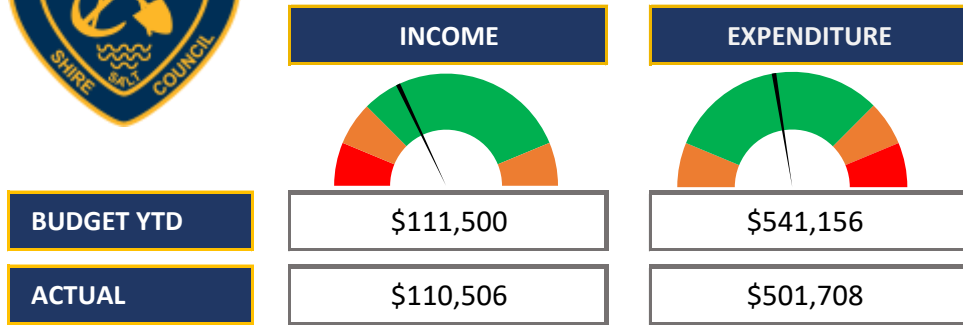


## Manager's commentary

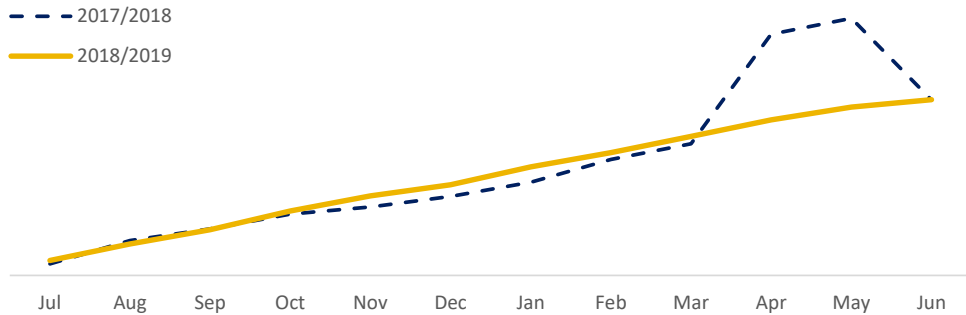
- ▶ Over expenditure on a) fuels & oils, b) shared services
- ▶ Under expenditure on internal repairs & wages (due to fleet replacement)
- ▶ Overall expenditure within budget requirements.



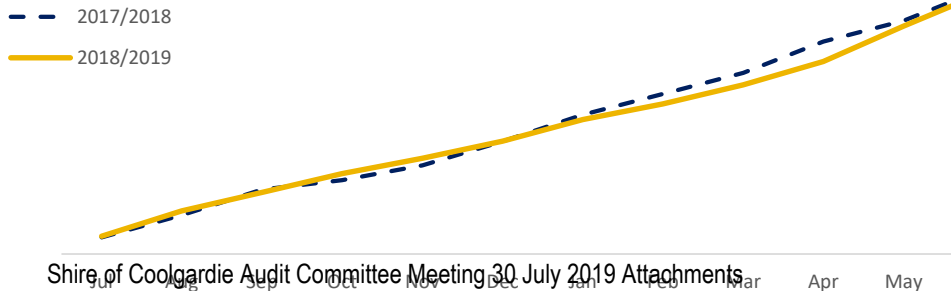
# Rec Centres Kambalda



YTD Income Year on Year



YTD Expenditure Year on Year



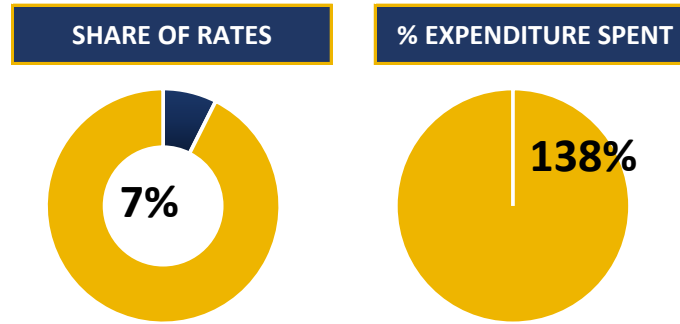
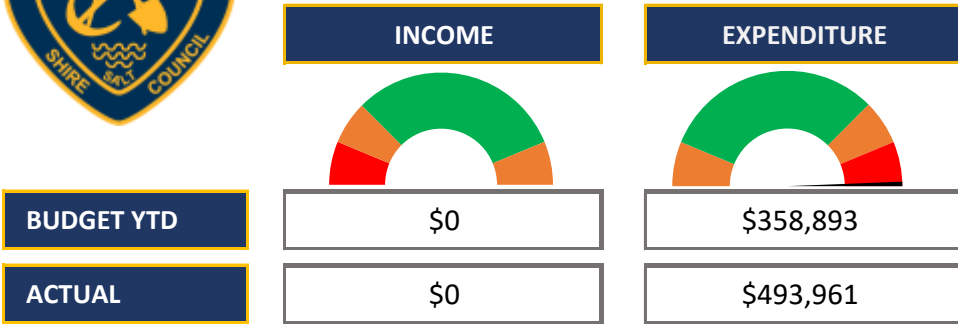
## Manager's commentary

- ▶ 2018/19 Financial year seen the recreation facility have the stadium flooring resurfaced and some minor repairs, new lighting for the stadium and large repairs to the facilities air conditioning with an ongoing maintenance plan put in place. This was all completed within budget.
- ▶ The payroll budget went over by 17% due to staff having excessive leave hours and the need for casual staff to cover those leave hours, this was not taken into account with the budget. This has been corrected and the new financial year will stay within budget
- ▶ Activities and State basketball game still have 2 purchase orders to be processed which will show more accurate spending and still within budget.
- ▶ 2018/19 Financial year seen the Kambalda Recreation Facility receive much needed maintenance and ongoing plans put in place to ensure the facility is capable of hosting large sporting events, busier function room hire and more potential opportunities.





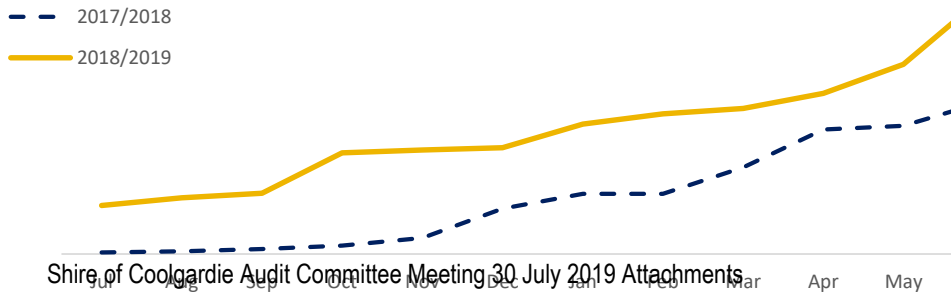
# IT



## Manager's commentary

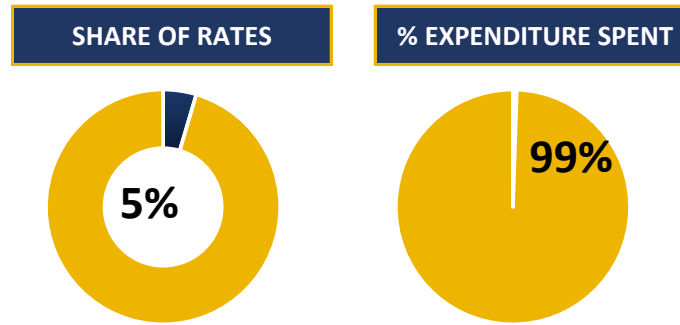
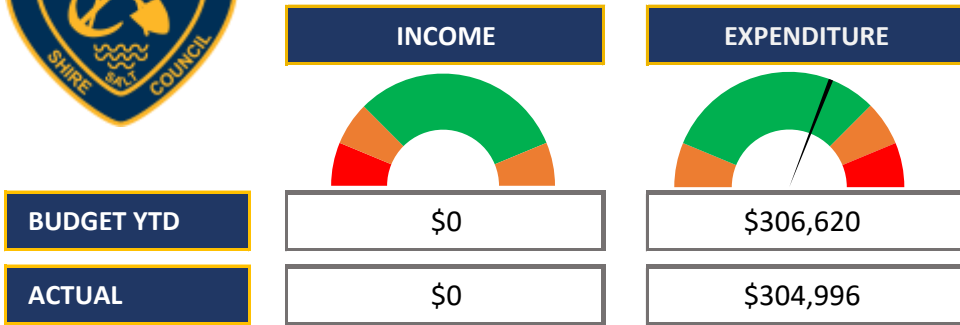
- ▶ Information Technology was over budget as a result of costs associated with ongoing maintenance of the old system.
- ▶ A new system has been implemented and some of the associated costs were incurred in 2018/2019 as reported and endorsed by Council
- ▶ The reduction in budget in IT in 2019/2020 is reflective of this change

YTD Expenditure Year on Year





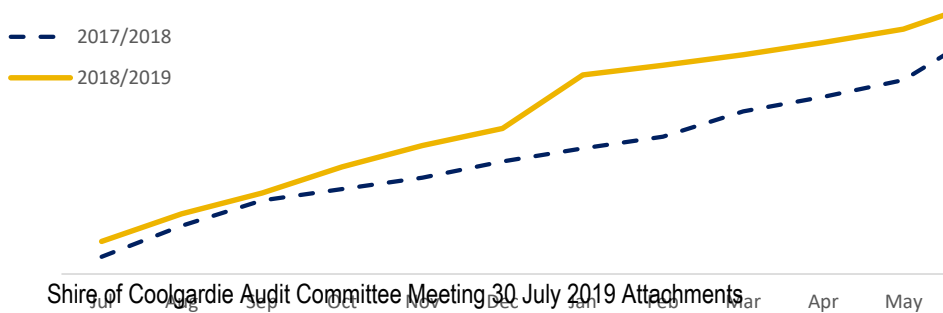
# Verges



## Manager's commentary

- Expenditure – it was expected that budget would be fully expended at end of financial year. Majority of spend was from labour costs in both townsites.

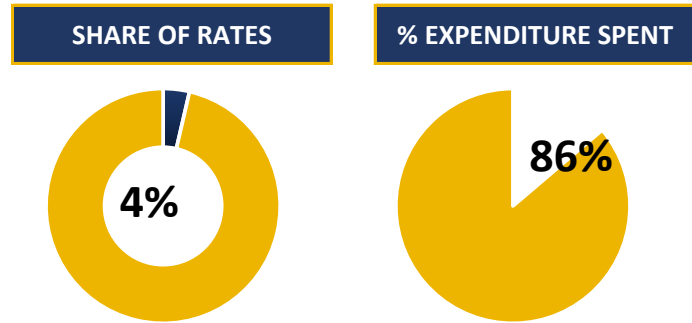
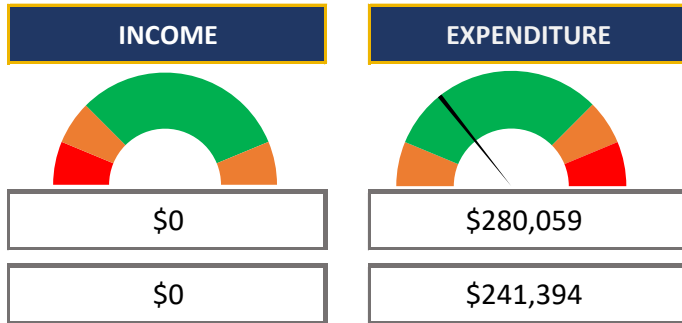
YTD Expenditure Year on Year



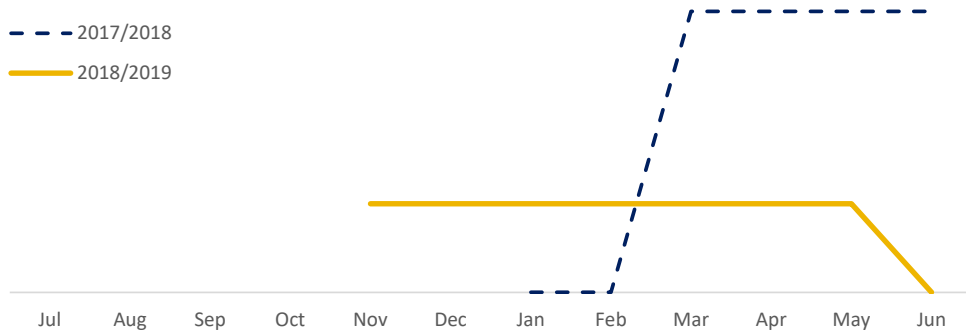


# Human Resources

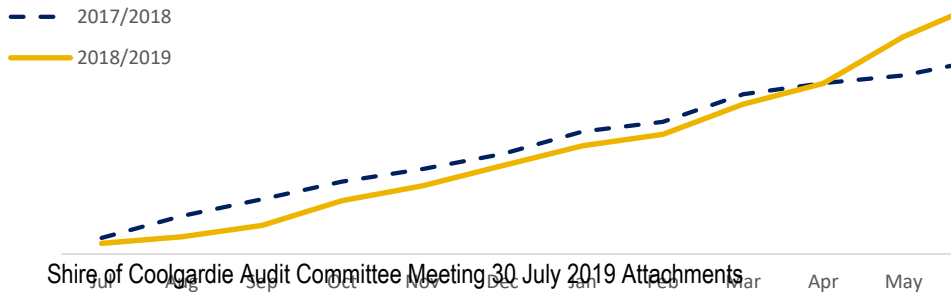
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year

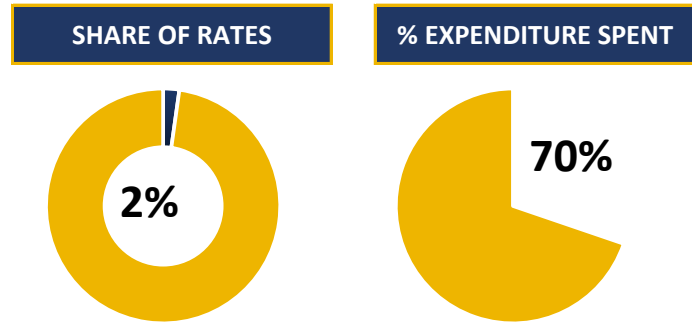
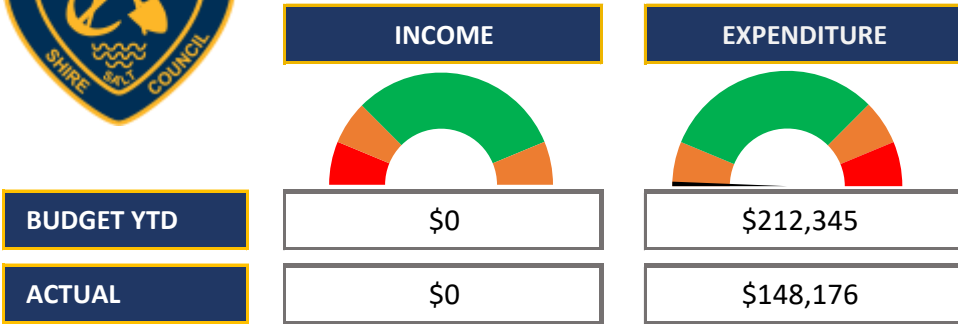


## Manager's commentary

- ▶ Human Resources as ended up well under budget for the year



# Medical Services



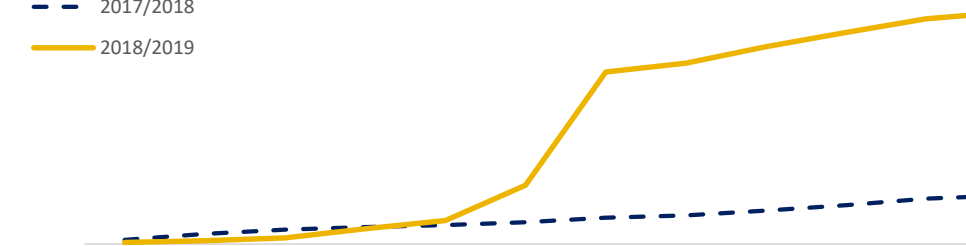
YTD Income Year on Year

--- 2017/2018



YTD Expenditure Year on Year

--- 2017/2018  
 — 2018/2019

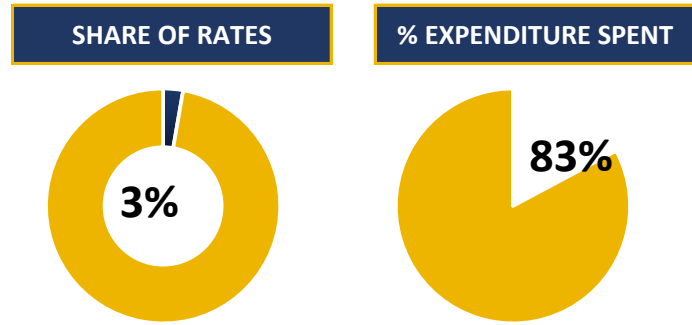
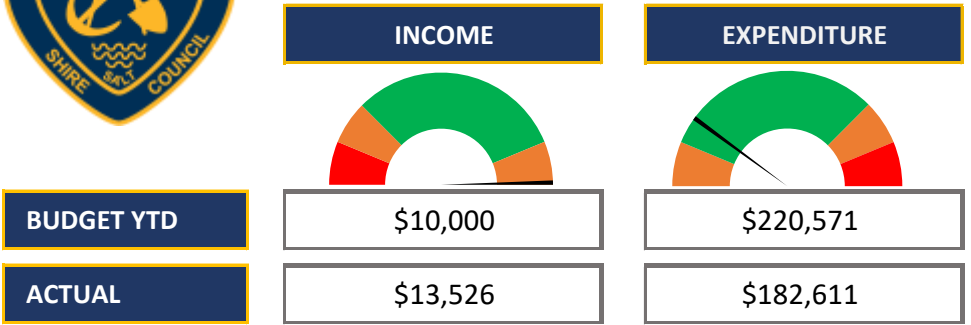


## Manager's commentary

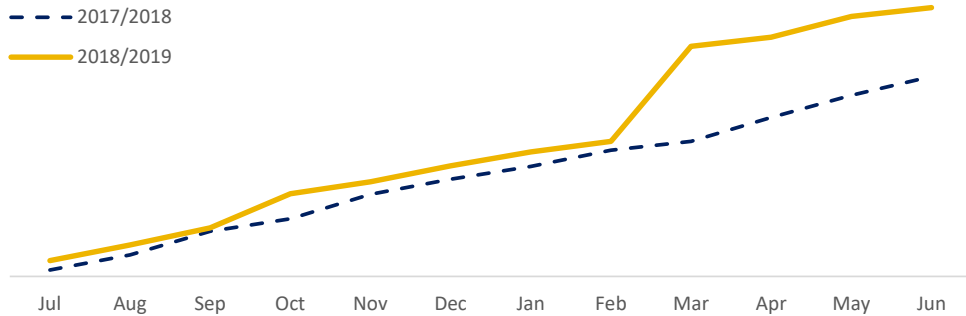
- ▶ The delivery of medical services was through St Johns. Expenditure incurred was in accordance with MOU endorsed by Council.
- ▶ The major variance was due to a greater than required budget allocation for services – allocation was for 12 months as per MOU
- ▶ The allocation for 2019/2020 will be similar to the \$212,000 budget for 18/19 given it will be a full financial year.



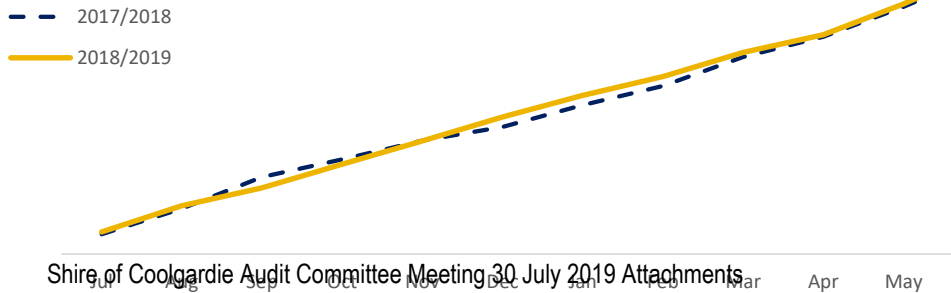
# Rec Centres Coolgardie



YTD Income Year on Year



YTD Expenditure Year on Year

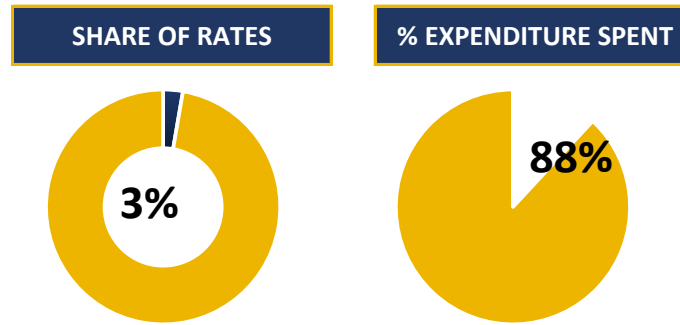
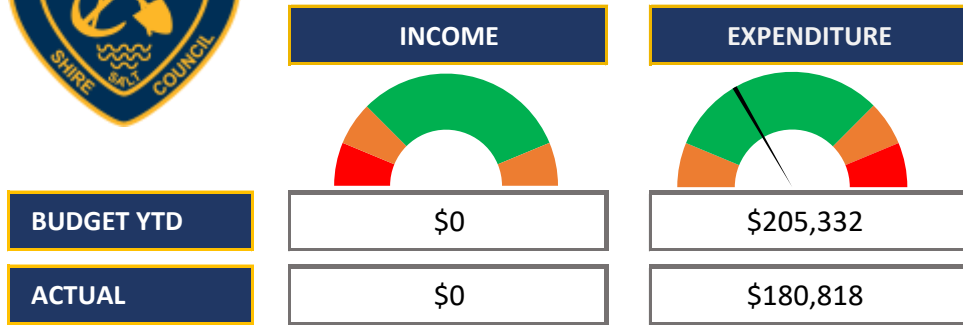


## Manager's commentary

- ▶ The recreation centre has ended the year well under budget
- ▶ This has been due to a reduction in salaries and wages due to staff absences



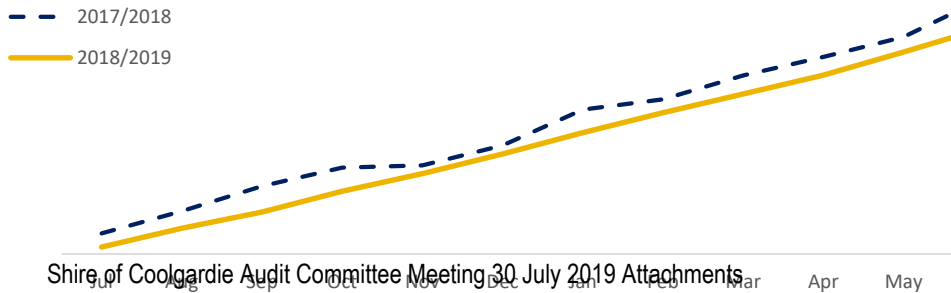
# Depots and Street Lighting



YTD Income Year on Year



YTD Expenditure Year on Year

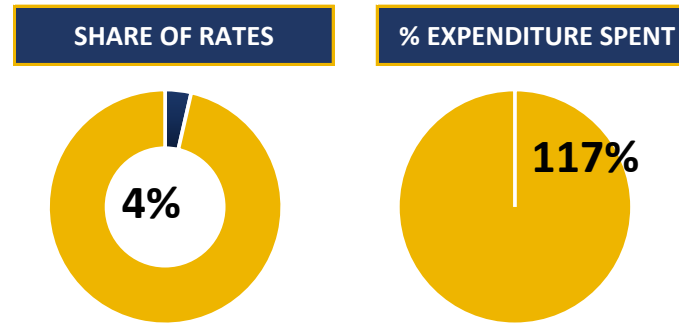
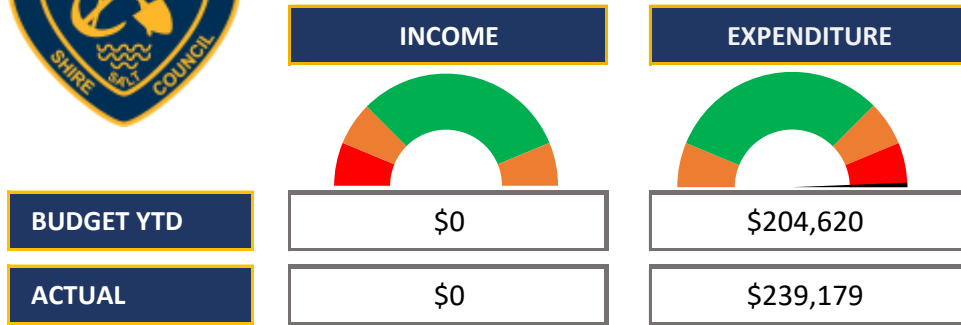


## Manager's commentary

- ▶ **A1200 (Street Lighting) – budget \$145,000 (Actual spend = \$133,592)**
- ▶ **BR1201 (Coolgardie Depot) – budget \$37,700, (Actual spend = \$19,324)**
- ▶ **BR1202 (Kambalda Depot) – budget \$22,629 (Actual spend = \$25,607)**
- ▶ **Savings derived from street lighting and Coolgardie Depot maintenance and repairs**



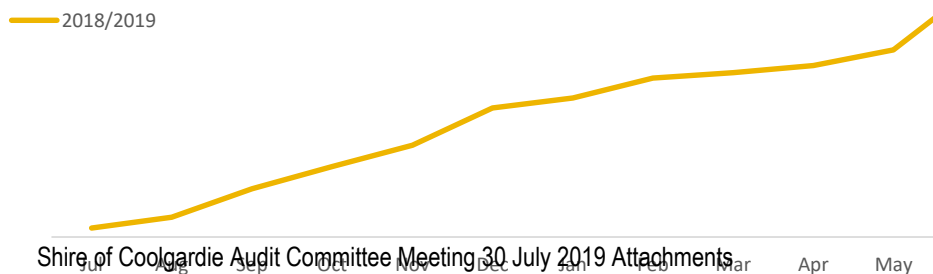
# Economic Development



## Manager's commentary

- ▶ The overspend in economic development was due to allocation of budget being underestimated
- ▶ This has been well and truly off set in regards to the amount of grant income obtained well in excess of \$1 million

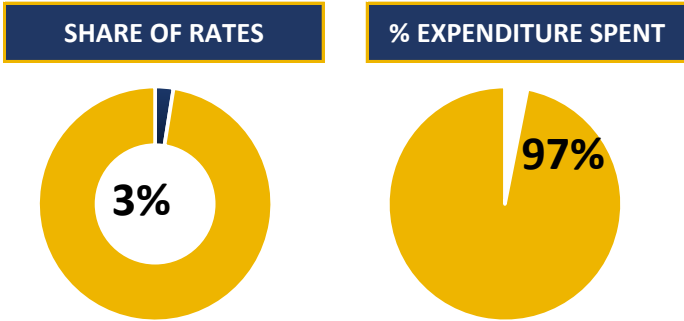
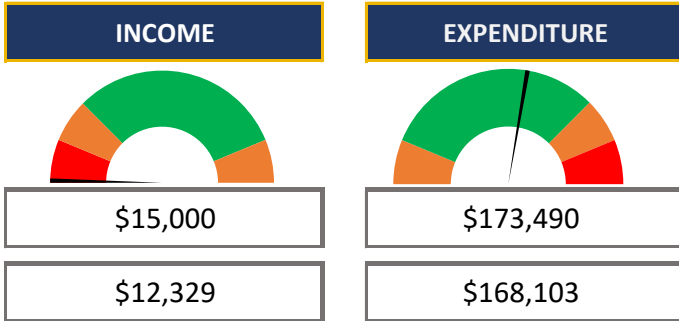
YTD Expenditure Year on Year



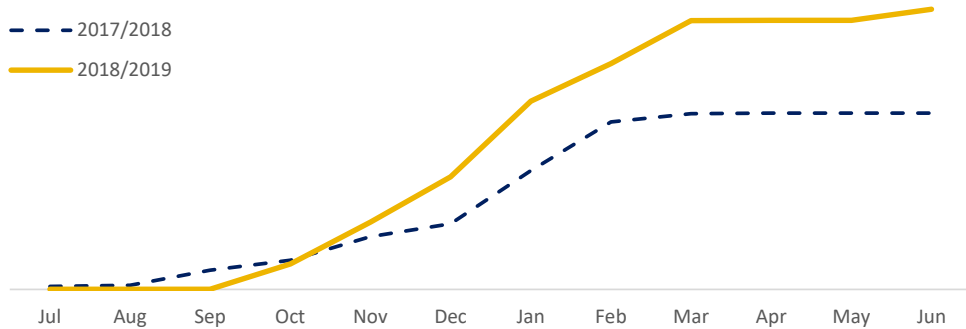


# Pools Coolgardie

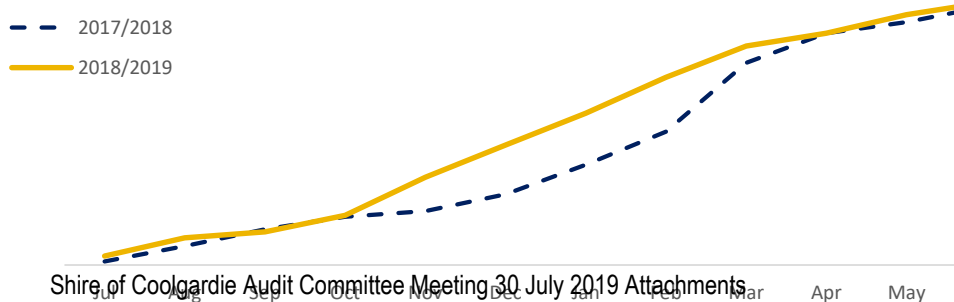
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year



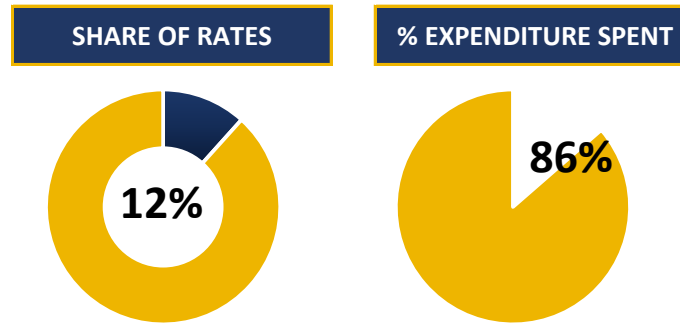
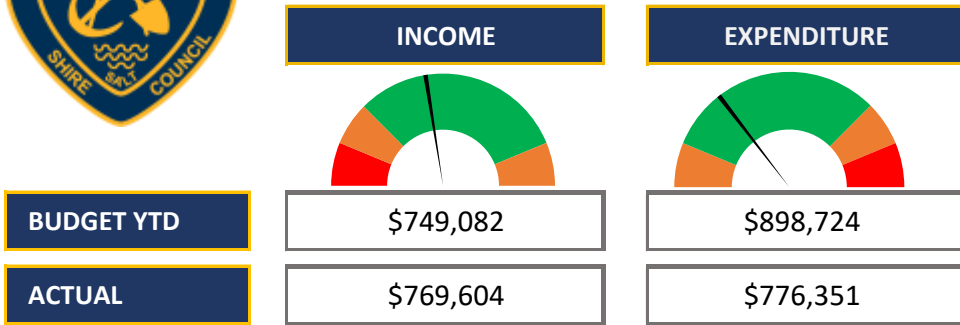
## Manager's commentary

- ▶ Income
- ▶ Budget not achieved, Pool season passes popular for families in community.
- ▶ Expenditure
- ▶ Lower no major issues with plant/equipment services
- ▶ Wages higher- Pool open longer due to Heat, CAPS swimming lessons after season and Lifeguards used on weekends
- ▶ Kambalda Pool consumables used chemicals, cleaning supplies, oxygen cylinders, goggles

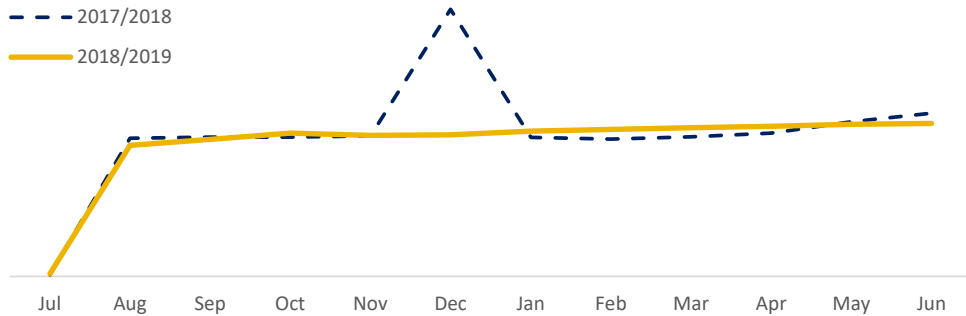




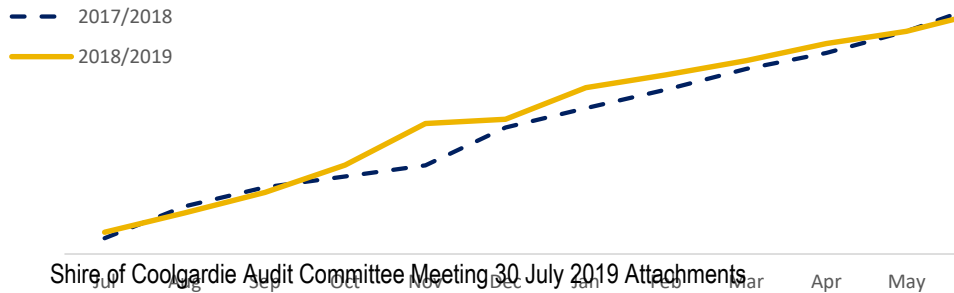
# Waste



YTD Income Year on Year



YTD Expenditure Year on Year

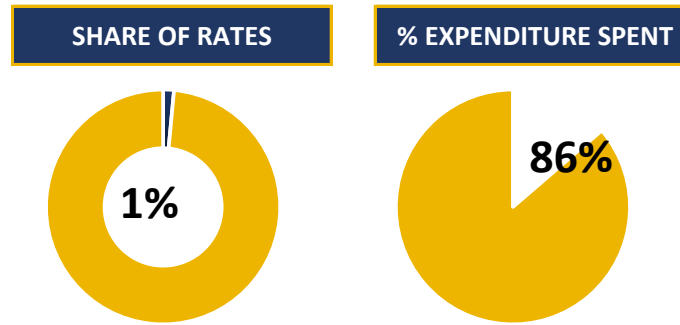
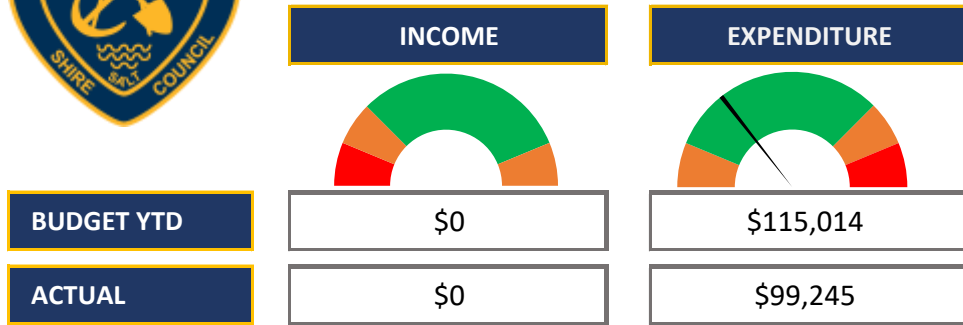


## Manager's commentary

- ▶ Income – reduced due to a reduction in asbestos deliveries & changing status to transfer station.
- ▶ Expenditure - budget costs originate from commencement of a) Kambalda Refuse Site/Transfer Station b) transferring commercial waste to Coolgardie Refuse Site.



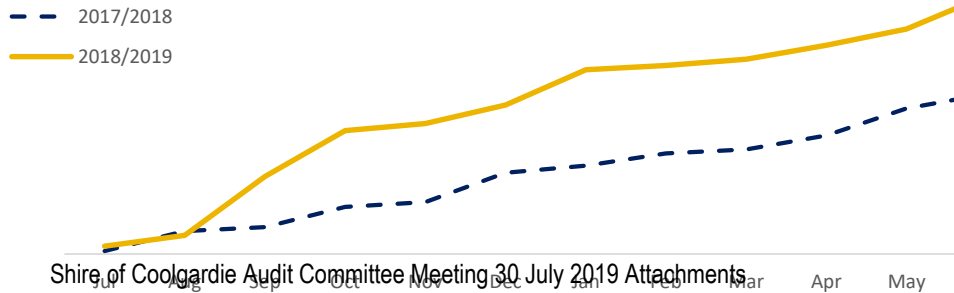
# Trees



## Manager's commentary

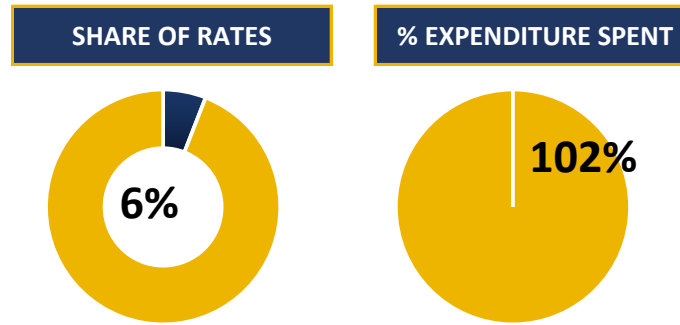
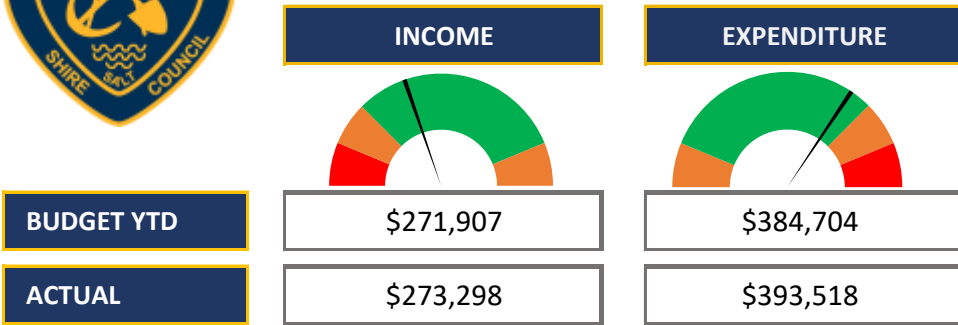
- ▶ Expenditure – achieved small savings due to no major weather events occurring.
- ▶ Didn't fully use budget due to a) staff shortages & b) training required (tickets)

YTD Expenditure Year on Year

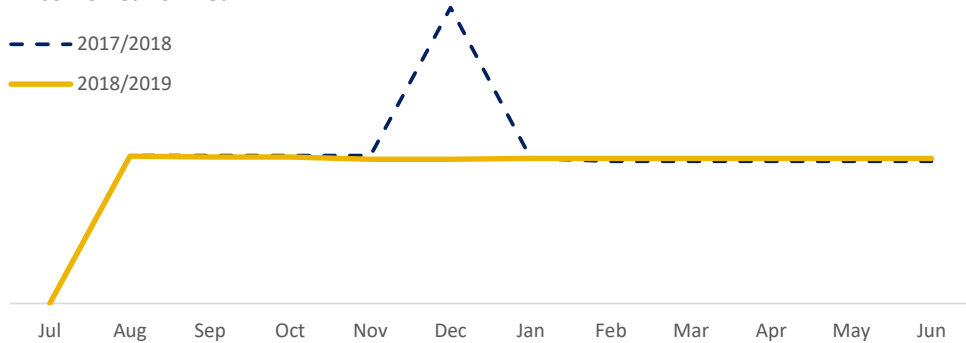




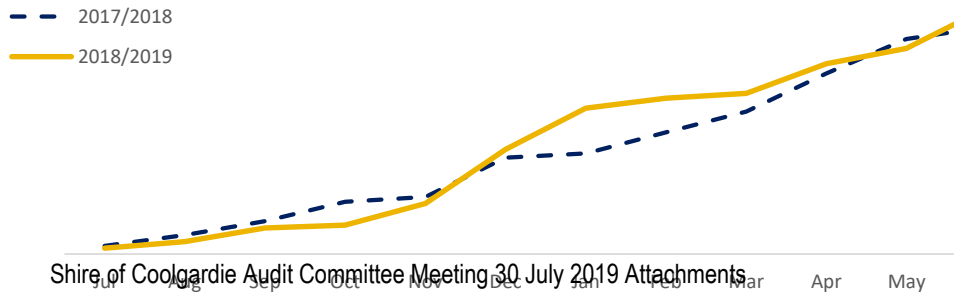
# Sewerage



YTD Income Year on Year



YTD Expenditure Year on Year

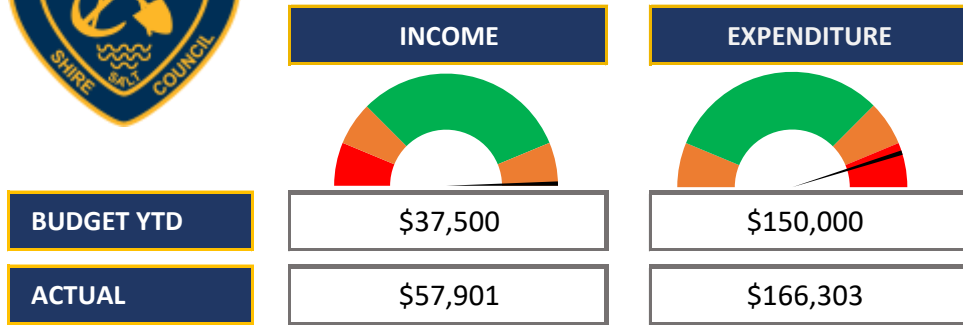


## Manager's commentary

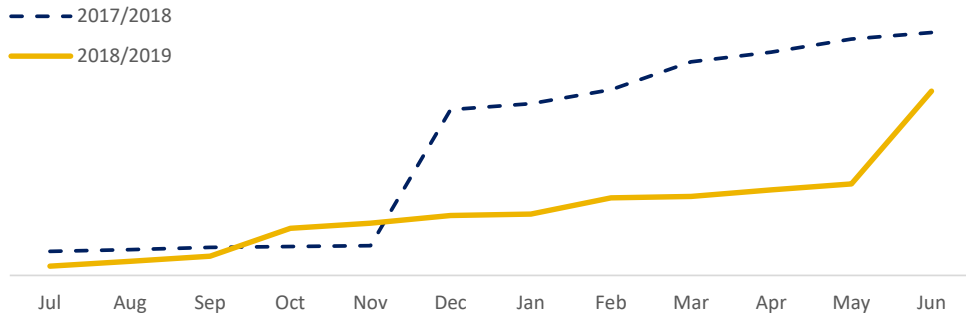
- Expenditure – it was expected that budget would be fully expended - identified expense streams from a) sewerage leaks b) inspection/replacement of manhole covers.



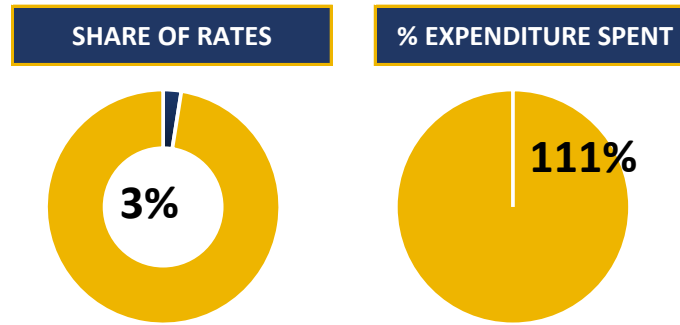
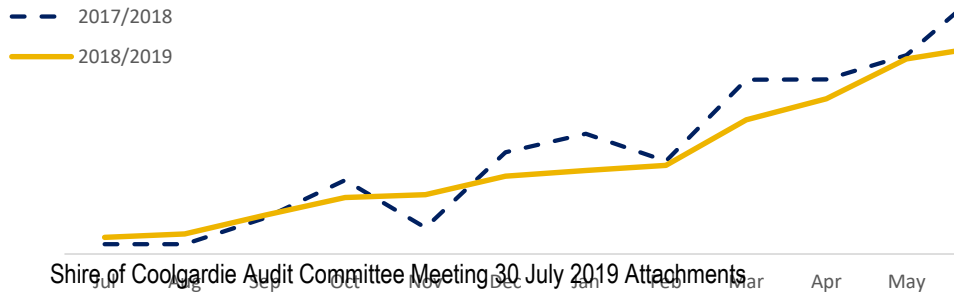
# Development Control



YTD Income Year on Year



YTD Expenditure Year on Year

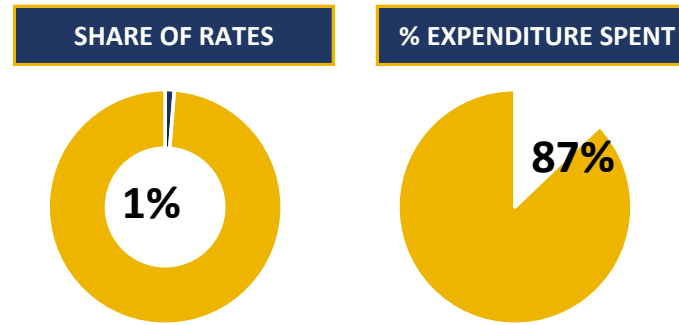
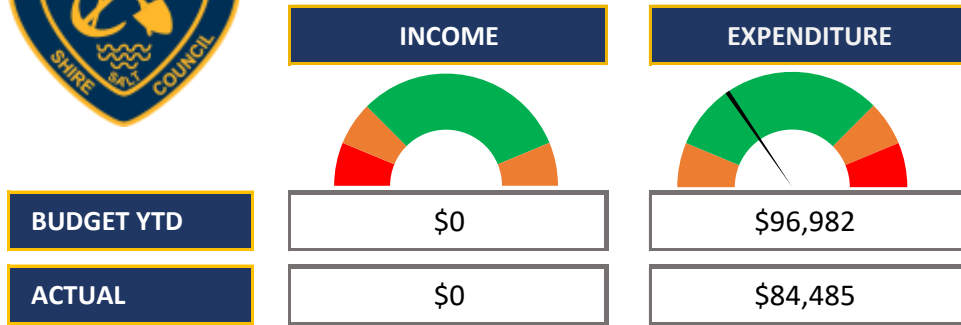


## Manager's commentary

- ▶ The variance in expenditure of actual compared to budget was due to costs associated with the processing and preparation of the Sandy Ridge Development application. This was partially offset by the increase in revenue which was not budgeted for
- ▶ Increase in expenditure was also as a result of the costs associated with the processing of in excess of 300 building applications for storm damage
- ▶ Increased expenditure also associated with planning costs related to preparation of scheme amendments for industrial land



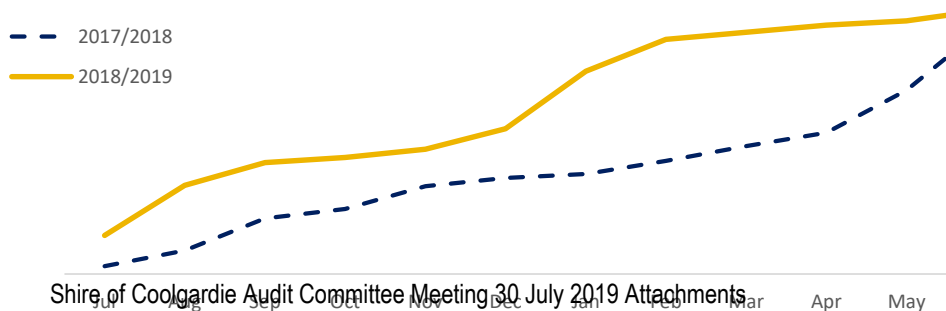
# Footpath Maintenance



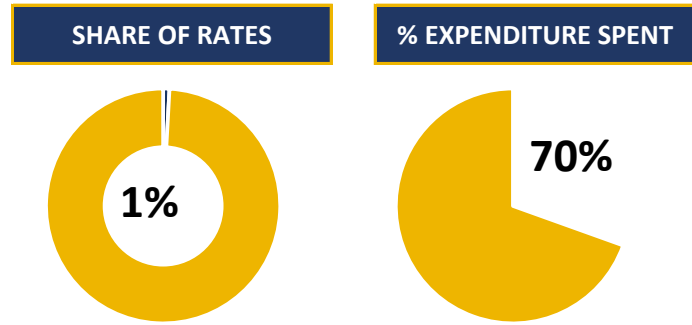
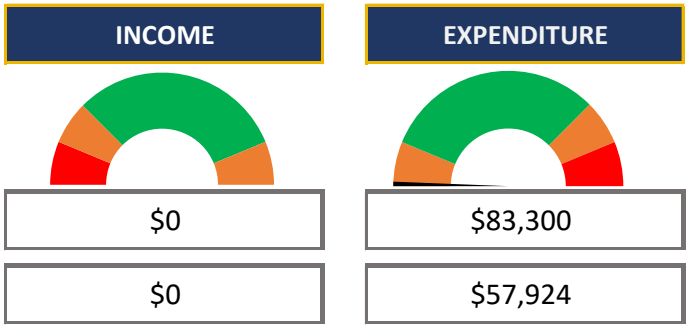
## Manager's commentary

- ▶ Expenditure – small budget saving achieved due to a strong focus on planned maintenance programme.
- ▶ Last quarter had crews doing other works that were required.
- ▶ GETS program normally would use funds for materials, however, they could not continue with works associated with our footpath network.

YTD Expenditure Year on Year



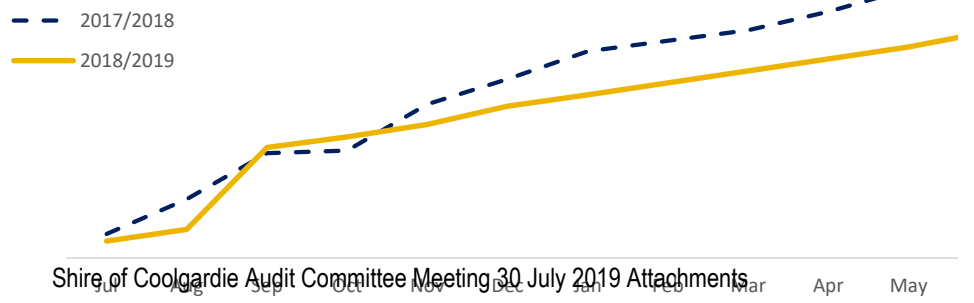
# Records



### Manager's commentary

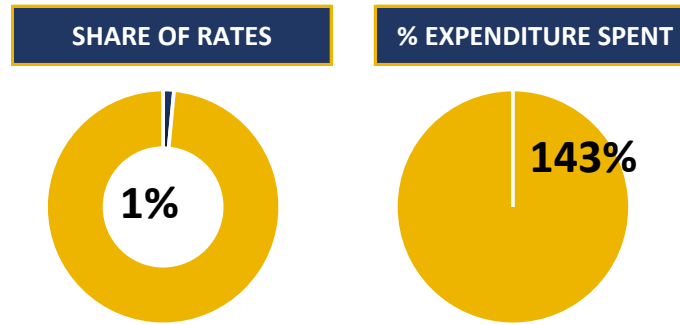
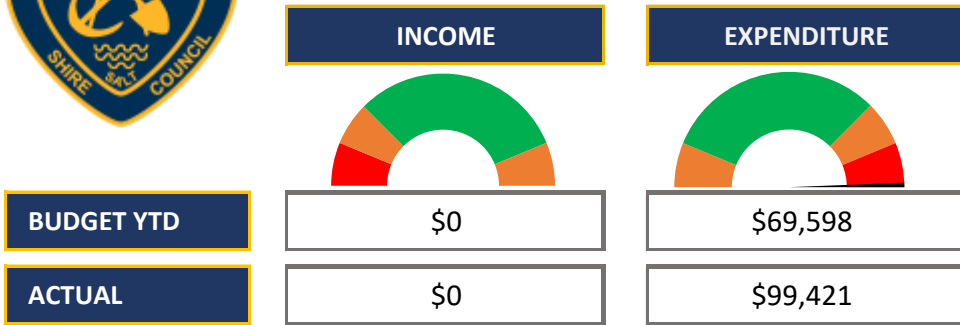
- ▶ Records has ended the year under budget as a result of less staff resources required for 18/19

YTD Expenditure Year on Year

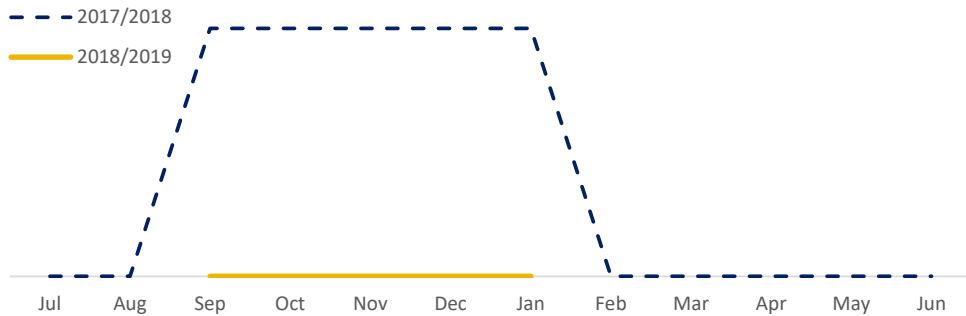




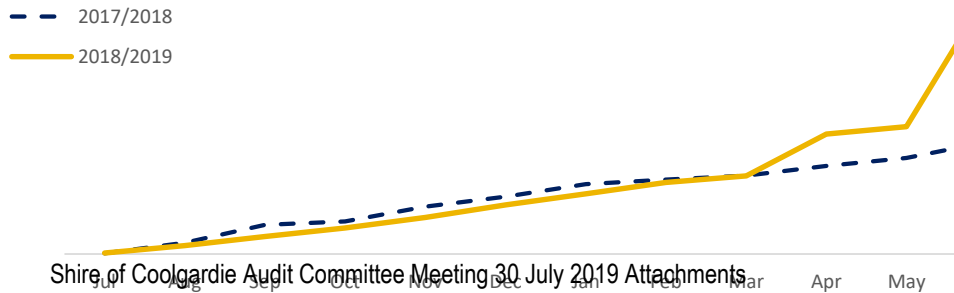
# Law and Order



YTD Income Year on Year



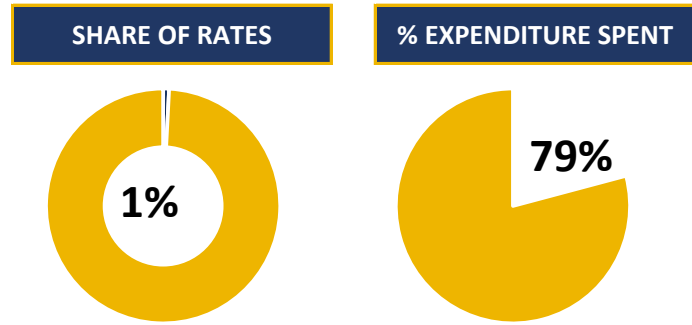
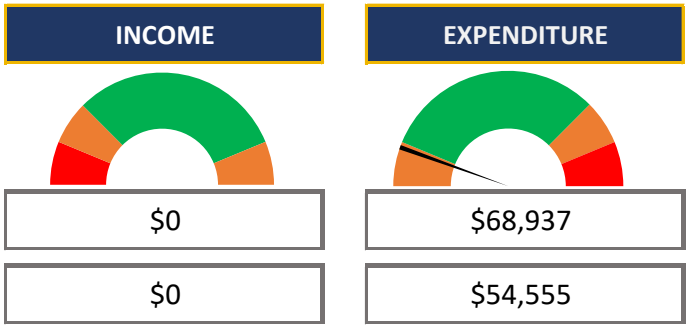
YTD Expenditure Year on Year



## Manager's commentary

- ▶ The over expenditure was due to storm damage. \$30,557 was not able to be claimed from insurance for works undertaken.

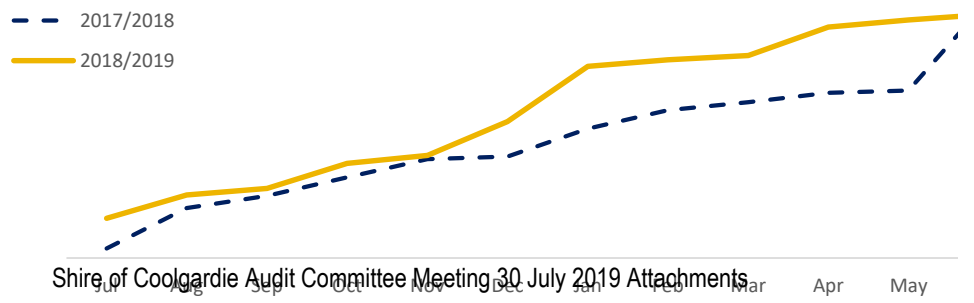
# Drainage



## Manager's commentary

- ▶ Expenditure - small budget surplus achieved. No planned major expenses expected – this may in part be due to no major weather events occurring.
- ▶ Staff shortages last quarter of year meant prioritising other works.

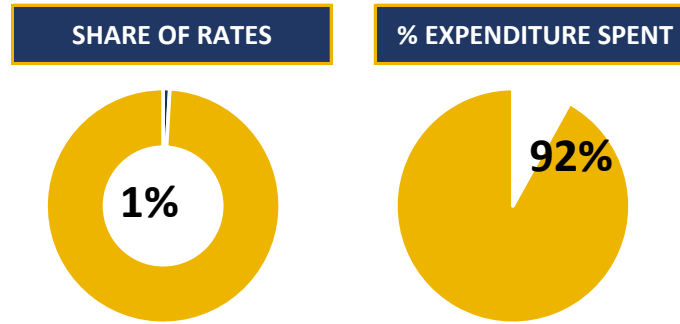
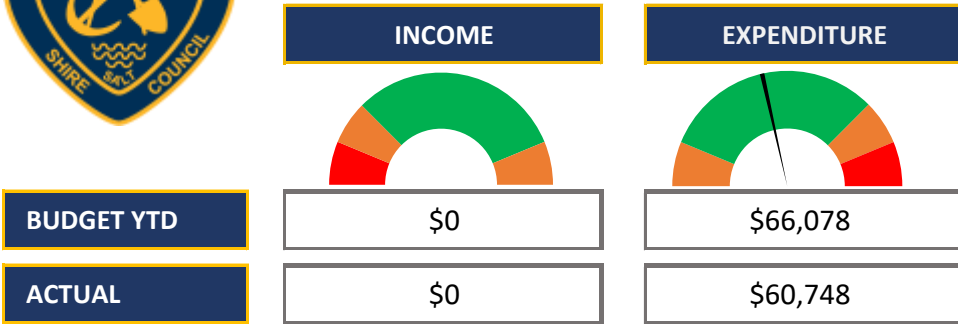
YTD Expenditure Year on Year







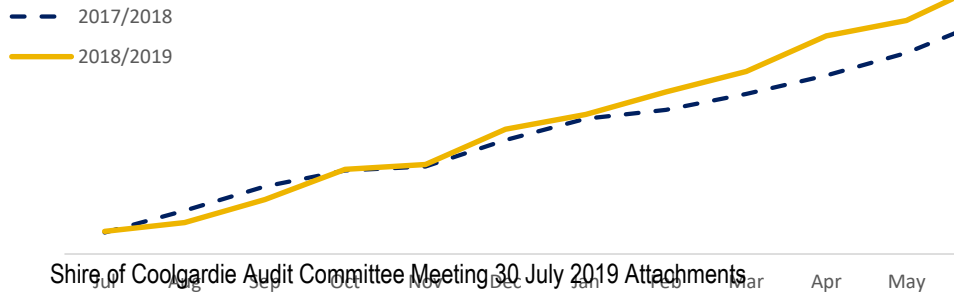
# Public Amenities



### Manager's commentary

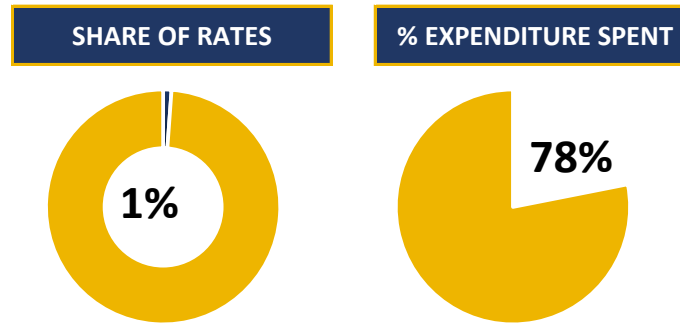
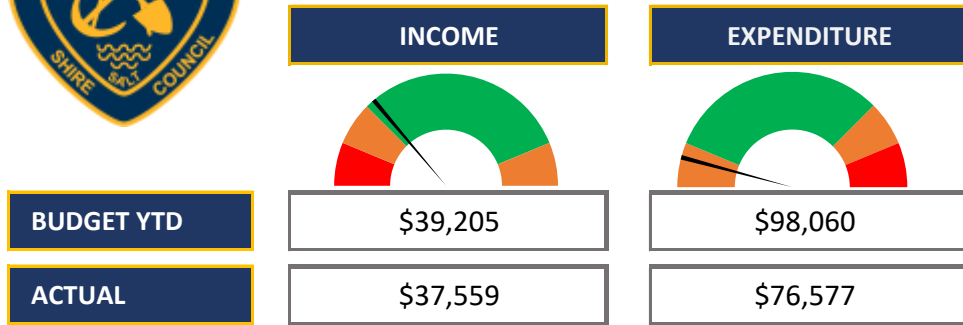
- Expenditure – small budget savings achieved due to less maintenance requirements than previous years.

YTD Expenditure Year on Year





# Community Development



YTD Income Year on Year

— 2018/2019

Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun

YTD Expenditure Year on Year

- - - 2017/2018

— 2018/2019

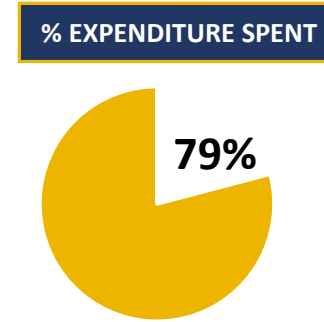
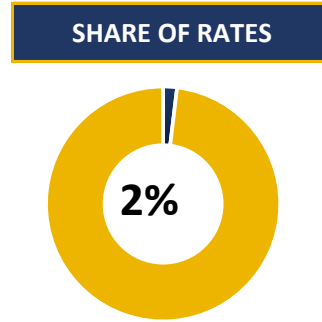
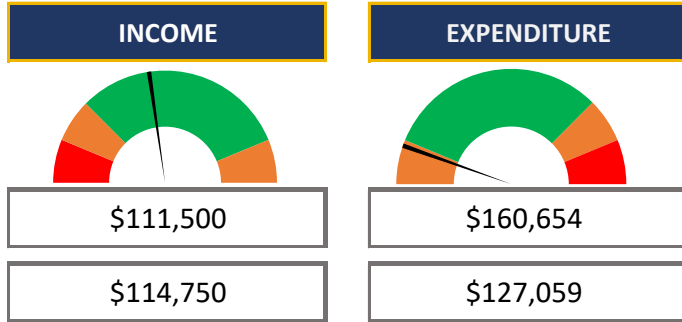
Shire of Coolgardie Audit Committee Meeting 30 July 2019 Attachments

## Manager's commentary

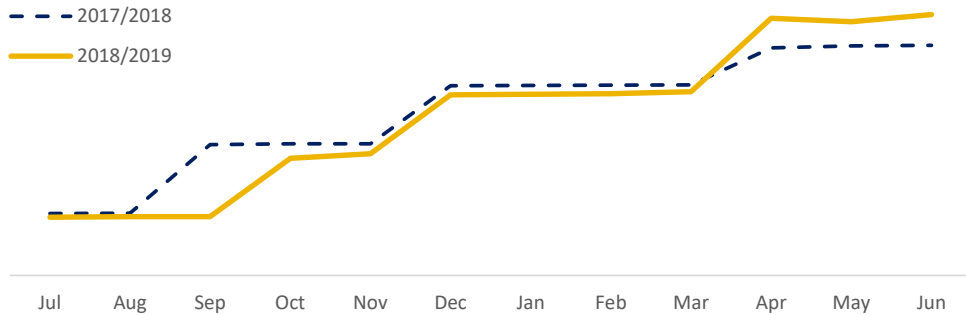
- ▶ Community development has ended under budget due to the budgeted allocation of staff resources not being required in 18/19



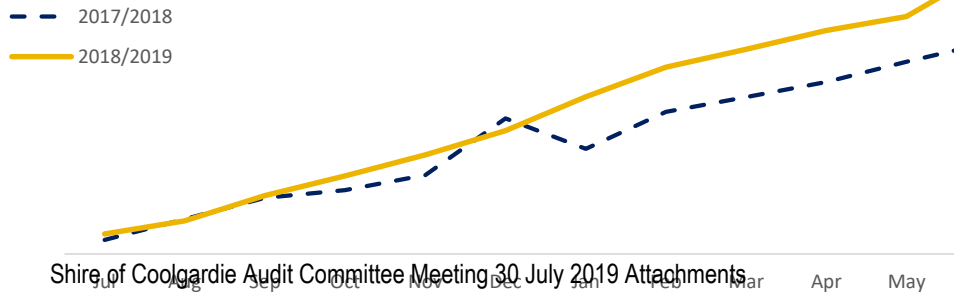
# CRC Coolgardie



YTD Income Year on Year



YTD Expenditure Year on Year



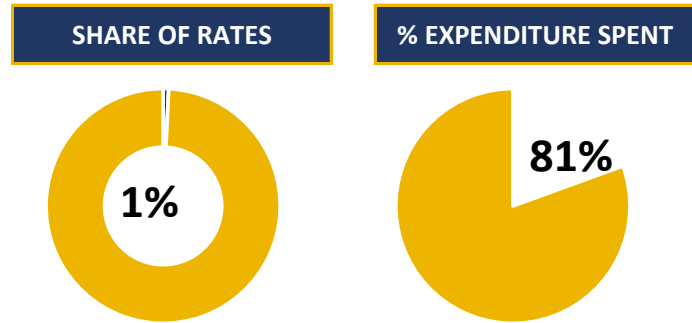
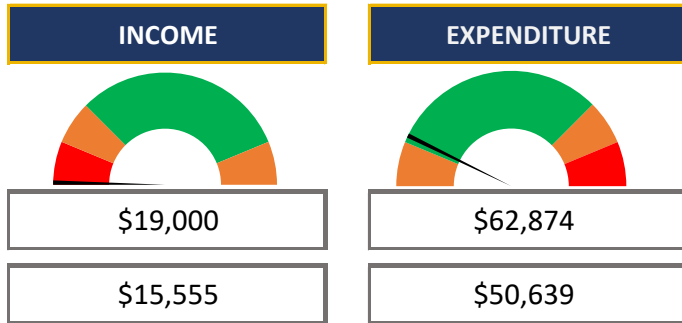
## Manager's commentary

- ▶ Ended the year well under budget due to administration allocations

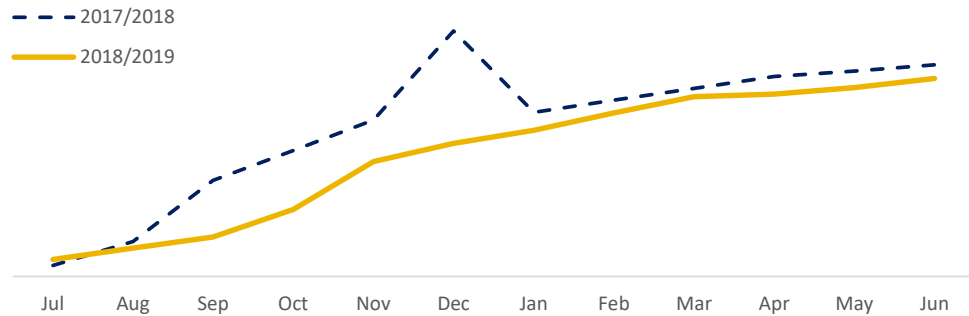


# Animal Control

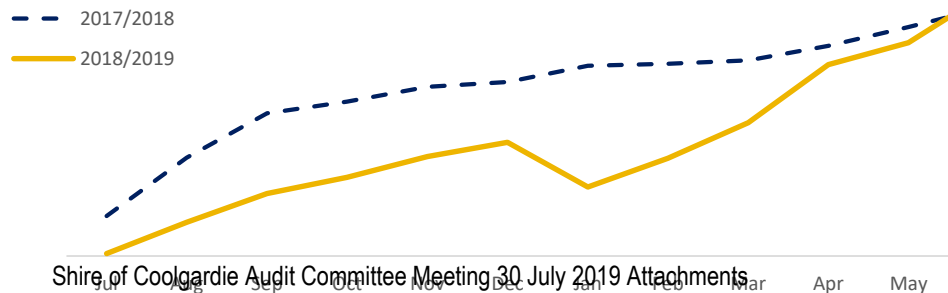
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year



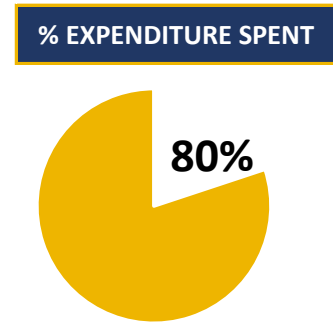
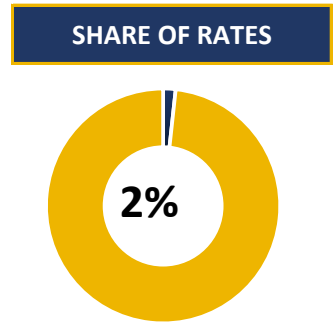
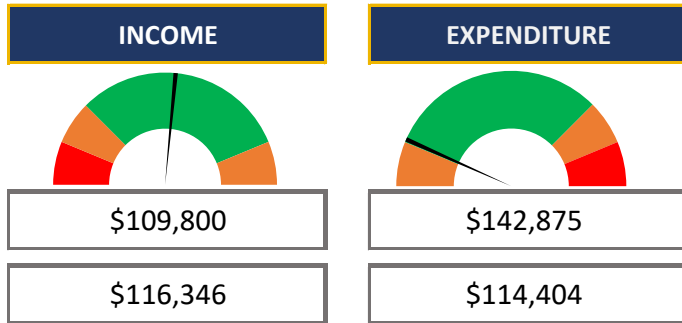
## Manager's commentary

- ▶ Services budgeted to be required from Kalgoorlie were not needed
- ▶ The area has been increased in 2019/2020 in line with requests from the Community Survey

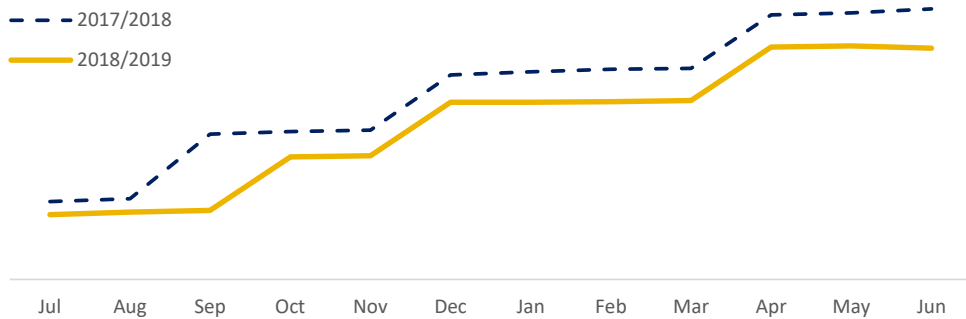


# CRC Kambalda

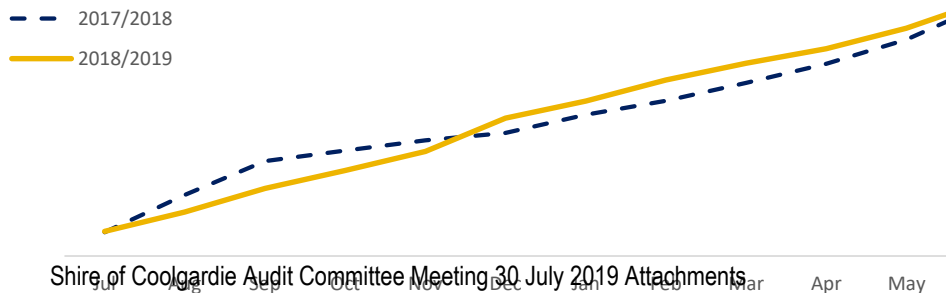
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year

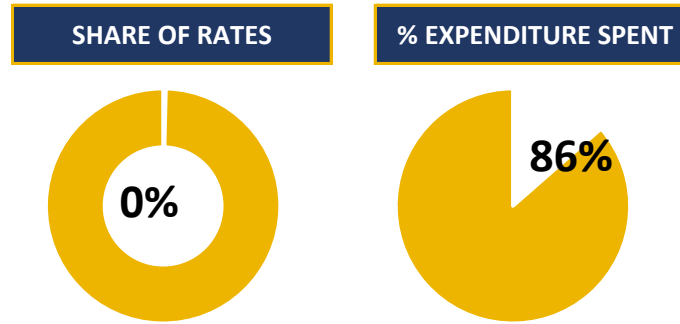
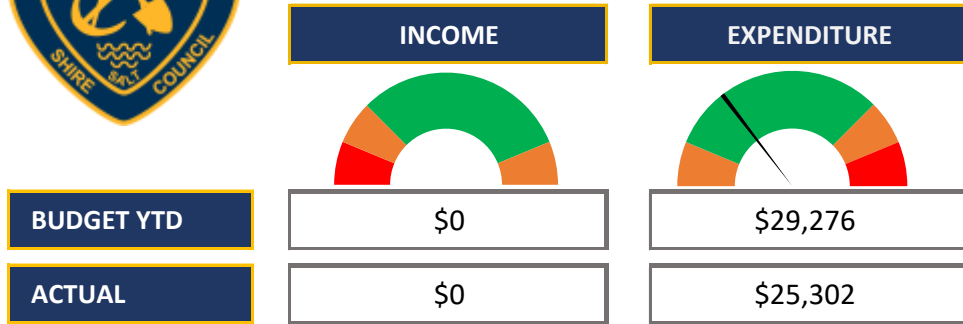


## Manager's commentary

- ▶ The Kambalda Community Resource Centre stayed within budget in all areas
- ▶ Activities and programs proved successful with good attendance and outcomes for the community such as the career guidance presentation provided to the high school students, providing community markets, local business training with many one on one follow up meetings, the very successful biggest morning tea just to name a few. These programs provide valuable assistance, social inclusion and bring many people into the Kambalda Recreation Facility.
- ▶ We no longer provide the Department of Transport service due to compliance issues and the ongoing time and pressure with operating this service. The service is now operating from a local business.



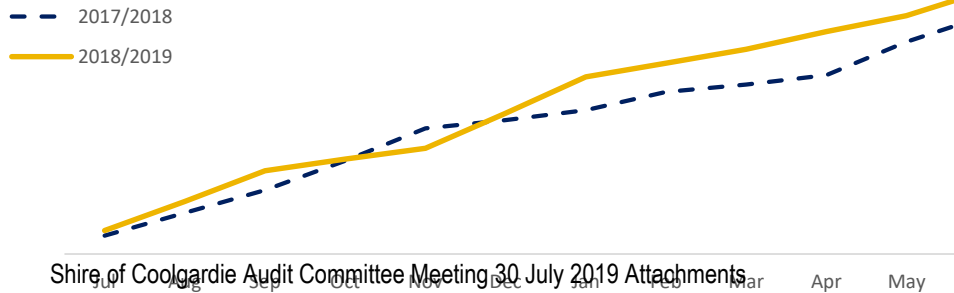
# Look Out



## Manager's commentary

- ▶ Expenditure – small budget savings achieved with no major expenses received in the previous quarter.
- ▶ No vandalism was recorded in last quarter (reduces costs of repairs).

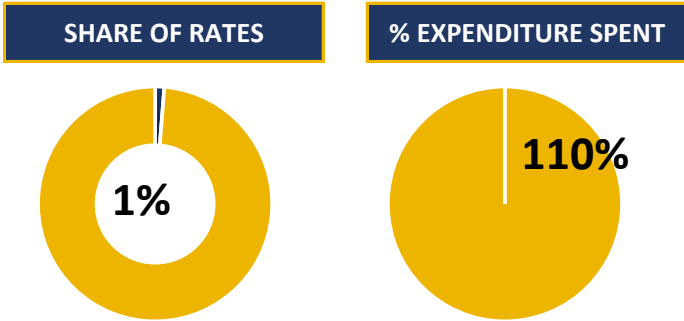
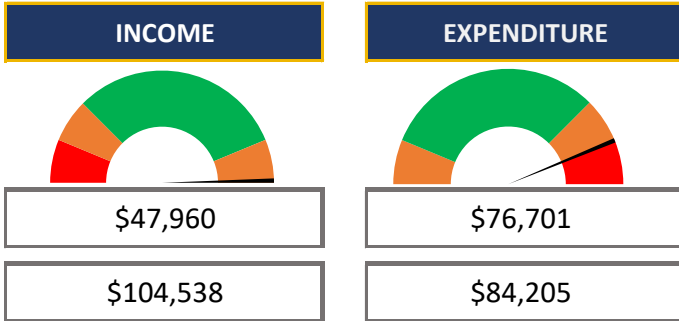
YTD Expenditure Year on Year



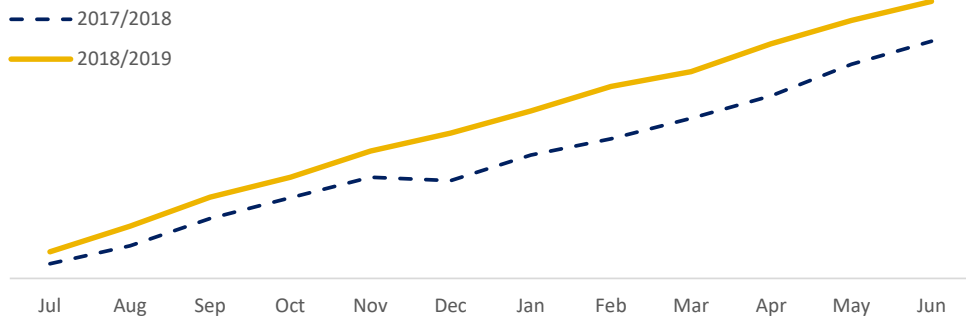


# Council Housing

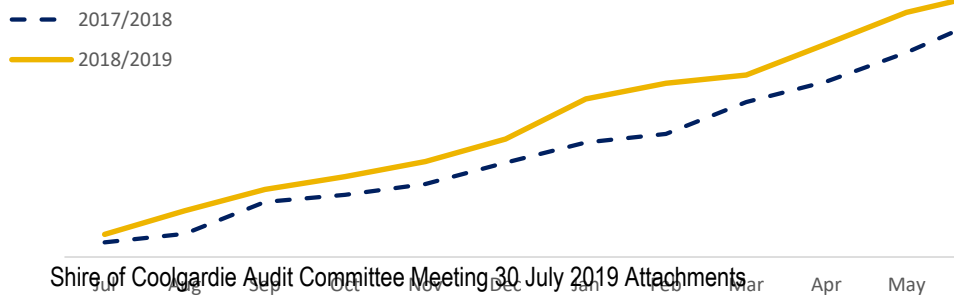
**BUDGET YTD**  
**ACTUAL**



YTD Income Year on Year



YTD Expenditure Year on Year



## Manager's commentary

- ▶ Required maintenance was the increase in expenditure not budgeted for but required

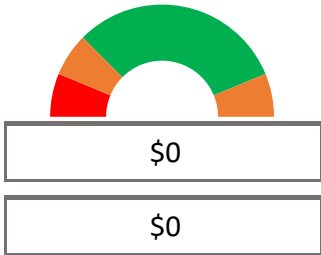


# Pools Kambalda

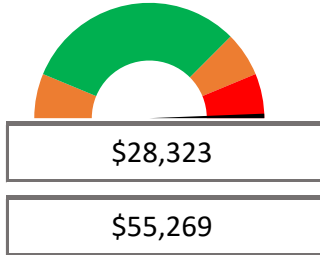
**BUDGET YTD**

**ACTUAL**

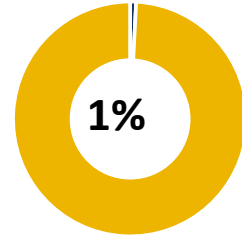
**INCOME**



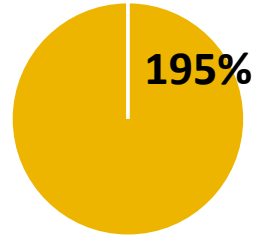
**EXPENDITURE**



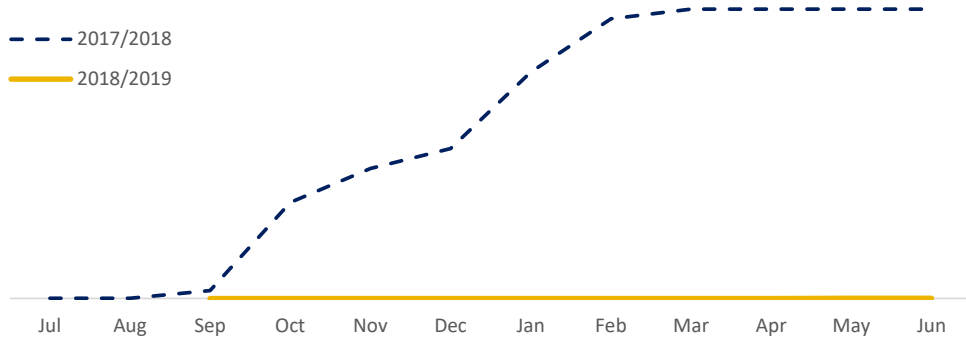
**SHARE OF RATES**



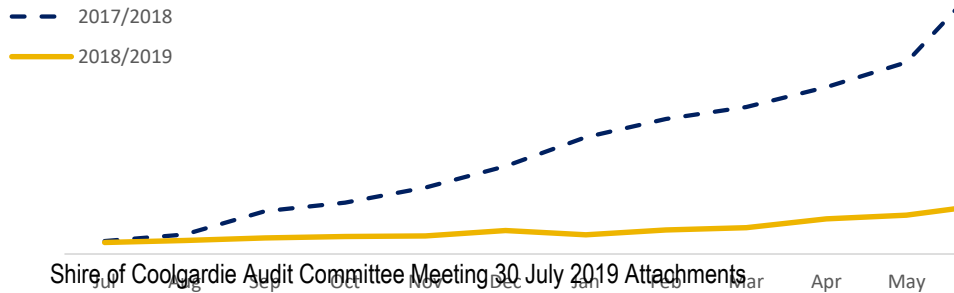
**% EXPENDITURE SPENT**



YTD Income Year on Year



YTD Expenditure Year on Year



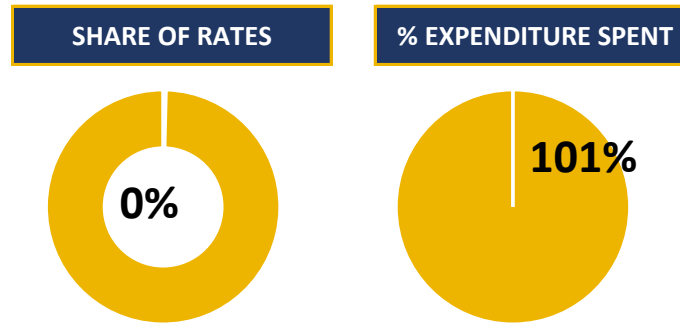
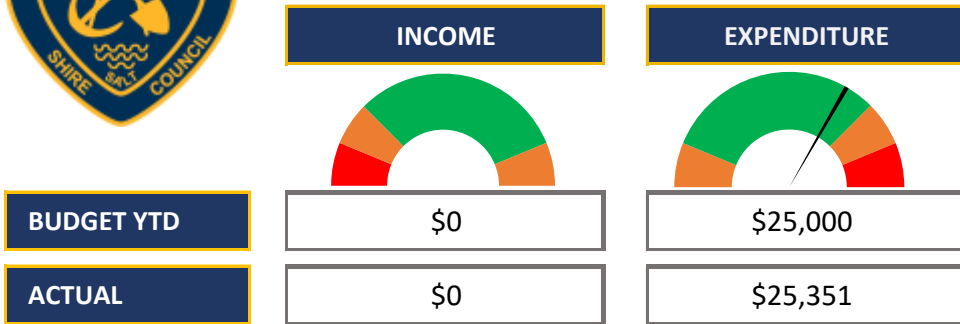
## Manager's commentary

- ▶ Income – Pool closed - Under renovation
- ▶ Expenditure
- ▶ Wages Staff – liaising with consultants
- ▶ Consultants – Tender documents
- ▶ Two invoices moved to capital works

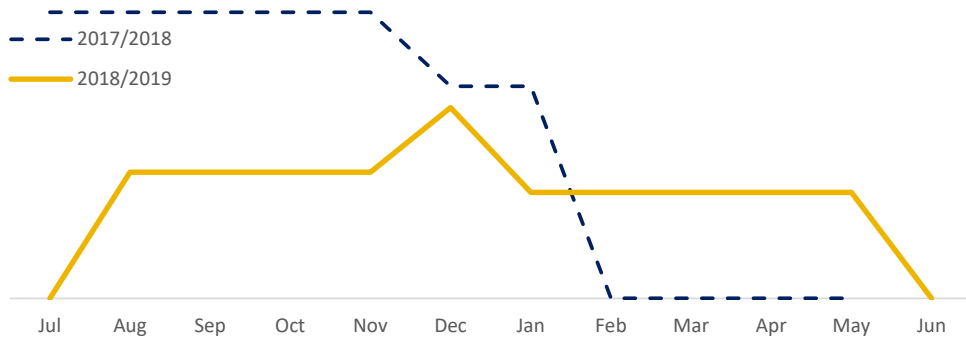




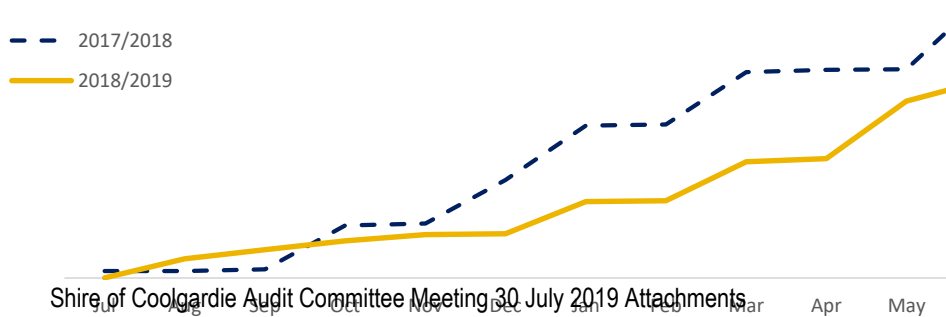
# Health



YTD Income Year on Year



YTD Expenditure Year on Year

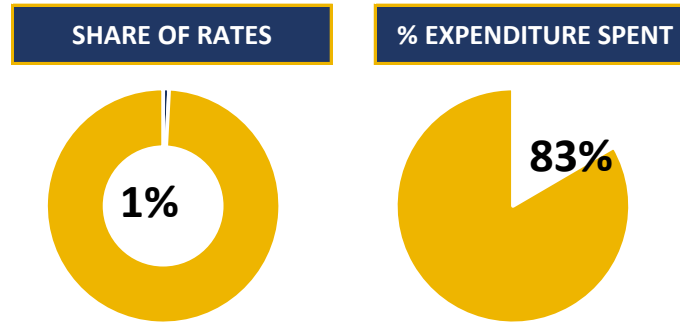
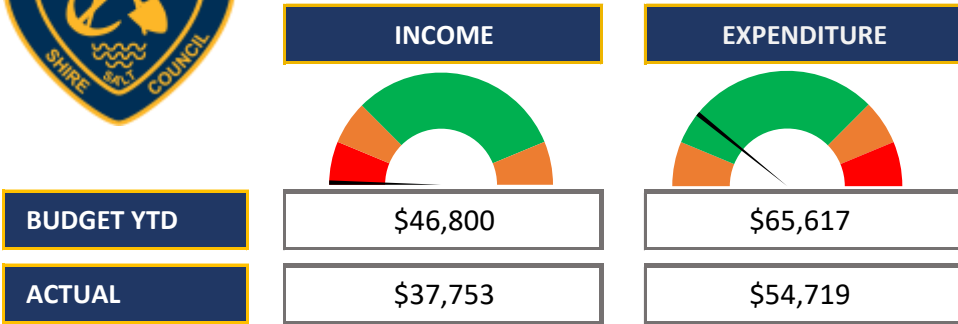


## Manager's commentary

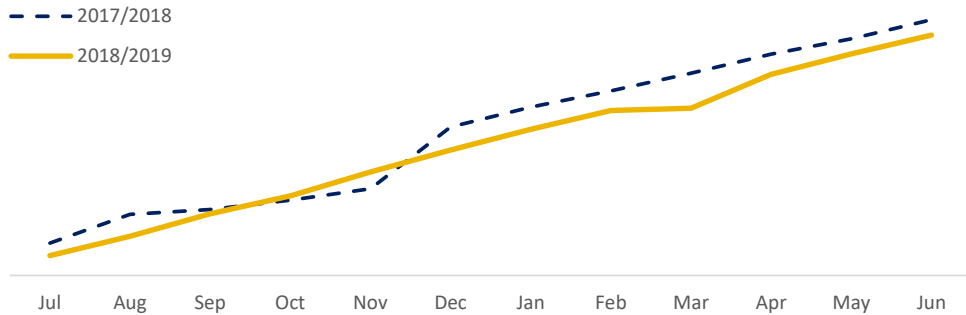
- ▶ The Health service are was delivered in 18/19 on time and on budget
- ▶ In regards to the revenue this was an internal coding area that will be corrected.



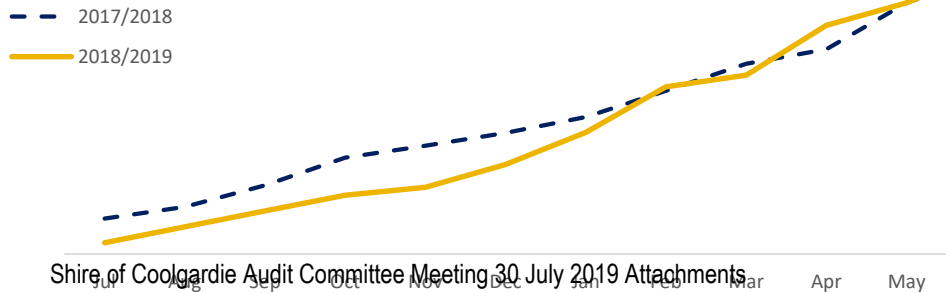
# Aged Accommodation



YTD Income Year on Year



YTD Expenditure Year on Year

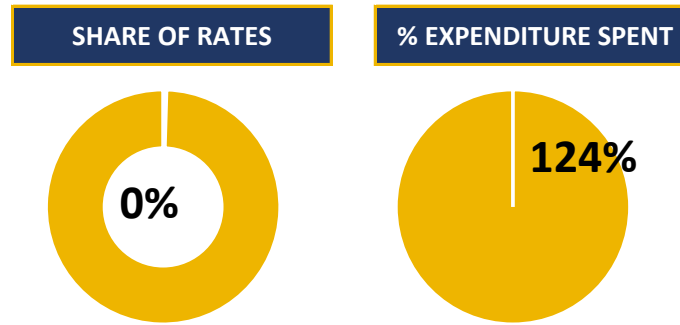
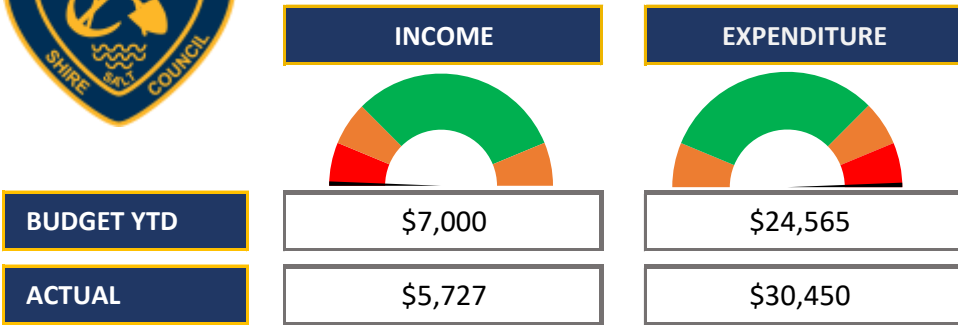


## Manager's commentary

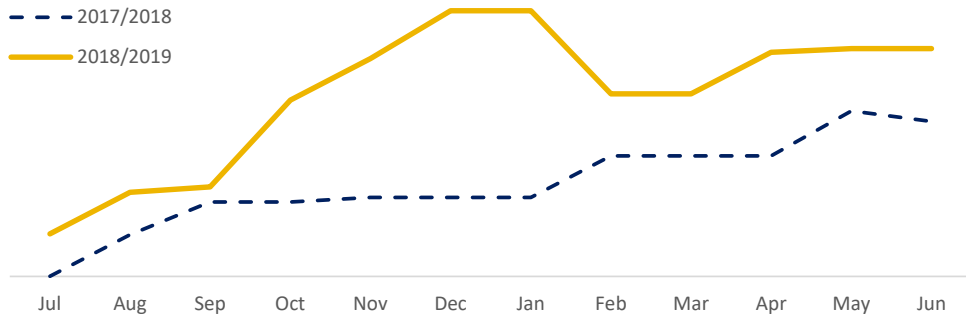
- ▶ Budgetted maintenance was not required during 18/19



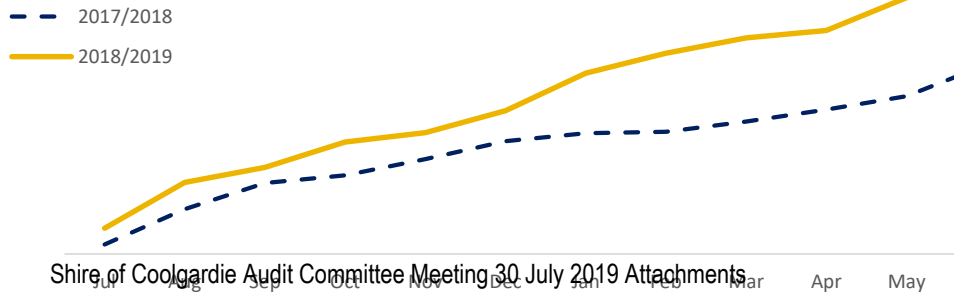
# Cemetery



YTD Income Year on Year



YTD Expenditure Year on Year

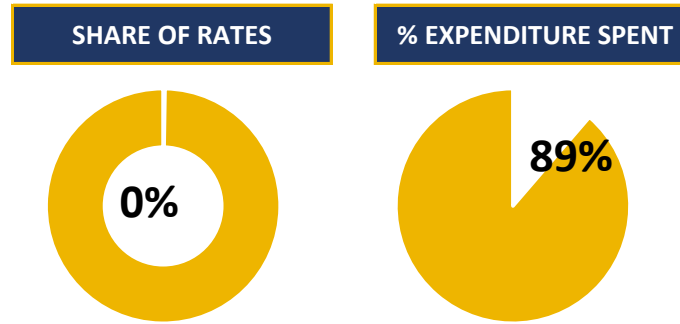
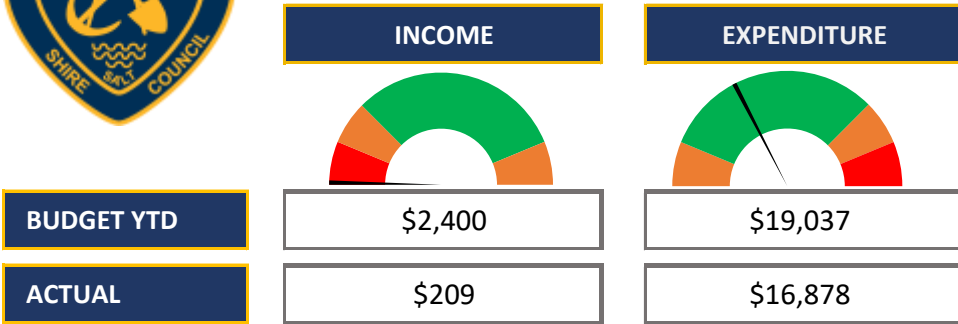


## Manager's commentary

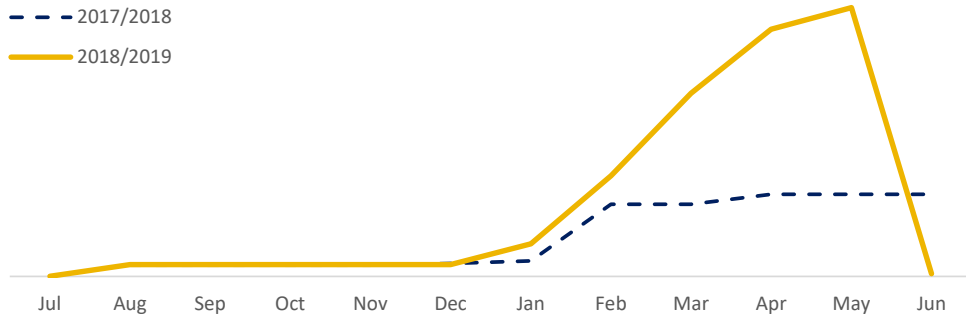
- ▶ Budget overspend due to extra funeral services and burials at Coolgardie Cemetery - (contract services required) for works other than usual provider.



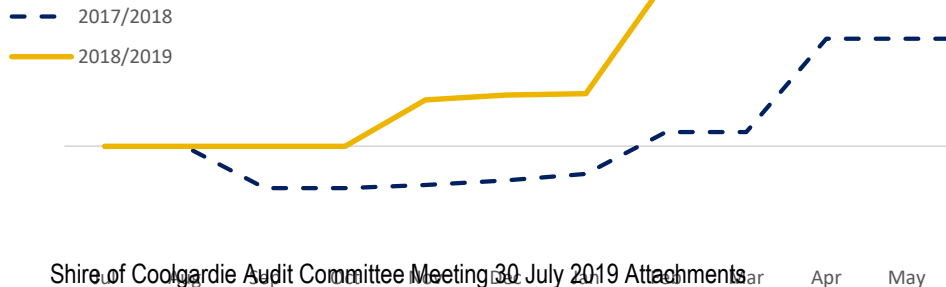
# Environmental Health



YTD Income Year on Year



YTD Expenditure Year on Year

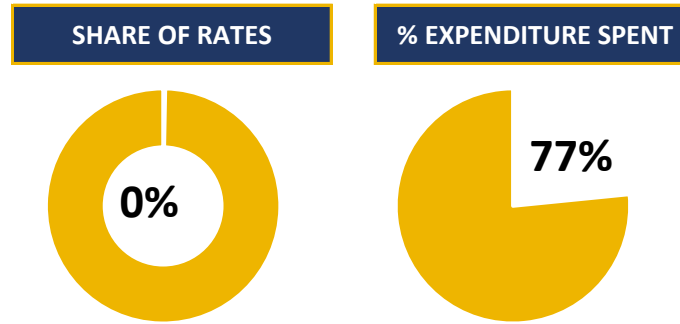
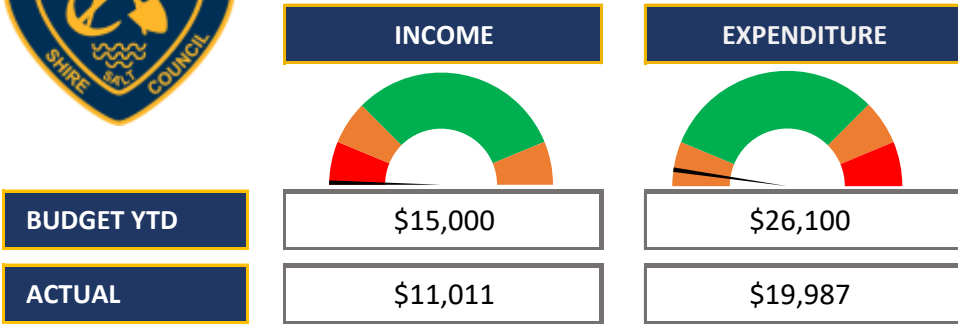


## Manager's commentary

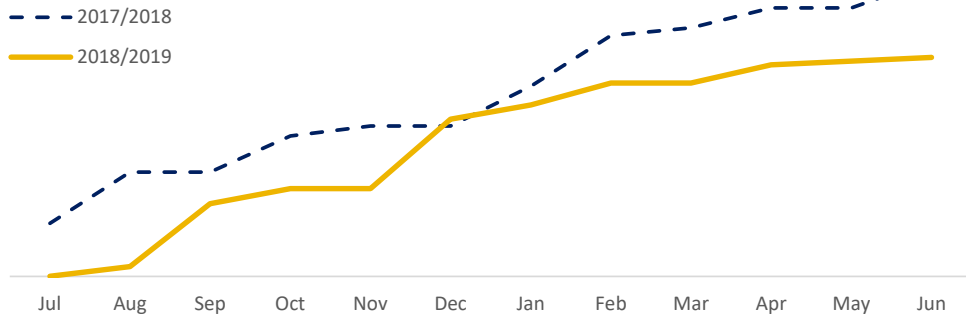
- ▶ The actual expenditure for environmental health for the 18/19 year was below budget due to a reduction in expenditure expected.
- ▶ In regards to revenue the anticipated revenue budgeted for was not received.



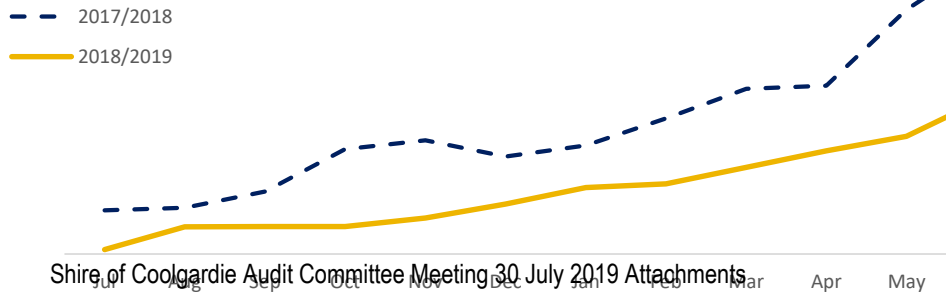
# Clubs



YTD Income Year on Year



YTD Expenditure Year on Year

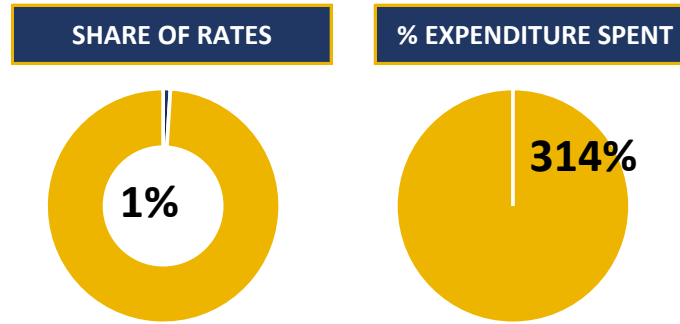
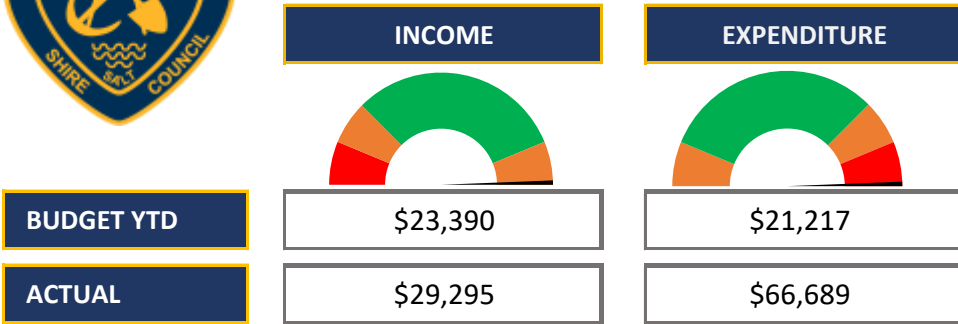


## Manager's commentary

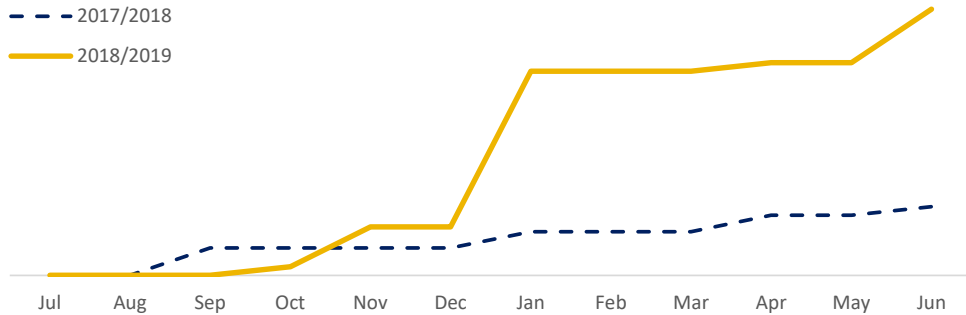
- Expenditure on maintenance budgeted for was not required in 18/19



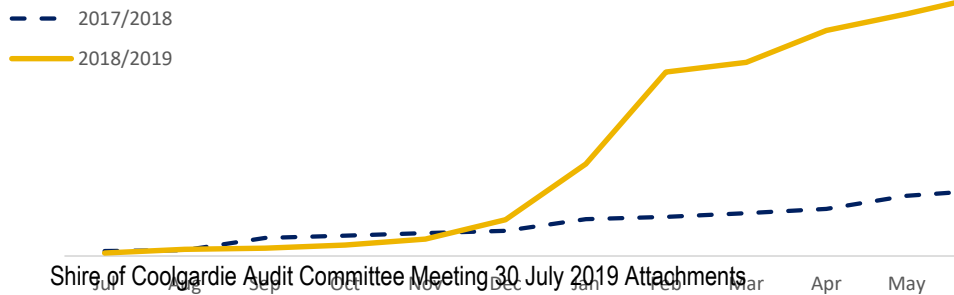
# Fire Prevention



YTD Income Year on Year



YTD Expenditure Year on Year



## Manager's commentary

- ▶ The increased expenditure was a direct result of the number of fires during fire season that occurred in the Shire



# Cashless Card

**BUDGET YTD**

**ACTUAL**

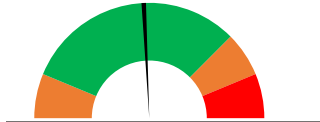
**INCOME**



\$197,406

\$256,833

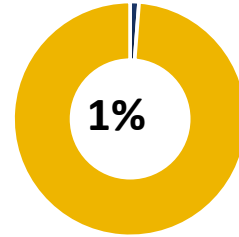
**EXPENDITURE**



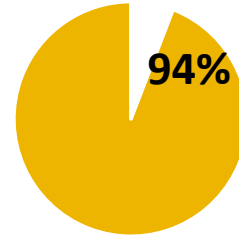
\$86,381

\$81,313

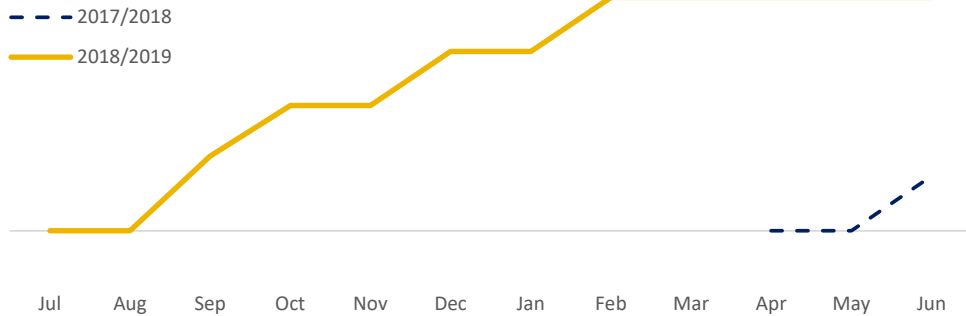
**SHARE OF RATES**



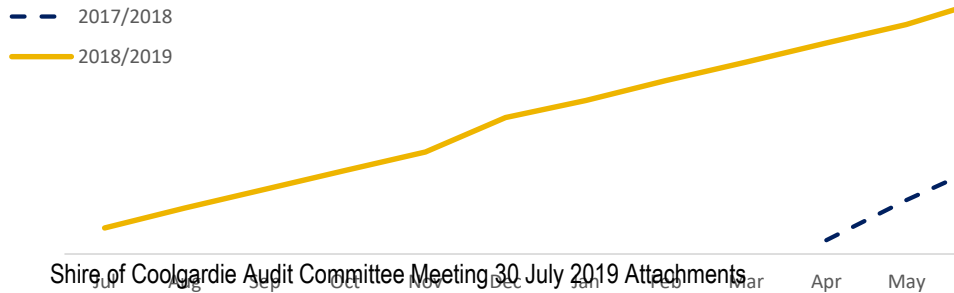
**% EXPENDITURE SPENT**



YTD Income Year on Year



YTD Expenditure Year on Year

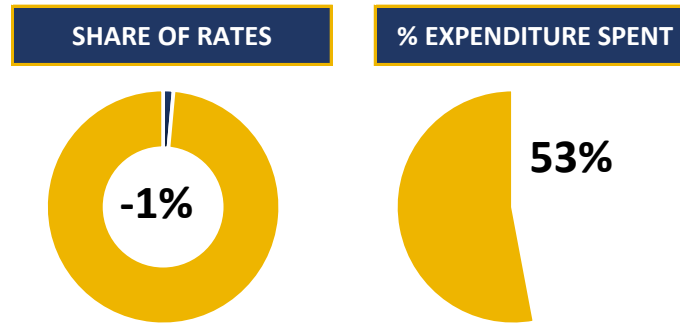
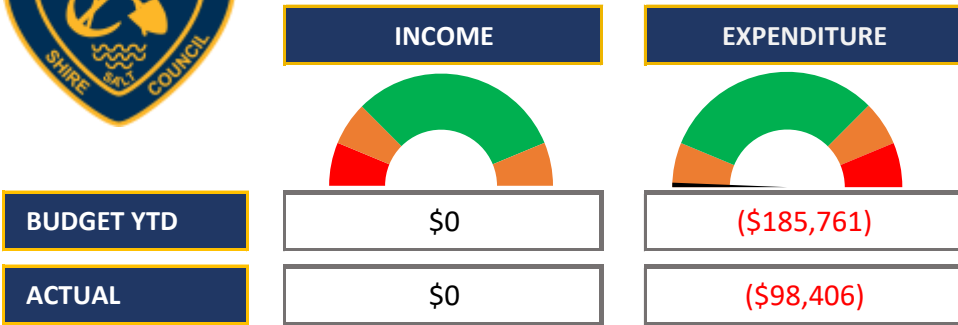


## Manager's commentary

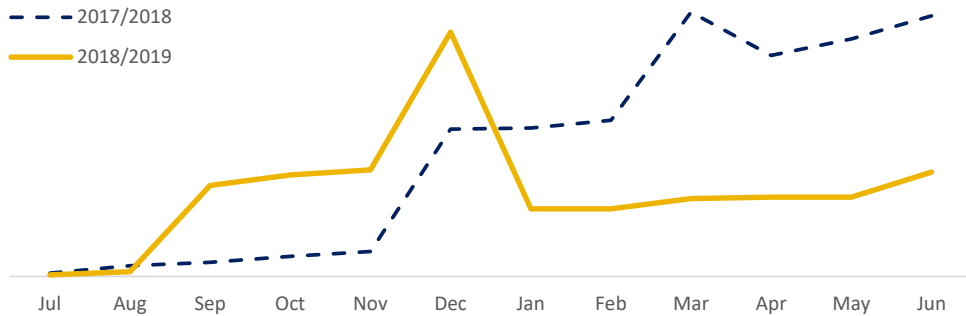
- Expenditure for the cashless card was well within budget



# Haulage Campaign



YTD Income Year on Year



YTD Expenditure Year on Year



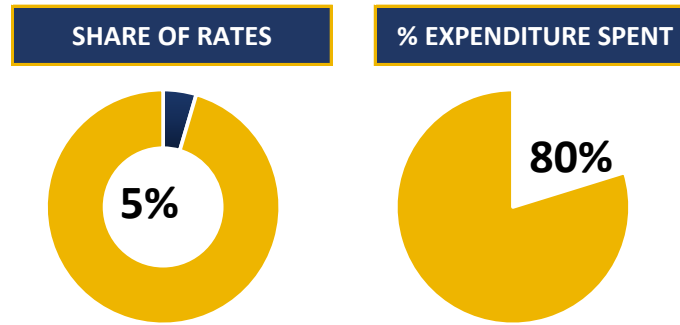
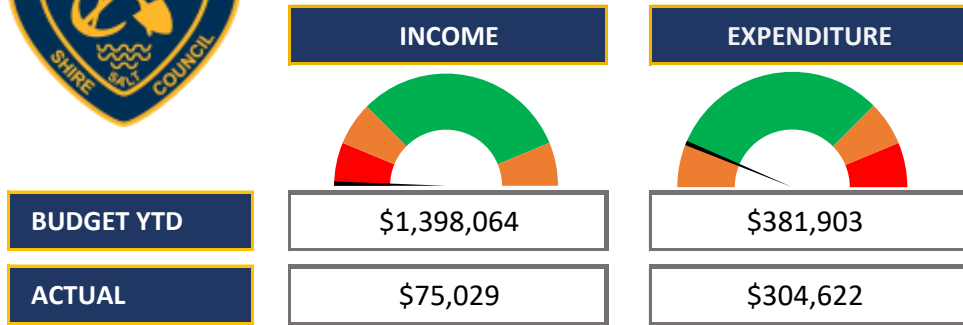
## Manager's commentary

- ▶ Income – derived from applications for haulage campaigns utilising Shire network roads.
- ▶ Haulage campaign funds received were less than projected budget.

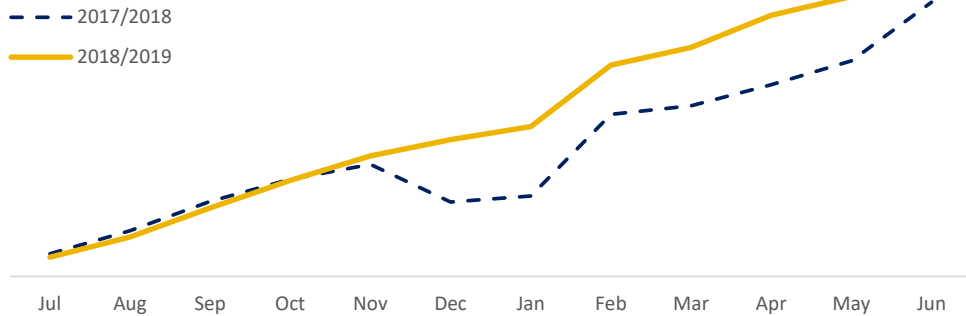




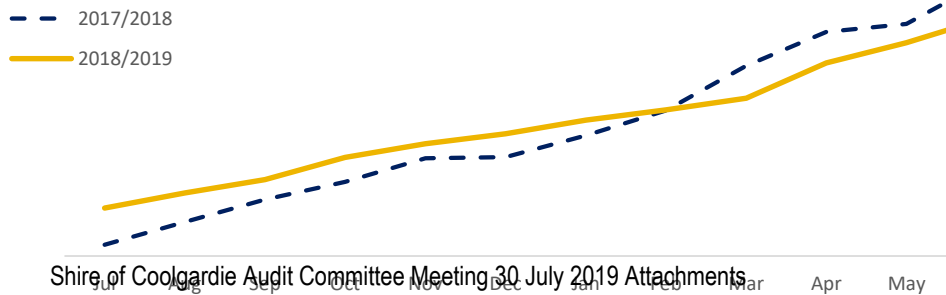
# Tourism and Museums



YTD Income Year on Year



YTD Expenditure Year on Year

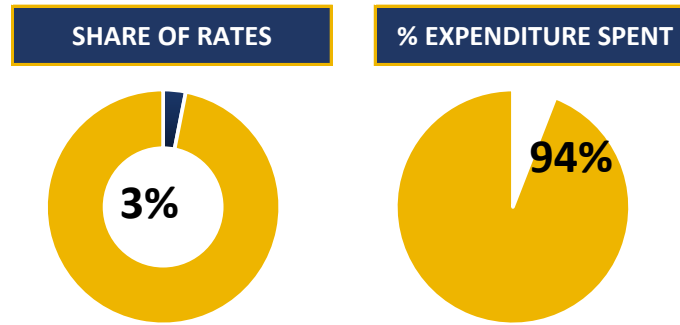
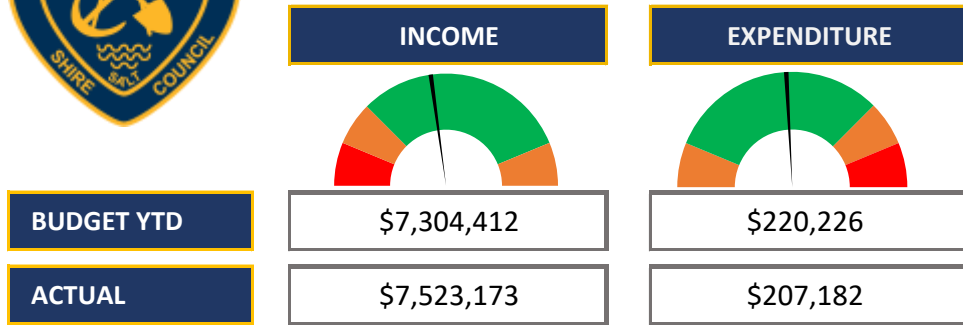


## Manager's commentary

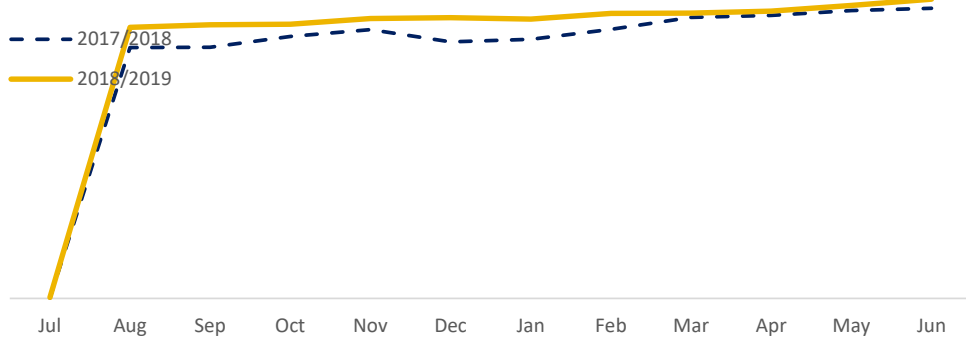
- ▶ Expenditure for tourism and museums was under budget
- ▶ This was largely due to savings in salaries and wages
- ▶ The significant difference in revenue was due to the timing of the truck stop. Just in excess of \$1.2 million was budgeted and the project has been deferred to 19/20



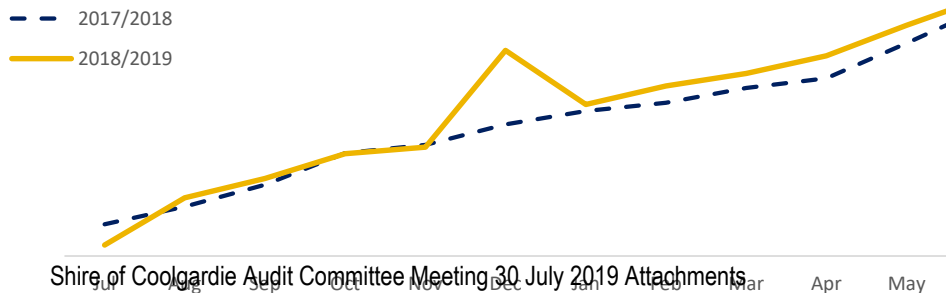
# Rates and General Purpose Funding



YTD Income Year on Year



YTD Expenditure Year on Year



## Manager's commentary

- ▶ Actual revenue received was in excess of budget
- ▶ This is solely due to the advance payment of the general purpose grant for 19/20 not budgeted for
- ▶ This was \$240,000
- ▶ Expenditure was below budget due to efficiencies in delivering the service

**Jan-19**

01-February-2019	Kmart 1115	GVROC	\$14.00	6780
16-January-2019	Monty/S Restaurant		\$24.00	6780
01-February-2019	Trinity	Leesa Treen Training	\$110.00	6806
25-January-2019	503399Flightcentre.Com	Leesa Treen Training	\$383.45	6806
15-January-2019	Bp Golden Gate 1896	Loan car fuel P326	\$25.15	6806
14-January-2019	Tyrepower Kal	p326 New tyres	\$370.00	6806
14-January-2019	Yvette Joan Kerr	Finance & Admin Planning Session Coffee	\$32.00	6806
14-January-2019	Paypro* Driverupdate	Team Viewer	\$95.10	6806
23-January-2019	Swan Taxis	Tender meeting Perth	\$9.77	855
23-January-2019	Virgin Aust Cr Sherryl Botting	Flight Perth	\$409.00	855
23-January-2019	Virgin Aust Sherryl Botting	Flight Perth	\$5.32	855
11-January-2019	Monty/S Restaurant	Community Development Meeting	\$67.00	855
10-January-2019	Xero Au Inv-7897767	GVROC Computer Subscription	\$50.00	855
10-January-2019	Virgin Aust Rod Franklin	Tender Meeting Perth	\$658.00	855
10-January-2019	Virgin Aust Cathy Brooking and Martin Whitely	Flights	\$8.55	855
10-January-2019	Virgin Aust Cathy Brooking and Martin Whitely	Flights	\$1,195.98	855
10-January-2019	Virgin Aust Cathy Brooking and Martin Whitely	Flights	\$15.55	855
08-January-2019	Adobe Acropro Subs	Computer Subscription	\$113.25	855
07-January-2019	Adobe Acropro Subs	Computer Subscription	\$113.25	855
			<b>\$3,699.37</b>	

**Feb-19**

26-February-2019	Civeo Pty Ltd	Fransesca Accommodation	\$132.20	6798
22-February-2019	Civeo Pty Ltd	Fransesca Accommodation	\$264.41	6798
25-February-2019	Woolworths 4329	Food For Fires	\$180.39	6806
22-February-2019	Trinity	Leesa Treen Accommodation	\$220.00	6806
15-February-2019	The Pier Hotel	GVROC Esperance Meeting	\$1,450.80	6806
14-February-2019		Construction Training	\$99.70	6806
14-February-2019		Construction Training	\$113.50	6806
13-February-2019	Shire Of Coolgardie	BA22/2019 BA 23/2019	\$146.04	6806
07-February-2019	Moore Stephens (Wa) P/L	Jade Tarasisnki Training	\$40.00	6806
05-February-2019	Online Safety System	OHS Subscription	\$39.60	6806
04-February-2019	Amd	GVROC Expense Audit financials	\$2,618.00	6806
01-February-2019	Trinity	Leesa Treen Training Accommodation	\$110.00	6806
18-February-2019	The Pier Hotel	GVROC Meeting	\$1,500.00	855
18-February-2019	Virgin Aust Mia Hicks, CEO, President Mrs Cullen	Flight To Perth	\$32.97	855
18-February-2019	Virgin Aust Mia Hicks, CEO, President Mrs Cullen	Flight To Perth	\$3,310.64	855
18-February-2019	Virgin Aust Mia Hicks, CEO, President Mrs Cullen	Flight To Perth	\$10.32	855
18-February-2019	Virgin Aust Mia Hicks, CEO, President Mrs Cullen	Flight To Perth	\$1,036.00	855
18-February-2019	Virgin Aust Mia Hicks, CEO, President Mrs Cullen	Flight To Perth	\$10.32	855
18-February-2019	Virgin Aust Mia Hicks, CEO, President Mrs Cullen	Flight To Perth	\$1,036.00	855
18-February-2019	Civeo Pty Ltd	Consultant	\$528.83	855
18-February-2019	Peerless Jal P/L	Cleaning Supplies Cool Rec	\$321.89	855
18-February-2019	Gcs Agoda Internationa		\$3,593.80	855
13-February-2019	Virgin Aust Keith Dickerson	Flight	\$528.00	855
13-February-2019	Virgin Aust Keith Dickerson	Flight	\$6.86	855
13-February-2019	Virgin Aust Keith Dickerson	Flight	\$414.00	855
13-February-2019	Virgin Aust Keith Dickerson	Flight	\$5.38	855
13-February-2019	Virgin Aust Keith Dickerson	Flight	\$5.38	855
13-February-2019	Virgin Aust Keith Dickerson	Flight	\$414.00	855
11-February-2019	Xero Au Inv-8134099	GVROC Computer Subscription	\$50.00	855
08-February-2019	Adobe Acropro Subs	Computer Subscriptions	\$113.25	855
08-February-2019	Adobe Acropro Subs	Computer Subscriptions	\$113.25	855
04-February-2019	Virgin Aust Martin Whitely	Flight	\$8.55	855
04-February-2019	Virgin Aust Martin Whitely	Flight	\$658.00	855
04-February-2019	Virgin Aust Keith Dickerson	Flight	\$7.77	855
04-February-2019	Virgin Aust Keith Dickerson	Flight	\$598.00	855
04-February-2019	Virgin Aust Keith Dickerson	Flight	\$6.73	855
04-February-2019	Virgin Aust Keith Dickerson	Flight	\$517.99	855
08-February-2019	Yvette Joan Kerr	GVROC	\$12.00	6780
04-February-2019	Bp Golden Gate 1896	GVROC	\$12.30	6780
			<b>\$20,266.87</b>	

**Mar-19**

2 April 2019	Dep Parl Services	Meals CEO Mia President	\$38.70	855
2 April 2019	Dep Parl Services	Meals CEO Mia President	\$33.70	855
2 April 2019	Aerial Transport		\$26.88	855
2 April 2019	Aerial Transport		\$54.50	855
1 April 2019	Country Comfort Intercity Belmont	CEO Accommodation	\$266.64	855
1 April 2019	Country Comfort Intercity Belmont	Mia Accommodation	\$126.25	855
1 April 2019	Country Comfort Intercity Belmont	President Accommodation	\$126.25	855
1 April 2019	City Of Kalgoorlie - B	Kalgoorlie CEO Parking	\$60.00	855
1 April 2019	Virgin Aust	Keith Dickerson	\$189.99	855
27 March 2019	Airportrentals.Com	Vehicle Hire	\$30.70	855
27 March 2019	Virgin Aust	Frans Flight	\$304.00	855
27 March 2019	Virgin Aust	Fran Flight	\$3.03	855
25 March 2019	Virgin Aust	Change of Flights	\$140.00	855
22 March 2019	503399Flightcentre.Com	Steve Forward plant P352	\$353.17	855
18 March 2019	Surveymonkey	Subscription	\$296.64	855
18 March 2019	Virgin Aust	CEO Pool meeting	\$458.00	855
18 March 2019	Virgin Aust	CEO Pool Meeting	\$4.56	855
18 March 2019	The Pier Hotel	GVROC Payment for Meeting in February	\$868.30	855
12 March 2019	Dropbox 88B9H4Hrh7Fg	Computer Subscription	\$2,039.40	855
11 March 2019	Xero Au Inv-8373775	GVROC Computer Subscription	\$50.00	855
8 March 2019	Adobe Acropro Subs	Computer Subscription	\$113.25	855
7 March 2019	Adobe Acropro Subs	Computer Subscription	\$113.25	855
28 March 2019	503399Flightcentre.Com	Noeline Rates training	\$391.52	6806
25 March 2019	Twobros Nominees P/L	Council Meal	\$164.00	6806
15 March 2019	Civeo Pty Ltd	Steve Tweedie	\$264.41	6806
11 March 2019	Woolworths 4329	Cleanup of Kids House	\$16.50	6806
11 March 2019	Subway Kalgoorlie	Training Catering	\$127.15	6806
8 March 2019	503399Flightcentre.Com	Anne Cheng Risk Workshop	\$645.84	6806
8 March 2019	503399Flightcentre.Com	Steve Tweedie	\$763.91	6806
7 March 2019	Crown Gifts	Rod Franklin Gift	\$510.00	6806
5 March 2019	Online Safety System	OSH Subscription	\$49.50	6806
1 April 2019	Webjet	Kat Fox Training	\$530.43	6780
1 April 2019	Meeting Masters	Kat Fox Training	\$952.00	6780
			<b>\$10,112.47</b>	

**Apr-19**

05-April-2019	Virgin Aust 7952155091393 Spring Hill Rod and Kathy Pool Meeting	\$1,276.00	6806
05-April-2019	Virgin Aust 7951505797716 Spring Hill	\$12.71	6806
29-April-2019	Local Governement Mana Fran Training Perth	\$95.00	6806
16-April-2019	Breathalyser Sales Calibration	\$229.90	6806
15-April-2019	Civeo Pty Ltd Francesca Accommodation	\$396.62	6806
09-April-2019	Online Safety System OSH Subscription	\$49.50	6806
11-April-2019	Canprint Communication Load Restraint Guide	\$39.96	6806
08-April-2019	Virgin Aust 7952155146726 Spring Mia Hicks	\$638.00	6806
08-April-2019	Virgin Aust 7951505826935 Smia Hicks	\$6.35	6806
03-April-2019	503399Flightcentre.Com SFO Financial Training Perth	\$424.82	6798
15-April-2019	Civeo Pty Ltd Kambalda East	\$130.90	6798
01-May-2019	Agentur Pty Ltd Cullen Bay	\$1,119.25	855
26-April-2019	Eb *State Budget Lunch 801-413-7200	\$50.73	855
26-April-2019	503399Flightcentre.Com Mia Hicks Accommodation	\$573.23	855
23-April-2019	Virgin Aust Kieth Dickerson Flights	\$124.00	855
17-April-2019	Hertz Australia Pty L Perth Airport car rental	\$182.31	855
16-April-2019	Perth Ambassador Perth Accommodation	\$507.00	855
16-April-2019	Bp Express Ascot 2244 Fuel Hire Car	\$24.69	855
15-April-2019	Crown Perth Parking Burswood	\$25.30	855
15-April-2019	Crown Atrium Buffet CEO	\$39.45	855
15-April-2019	Civeo Pty Ltd Hayley Audit Accommodation	\$264.41	855
15-April-2019	Civeo Pty Ltd Micahel Audit Accommodation	\$264.41	855
15-April-2019	Civeo Pty Ltd Ken Choo Audit Accommodation	\$264.41	855
12-April-2019	City Of Kalgoorlie - B Parking	\$30.00	855
12-April-2019	Virgin Aust 7951505890794 Change of Flights	\$80.00	855
12-April-2019	Virgin Aust 7951505891081 Change of Flights	\$80.00	855
12-April-2019	Virgin Aust 7951505890709 Change of Flights	\$40.00	855
11-April-2019	Wilson Parking P215 Parking Perth	\$20.25	855
11-April-2019	Eliza'S Cafe	\$35.50	855
11-April-2019	Paypal *Kbcci City kal Chamber of commerce	\$25.00	855
10-April-2019	Xero Au Inv-8618169 GVROC Computer expenses	\$50.00	855
10-April-2019	Avis Australia Hire Car Rental	\$76.25	855
08-April-2019	Adobe Acropro Subs Computer Subscription	\$113.25	855
08-April-2019	Wilson Parking P215	\$20.25	855
08-April-2019	Toast Bistro Meal CEO	\$24.90	855
08-April-2019	Adobe Acropro Subs Computer Subscription	\$138.99	855
08-April-2019	Gate Gourmet Va Retail Meal CEO	\$5.00	855
08-April-2019	Gate Gourmet Va Retail Melbourne	\$5.00	855
08-April-2019	City Of Stirling Parking Perth	\$3.00	855
08-April-2019	Hertz Australia Pty L Hire Car Perth	\$306.24	855
08-April-2019	Cpp Regal Place CEO Parking	\$7.07	855
08-April-2019	Country Comfort Intercity President Accommodation	\$185.84	855
08-April-2019	Aroma Cafe Osborne Pa Meal Conference	\$12.10	855
08-April-2019	Country Comfort Intercity Belmont	\$162.61	855
08-April-2019	Country Comfort Intercity Belmont	\$167.66	855
08-April-2019	Gm Cabs Pty Ltd Taxi	\$63.21	855
05-April-2019	Artesso Enterprises Refreshment Coffee	\$11.00	855
05-April-2019	Adina Serviced Apart President Accommodation	\$1,200.23	855
05-April-2019	Adina Serviced Apart CEO Accommodation	\$1,200.23	855
05-April-2019	Adina Serviced Apart Mia Accommodation	\$1,206.30	855
05-April-2019	Aerial Transport Taxi	\$16.70	855
05-April-2019	Gm Cabs Pty Ltd Taxi	\$20.27	855

05-April-2019	Virgin Aust President Flight	\$7.55	855
05-April-2019	Virgin Aust President Flight Mia Hicks	\$758.00	855
05-April-2019	Virgin Aust CEO Flight	\$320.00	855
04-April-2019	Dep Parl Services Refreshment	\$21.20	855
04-April-2019	Hellenic Club In The Meals	\$78.00	855
04-April-2019	Cabxpress 6260 6011 Taxi	\$17.12	855
04-April-2019	Uber *Eats Meals	\$30.50	855
04-April-2019	Uber *Eats Meals	\$43.50	855
04-April-2019	Gm Cabs Pty Ltd Taxi	\$19.43	855
03-April-2019	Dep Parl Services Meals	\$13.00	855
03-April-2019	Dep Parl Services Meals	\$22.00	855
03-April-2019	Sip Coffee Bar Act Meals	\$37.50	855
03-April-2019	Aerial Transport Taxi	\$16.07	855
03-April-2019	Virgin Aust Keither Dickerson	\$4.47	855
03-April-2019	Virgin Aust Keither Dickerson	\$449.00	855
03-April-2019	Virgin Aust	\$260.00	855
03-April-2019	Ingogo Ltd Port Melbourne	\$75.81	855
03-April-2019	Hertz Australia Pty L Melbourne	\$75.96	855
03-April-2019	Aerial Transport Taxi	\$29.09	855
		<b>\$14,062.20</b>	

**May-19**

03-June-2019	Wilson Parking Austral Perth	\$16.00	855
30-May-2019	Virgin Aust Flight charges	\$9.12	855
30-May-2019	Virgin Aust Sherryl Botting , Exec Manager Economic	\$916.00	855
29-May-2019	Monty/S Restaurant Meeting	\$32.00	855
27-May-2019	Virgin Aust CEO Flight	\$2.58	855
27-May-2019	Virgin Aust CEO Flight	\$259.00	855
27-May-2019	Virgin Aust President Flight	\$4.56	855
27-May-2019	Virgin Aust President Flight	\$458.00	855
27-May-2019	Virgin Aust Local Gov Week President, CEO, Noleine Cullen	\$1,832.00	855
20-May-2019	Office Of Racing Gamin Basketball Game Licence	\$44.00	855
17-May-2019	Monty/S Restaurant Meeting	\$43.50	855
15-May-2019	Virgin Aust Flight Change	\$76.24	855
15-May-2019	Virgin Aust Flight charges	\$0.76	855
15-May-2019	Virgin Aust Flight Charges	\$4.96	855
15-May-2019	Virgin Aust CEO Flights	\$498.00	855
15-May-2019	Virgin Aust CEO Flights Melbourne	\$716.00	855
15-May-2019	Virgin Aust CEO Flight Charge	\$7.13	855
15-May-2019	Virgin Aust Franscesca Flight	\$259.00	855
15-May-2019	Virgin Aust Franscesca Flight	\$2.58	855
13-May-2019	Gcs Agoda Internationa Accommodation	\$117.66	855
13-May-2019	Gcs Agoda Internationa Accommodation	\$99.27	855
13-May-2019	Comfort Inn Bay Of I Russell Barnett	\$145.00	855
10-May-2019	Xero Au Inv-8865532 GVROC Computer Subscription	\$50.00	855
08-May-2019	Adobe Acropro Subs Computer Subscription	\$113.25	855
08-May-2019	Construction Training Swimming Pool	\$6,502.58	855
07-May-2019	Adobe Acropro Subs Computer Subscription	\$138.99	855
06-May-2019	Monty/S Restaurant Meeting	\$10.00	855
06-May-2019	Monty/S Restaurant Meeting	\$22.00	855
06-May-2019	Ibis Styles Kalgoorli Accommodation	\$496.00	855
06-May-2019	Webjet Steve Tweedie	\$1,714.07	855
28-May-2019	Quest South Perth Fs SFO Training	\$644.53	6798
06-May-2019	Webjet SFO Training	\$499.56	6798
29-May-2019	Dwer - Water Licence Fee Annual Cool waste	\$2,694.80	6806
31-May-2019	Sage Perth Fdi Perth	\$901.73	6806
07-May-2019	Online Safety System OHS Subscription	\$49.50	6806
08-May-2019	503399Flightcentre.Com Noeline Poke Training	\$598.46	6806
21-May-2019	City Of Kal Bould Parking Meeting	\$60.00	6806
20-May-2019	Dwer - Water Charges Coolgardie waste	\$200.00	6806
		<b>20,317.08</b>	



**Jun-19**

27-June-2019	Karri Holdings Pl	Wench Set for Hino	\$261.80	6798
27-June-2019	Cardajam Pty Ltd	Retic part	\$308.85	6798
13-June-2019	Woolworths 4329	Staff Function	\$204.92	6806
13-June-2019	Woolworths 4329	Staff Function	\$103.79	6806
10-June-2019	Daphne Florist	Gift for staff member	\$100.00	6806
04-June-2019	Online Safety System	OHS Subscription	\$49.50	6806
20-June-2019	Ibis Styles Kalgoorlie	Russell Barnett	\$166.13	855
20-June-2019	Ibis Styles Kalgoorlie	Darren Walsh	\$166.13	855
20-June-2019	Dropbox Xero GVROC	Computer Subscription	\$19.25	855
17-June-2019	Virgin Aust	Keith Dickerson Flights	\$3.96	855
17-June-2019	Virgin Aust	Keith Dickerson Flights	\$398.00	855
17-June-2019	Virgin Aust	Keith Dickerson Flights	\$3.47	855
17-June-2019	Virgin Aust	Keith Dickerson Flights	\$348.00	855
11-June-2019	Xero Au Inv-9118010	GVROC Computer Subscription	\$50.00	855
10-June-2019	Adobe Acropro Subs	Computer Subscription	\$113.25	855
07-June-2019	Adobe Acropro Subs	Computer Subscription	\$164.73	855
07-June-2019	The Coffee Club Klgr	CEO Meeting	\$49.30	855
06-June-2019	Hertz Australia Pty	CEO Car Hire	\$192.97	855
			<b>2,704.05</b>	

# DRAFT RISK MANAGEMENT FRAMEWORK

03/28/2019

## Draft Risk Management Framework Shire of Coolgardie



# DRAFT RISK MANAGEMENT FRAMEWORK

03/28/2019

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# DRAFT RISK MANAGEMENT FRAMEWORK

03/28/2019

## 1. Purpose

The purpose of the Risk Management Framework (Framework) is to support an integrated and effective approach to enable the Shire of Coolgardie to manage its risks through informed decision-making and to achieve value creation and asset protection in accordance with the Shire's Risk Management Policy.

The Framework is based on good practice and sound corporate governance and is consistent with the risk management guidelines and principles of AS/NZS ISO 31000:2018 – Standard for Risk Management.

The Framework is an important component of the Shire's overall Governance Model and remains central to all its operations while delivering a wide and diverse range of services to its residents and visitors. The management of risk is the responsibility of everyone and is an integral part of the Shire's organisational culture which is reflected in the various policies, protocols, systems and processes to ensure efficient and effective service delivery.

## 2. Objectives

The objectives of the Framework are to:

- Ensure consistent and systematic approach to risk management through decision-making and corporate planning and to embed a risk mindset;
- Provide tools to assist management with risk identification and articulation of risks to enable appropriate risk mitigation strategies; and
- Support the overall governance framework through integration of corporate culture, internal controls, policies and procedures ("internal control environment") and management oversight.

The management of risk is an ongoing process that provides many benefits which include:

- Greater likelihood of achieving objectives;
- Compliance with legislative requirements;
- Improve stakeholder trust and confidence;
- Encourages decisive leadership rather than management of crisis;
- Better information for decision making;
- Reduces unexpected and costly surprises;
- Better results from projects and activities;
- More effective and efficient allocation of resources;
- Balancing opportunity and risk; and
- Enhanced accountability and corporate governance.

# DRAFT RISK MANAGEMENT FRAMEWORK

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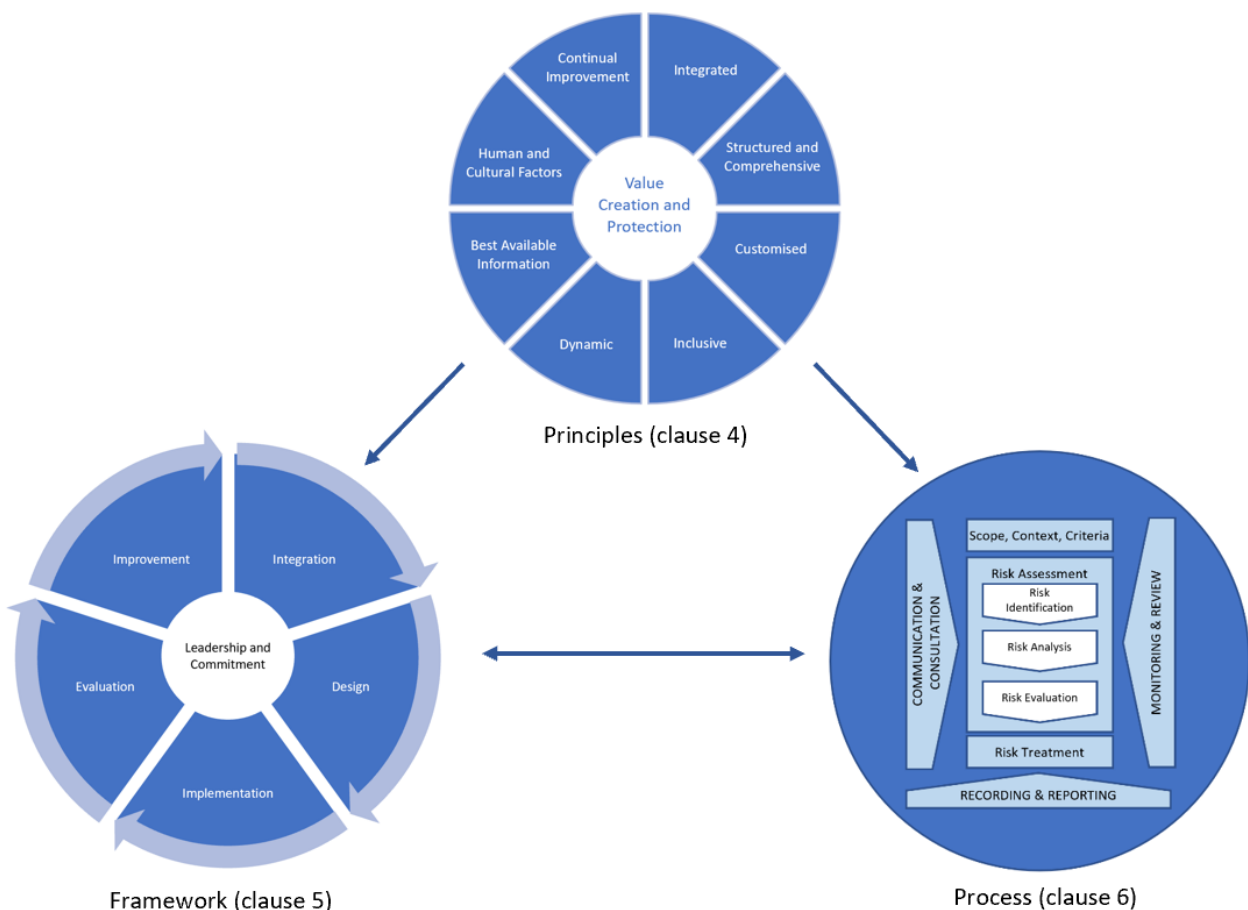
## 3. Risk Appetite

The Shire seeks to manage risk carefully. Risk appetite is the amount of risk to which an organisation is prepared to be exposed to before it judges action to be necessary. Risk appetite may be described using various terms such as high/medium/low or risk averse, risk prudent or risk tolerant. Resources available to control risks are limited and the amount of risk that the Shire is prepared to accept at any one time will have a limit.

The Shire's overall risk appetite is 'risk prudent'. The Shire should accept the taking of controlled risks, the use of innovative approaches and the development of new opportunities to improve service delivery and achieve its objectives provided that the risks are properly identified, evaluated and managed to ensure that exposures are acceptable.

## 4. Principles of Risk Management

### Overview of ISO 31000:2018 Standard



Source: Australia/New Zealand Standard ISO 31000:2018

# DRAFT RISK MANAGEMENT FRAMEWORK

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The diagram above demonstrates the relationship between each component of the Risk Management Strategy with the Principles forming the foundation of the Strategy.

The Strategy is intended to facilitate integration of risk management throughout the Shire, through commitment from leadership to risk management practices. Any gaps identified through analysis of existing practices should be addressed through implementation of controls and other risk mitigation action plans.

The Risk Management Process is designed and tailored to align to the Shire's structure, resources and practices. The Risk Process is iterative, consisting of Risk Assessment, Risk Identification, Risk Analysis, Risk Evaluation and Risk Treatment, Communication and Consultation, Recording and Reporting along with Monitoring and Review.

The following key principles provide necessary guidance and methodology when implementing a structured risk management process.

## Principles driving Value Creation and Protection

**Human and cultural factors:** Risk culture is created from visible leadership and commitment in embedding a risk mindset. All elected members and employees have responsibility for managing risk.

Risk management should be a part of, and not separate from, the Shire's purpose, governance, leadership and commitment, strategy, objectives and operations.<sup>1</sup>

**Structured and comprehensive:** Refers to the risk management process which encompasses:

- Risk identification, assessment and treatment;
- Risk monitoring and review; and
- Risk reporting and communication.

**Inclusive accountability and transparency:** Leadership to assign clear roles and responsibilities for staff, external stakeholders and decision makers to ensure risk management remains relevant and up-to-date, and is based on informed choices and agreed priorities.

**Integrated:** Managing risks should create and protect value by contributing to the achievement of objectives as included in the Strategic Community Plan and Corporate Business Plan (Plan for the Future), as well as project outcomes and improving Shire performance as an integrated activity within existing processes.

**Customised to Shire risk profile:** Recognises the Shire's external and internal influences and challenges, due to its geographical location and community needs.

**Dynamic:** Risks needs to be managed in a dynamic, iterative and responsive manner.

**Continuous improvement:** Developing a more risk aware workforce will result in operational processes which take into account risk considerations and enable processes and decision making to improve over time.

**Best available information:** Risk management is reliant on use of the best available information at any given point in time. Risk analyses should also be forward looking to take into account potential long term risks.

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<sup>1</sup> ISO 31000:2018 Risk Management – Guidelines, page 5

# DRAFT RISK MANAGEMENT FRAMEWORK

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## 5. Risk Management Strategy – Implementation stages

The following are the key considerations when formulating the strategy for a sustainable risk management process:

### Integration

- Integrate risk management into Shire processes and structure. All elected members and employees are responsible for managing risk.

### Design the Strategy

- Understand the organisation and its context;
- Establish and adopt Risk Management Policy;
- Establish roles, responsibilities and accountabilities;
- Allocate resources; and
- Establish internal and external communication and reporting mechanisms.

### Implement the Strategy

- Develop Risk Management Plan;
- Engage stakeholders to convey the purpose and importance of the Strategy and Plan;
- Implement corporate risk management processes in all activities throughout the Shire, particularly decision making processes; and
- Identify changes in the internal and external context, as well as identifying emerging risks or changed risk conditions.

### Evaluate the Strategy

- Regularly assess the purpose, objectives, and outcomes of the Strategy against actual risk management practices; and
- Consider the suitability and application of the Strategy to the Shire's operations and activities.

### Continuous Improvement

- As gaps or improvement opportunities are identified from risk processes, continuously refine the Framework and the way the process is integrated; and
- Develop plans and tasks and assign them to those accountable for implementation.

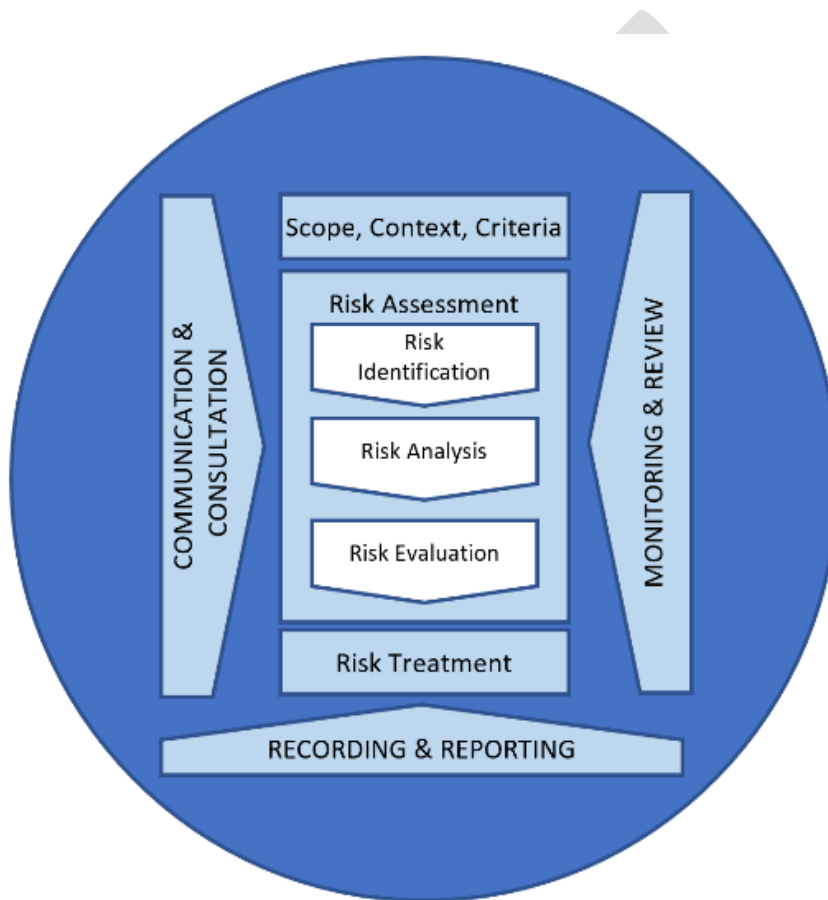
# DRAFT RISK MANAGEMENT FRAMEWORK

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## 6. Risk Management Process

Risk Management is about understanding risk tolerance, identifying and assessing what can go wrong in delivering business objectives, what opportunities for improvement or refinements exist and implementing risk treatments when necessary.

The diagram below depicts the re-iterative and continuous process for managing risks.



Source: Australia/New Zealand ISO31000:2018



# DRAFT RISK MANAGEMENT FRAMEWORK

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## Key Elements of Risk Management Process

The key elements are described below:

- Communication and Consultation

### Risk Identification Process

- Understanding Scope, Context and Criteria
- Risk Assessment Process
- Risk Treatment
  
- Monitoring and Review
  
- Recording and Reporting

## 5.1 Communication and Consultation

An effective risk management process relies on regular communication and consultation, both upward to leadership and downward from leadership and senior staff, involving risk owners, Shire management and Audit and Risk Committee / Council (as applicable).

The main objectives of risk communication and consultation are to:

- Provide information for decision making (relevance of information is dependent on currency);
- Utilise expertise from across the organisation in the course of carrying out risk management activities; and
- Facilitate an inclusive and empowered culture across the Shire in relation to risk management.

## 5.2 Risk Identification and Risk Treatment Process

The day to day management of risks including potential risks is part of business as usual.

Understanding when existing risks reach above the tolerable level i.e. risk tolerance and requires management attention is the main focus of this critical step. Risk Registers are established to ensure that the details of the risk 'event' or operational procedure are documented to outline the context of the issue, the potential impact and likelihood of the risk on the Shire and what is being done to treat the risk or to reduce the level of risk within the risk appetite / prescribed policy / minimum industry standard etc.

It is industry practice to report risks by risk category and/or risk themes to group similar risks under the appropriate risk category. The use of standard risk categories enables:

- Structured process for staff to identify and capture risks; and
- Reporting of risks by risk type, providing focus areas requiring risk mitigation, especially where similar risks are identified across functional areas and/or by different stakeholders.

The Shire's risk categories/themes should be continually reviewed to ensure relevance in current environment.

# DRAFT RISK MANAGEMENT FRAMEWORK

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Examples of risk categories within the local government sector:

1. Performance: inability to deliver on key strategic objectives, failure to manage key projects
2. Infrastructure: potential loss of infrastructure impacting on delivery of essential services;
3. Financial: loss of assets, impact on annual revenues or costs, mismanagement of funds;
4. Environmental Risk: negligence resulting in long term harm to the environment;
5. Community / Reputational Damage: adverse publicity, release of sensitive data such as ratepayer details;
6. Service Delivery/Business Interruption: loss of service, disruption in business processes or impact to service delivery (including through lack of skilled resources); and
7. Legislative / Regulatory / Policy / Occupational Safety and Health: misconduct, injury, breaches to regulatory and/or statutory requirements.

Detailed procedures for maintenance of risk registers is outlined in Appendix A.

## 5.3 Monitoring and Review

To ensure the design of the overall risk management process remains fit for purpose and relevant, it should be regularly reviewed for quality and effectiveness as a management tool. The outcomes of the risk process should also be periodically reviewed to ensure accountabilities and responsibilities are clearly defined and risk issues are concise and contain sufficient data and analyses to enable informed decisions.

## 5.4 Recording and Reporting

To demonstrate an inclusive and transparent process, the Shire uses risk registers to document identified key risks, what is being done to mitigate the risk, who is responsible for managing the risk and are the risk treatment plans / risk mitigation strategies providing the desired outcomes.

Recording and reporting also enables the Shire to use the risk reporting process as a communication tool to inform and share information across the organization including formal reporting such as Council and Audit & Risk meetings.

Detailed procedures for Risk Reporting is outlined in Appendix B.

## Key Outcomes from Risk Management Process

- Risk identification will be integrated into the business and project planning processes. Staff should be trained to flag risks or potential risks to their Supervisors if emerging issues are not dealt with adequately.
- Departmental Risk Registers should be used to capture new risks and to ensure risks which require ongoing risk mitigation can be validated by management as being adequately mitigated.
- The process for evaluating risks will be more consistent if the Risk Matrix and Assessment Criteria is applied according to the definitions outlined Tables 2-5.
- Risk mitigation plans should outline who, what, when and why of the proposed solution. For high risk issues, management should receive regular progress updates for full transparency and for calibration of risk tolerance (i.e. in conjunction with all the other risks at the Shire).
- Summary risk reports should be provided to the Audit & Risk Committee on a regular basis to provide them with visibility as to how the Shire is managing its top risks.

# DRAFT RISK MANAGEMENT FRAMEWORK

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**Table 1: Roles and Responsibilities**

Role	Responsibilities
Council	<p>Council's responsibilities are to:</p> <ul style="list-style-type: none"> <li>• Adopt a Risk Management Policy compliant with the requirements of AS/NZS ISO 31000:2018 and to review and approve the Policy on a regular basis as required.</li> <li>• Be satisfied risks are identified, managed and controlled appropriately, to achieve Shire's strategic objectives.</li> <li>• Support the allocation of funds / resources to treat risks as required.</li> </ul>
Audit & Risk Committee	<ul style="list-style-type: none"> <li>• Requests and reviews reports on risk management on a semi-annual basis (minimum) or as required depending on the nature of the risk(s).</li> <li>• Monitors the overall risk exposure of the Shire and makes recommendations to Council as appropriate.</li> <li>• Assesses for effectiveness the risk control measures / risk treatment plans in reducing the severity of the risk(s).</li> </ul>
Executive	<ul style="list-style-type: none"> <li>• Creates an environment where staff are responsible for and actively involved in managing risk.</li> <li>• Oversight of the Shire's Risk Management Strategy.</li> <li>• Maintain and implement the Risk Management Strategy.</li> <li>• Ensures a consistent risk management approach is embedded in the operations and processes of the Shire.</li> <li>• Actively participates and supports the Risk Management Strategy through identification and creation of suitable risk treatments to control strategic and operational risks facing the Shire.</li> <li>• Monitors the strategic and operational risk management performance.</li> <li>• Reviews the Shire's Risk Summary Report prior to submission to the Audit &amp; Risk Committee.</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Adopt and understand the principles of risk management and comply with policies, processes and practices relating to risk management.</li> <li>• Alert and bring to management's attention, any risks which are above the acceptable risk tolerance levels;</li> <li>• Conduct risk assessments which are appropriate with the scope of the task and the associated level of risk identified;</li> <li>• Take responsibility for risks assigned to them and</li> </ul>

# DRAFT RISK MANAGEMENT FRAMEWORK

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**Table 2: Consequence Ratings**

Description	Performance	Financial	Environment	Reputation	Service Delivery / Business Disruption	Legislative / Regulatory / Policy /OSH
<b>CATASTROPHIC</b>	Unable to achieve key objectives. External resources required. Ongoing loss of critical infrastructure.	>15% of asset value. Adverse >15% deviation from budget. Audit unable to be completed.	Catastrophic long term environmental harm.	Significant damage to public confidence leading to sustained compromise in the achievement of strategic objectives.	Major, including several important areas of service and/or a protracted period. Ongoing loss of business systems.	Criminal instances of regulatory non-compliance. Extreme breaches of Code of Conduct. Personal details compromised / revealed – all. Death.
<b>MAJOR</b>	Major impact on ability to achieve key objectives. Impact cannot be managed with current allocated resources. Long-term loss of critical infrastructure.	5%-15% of asset value. Adverse 5%→15% deviation from budget. Audit qualification on the report and accounts.	Significant long-term environmental harm.	Local publicity of a major and persistent nature, affecting the perception/ standing within the community.	Complete loss of an important service area for a short period. Major disruption to business processes.	Major revenue or cost implications. Individuals at risk of harm. Significant breaches of Code of Conduct. Personal details compromised / revealed – many. Multiple serious injuries.
<b>MODERATE</b>	Moderate impact on ability to achieve key objectives. Significant adjustment to resource allocation. Loss of support infrastructure.	2%-5% of asset value. Adverse 2%→5% deviation from budget. Management letter contains significant issues.	Significant short-term environmental harm.	Damage to reputation to a specific audience, may not have significant long-term or community effects.	Major effect to an important service area for a short period, brief impact on multiple areas. Moderate disruption to business processes.	Minor revenue or cost implications. Breach of Code of Conduct. Personal details compromised / revealed – some. Serious injury and/or illness.
<b>MINOR</b>	Minor impact on ability to achieve key objectives. Additional internal management efforts required. Interruption to support infrastructure.	< 2 of asset value. Adverse impact on revenues and costs <2% deviation from budget. Management letter contains minor issues.	Minor transient environmental harm.	Minor damage to reputation to a small audience, complaint from a large group of people.	Brief disruption of important service area. Noticeable effect to non-crucial service area. Minor disruption to business processes.	Minor breaches of Code of Conduct. Personal details compromised / revealed – isolated. First aid or minor lost time injury.
<b>INSIGNIFICANT</b>	Negligible impact on ability to achieve key objectives. Impact can be managed through routine activities. Negligible interruption to support infrastructure.	Insignificant loss. Insignificant adverse impact on annual revenue or costs. Matters discussed with management not reported.	Negligible transient environmental harm.	Minor unsubstantiated publicity or damage to reputation to a small audience, complaint from individual/small group.	Negligible impact on the effectiveness of the organisation's processes. Negligible disruption to business processes.	Little or no impact to Code of Conduct. Personal details compromised / revealed - an individual's. Incident with or without minor injury.

# DRAFT RISK MANAGEMENT FRAMEWORK

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**Table 3: Likelihood Ratings**

Likelihood	Definition	Frequency of Noted Occurrences	Score
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year	5
Likely	Occurrence is noticeable or is likely to occur. An opportunity that has been explored and may be achievable.	At least once per year	4
Possible	Occurs occasionally or may occur. Possible opportunity identified.	At least once in 5 years	3
Unlikely	Occurs infrequently or is not likely to occur. Opportunity that is fairly unlikely to happen.	At least once in 10 years	2
Rare	Only occurs in exceptional circumstances. Opportunity that is very unlikely to happen.	Less than once in 20 years	1

**Table 4: Risk Matrix**

		CONSEQUENCE				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain	5	Medium	High	High	Extreme	Extreme
Likely	4	Medium	Medium	High	High	Extreme
Possible	3	Low	Medium	Medium	High	High
Unlikely	2	Low	Low	Medium	Medium	High
Rare	1	Negligible	Low	Low	Medium	Medium

**Table 5: Expected Risk Response for corrective action**

Risk	Action Required
Extreme/Exceptional	Immediate corrective action
High	Prioritised action required
Medium	Planned action required
Low	Planned action required
Negligible	Manage by routine procedures

# DRAFT RISK MANAGEMENT FRAMEWORK

Appendix A

## MAINTENANCE OF RISK REGISTERS

Big Rules:

1. The responsibility for being alert to risks and /or identification of potential risks is everyone's responsibility.
2. The Shire has a designated Risk Champion. Their role is to drive the risk management process and to strive for continuous improvement.
3. Risks which require management attention and active risk monitoring must be documented and assigned a risk owner in the Department's Risk Register.
4. The second level review of Risk Registers is the responsibility of Service Managers.
5. New emerging risks should be communicated to the CEO as part of a regular management meeting. Emerging risks often become strategic risks if nothing is done to reduce the risk to an acceptable level.
6. A standard Risk Register template has been created for the Shire to ensure a consistent approach. Any changes to the template requires consultation with the Risk Champion.

Guidelines when describing risk events or issues.

- ✓ Each risk item should have a unique reference.
- ✓ Important details to always include - date identified and the who, what, when of incident are important facts. Date of later updates should also be included.
- ✓ The impact assessment – likelihood and consequence for risk rating can be based on best known information. Do not get bogged down with the actual rating. The key is to log the event and raise it with the appropriate Manager for further consultation.
- ✓ Action Owners – sometimes there are multiple people involved; consult with the Risk Champion or Manager as to listing multiple owners or having one overall owner. If multiple, it should be clear as to what each person is responsible for.
- ✓ The amount of detail and factual information is dependent on the risk situation and should be reflective of the severity and nature of the risk.

Examples:

Legal disputes or issues which impact on the reputation of the Shire should be actively monitored. Restricting access to the specific risk register would be an appropriate control whilst ensuring a transparent process to those that are managing the issue. Updates to the risk register is one way of providing status updates to multiple risk owners / stakeholders.

Risks which have action plans in the future i.e. next financial year, may not need an update for the regular Risk Reports unless there is a change to the agreed action plans. Items of this nature can remain on the risk register with the Status = Open with periodic confirmation of the action plan. However, any decisions which may impact or likely impact on the action plan not being executed as stated should be flagged as soon as it is known. This will enable alternate solutions to be considered in a timely manner.

# DRAFT RISK MANAGEMENT FRAMEWORK

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## Example: Risk Register Template

Ref	Risk Category	Description of Risk (context)	Likelihood	Impact or consequence	Rating	Risk Mitigation Plan	Risk Owner	Expected completion date	Status update	Status
1	Finance	<p><u>Banking arrangements</u> Current banking arrangements with ANZ expose the Shire to the following risks:</p> <ul style="list-style-type: none"> <li>. increased safety concerns for staff who are responsible for making the deposits into Kalgoorlie branch</li> <li>. Increased exposure to loss due to introduction of Armaguard as the transport agent on behalf of ANZ for the cash pick-ups</li> <li>. increased risks due to cash staying on the premises for much longer (mitigated by procedure that cash is kept in vault until the weekly pick-ups)</li> <li>. lack of clarity over roles and responsibilities between Shire and ANZ if there are service issues with Armorguard</li> </ul>	Possible	Minor	Medium	<p>1. Ensure the arrangements for use of Armaguard for the 'cash' pick-ups are documented and agreed in writing with ANZ. The steps for the Shire to take when something goes wrong should be agreed by both parties and communicated to Armaguard.</p> <p>2. All pick-ups by Armaguard should be checked for deposit into the relevant accounts the following day. Any missing deposits should be escalated to Management immediately.</p>	Bec Horan	Jun-19	Sr Finance Officer to clarify and obtain in writing from ANZ what the terms and conditions are if there is a loss event by Armaguard with cash that has been picked up from Shire.	In Progress

### Types of Risk Mitigation:

- Avoid:** remove cause of risk event from occurring
- Reduce:** mitigate risk event so that it does not occur; or put in place measures to reduce the impact of the risk if it occurs i.e. reduce speed limit
- Transfer:** transfer risk to a third party i.e. purchase insurance policy
- Accept:** the risk is within the set risk tolerance; management chooses not to do anything and accepts the risk
- Treat risk:** risk mitigation strategies are put in place to treat the risk which has occurred i.e. weather event has caused damage to old power poles. They will be replaced with more durable poles plus a maintenance schedule has been put in place to ensure that power poles are regularly inspected.

# DRAFT RISK MANAGEMENT FRAMEWORK

03/28/2019

## APPENDIX B

### RISK REPORTING







## Audit Committee Terms of Reference

### **Objectives of the Audit Committee:**

The primary objective of the Audit Committee (the Committee) is to accept responsibility for the annual external audit and liaise with the Shire's auditor so that Council can be satisfied with the performance of the Shire of Coalgardie (the Shire) in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Shire's affairs, determining the Shire's policies and overseeing the allocation of its finances and resources. The Committee will ensure openness in the Shire's financial reporting and will liaise with the CEO to ensure the efficient and effective management of the Shire's financial and accounting systems and compliance with legislation.

The Audit Committee is to facilitate:

- The enhancement of the credibility and objectivity of internal and external financial reporting; effective management of financial and other risks and the protection of Council assets;
- Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- The coordination of the internal audit function with the external audit; and
- The provision of an effective means of communication between the external auditor, internal auditor, the CEO and Council.

### **Powers of the Audit Committee**

The Committee is a formally appointed committee of Council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated authority. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

### **Membership**

The Committee will consist of five (5) members. Membership will be reviewed biennially immediately following Local Government elections unless, by a decision of Council, an interim appointment is required. All members shall have full voting rights.

An external person (if any) will have senior business or financial management/reporting knowledge and experience and be conversant with the financial and other reporting requirements. The evaluation and selection of potential members will be reviewed and endorsed by the CEO and the Committee presiding member. This will take into consideration the candidate's work experience and their likely ability to apply appropriate analytical, strategic financial and management skills, and a recommendation put to Council.

The nature of independence with regard to an external independent person is a person with no operating responsibilities with the Shire. Associations refer to commitment and paid services to the Shire, directly or indirectly, for example sporting clubs, regional committees and participation on other Council committees. The exclusion does not include ratepayers. The objective is to have the Committee approach its tasks objectively, maintain its independence also be seen to be independent.

Appointments of external persons shall be for a maximum of two years endorsed by the Council following public advertisement and the allocation of sufficient funds for meeting expenses. Members will be eligible for reappointment. The terms of the appointment should be arranged to align with the beginning of the Council year to ensure an orderly rotation and continuity of membership despite changes to the Council's elected representatives.

The CEO or their nominee is to attend all meetings to provide advice and guidance to the Committee. Other officers will attend where necessary. The CEO and officers are not members of the Committee.

### **Meetings**

The Audit Committee shall meet at least four times a year in accordance with a schedule adopted and published by the Council. The schedule will be developed to coincide with Council reporting deadlines.

### **Reporting**

Reports and recommendations of each Committee meeting shall be presented to the next ordinary meeting of the Council.

### **Duties and Responsibilities**

The duties and responsibilities of the Audit Committee will be to:

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the Shire's auditor;
- c) Develop and recommend to Council a list of those matters to be audited and the scope of the audit to be undertaken;
- d) Recommend to Council the person or persons to be appointed as auditor;
- e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include:
  - the objectives of the audit;
  - the scope of the audit;
  - a plan of the audit;
  - details of the remuneration and expenses to be paid to the auditor; and
  - the method to be used by the local government to communicate with, and supply information to, the auditor;
- f) Meet with the auditor at least once in each year and provide a report to Council on the matters discussed and outcome of those discussions;

- g) Liaise with the CEO to ensure that the local government does everything in its power to
  - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
  - ensure that audits are conducted successfully and expeditiously;
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters to:
  - determine if any matters raised require action to be taken by the local government; and
  - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to the Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditors is received, whichever is the latest time.
- j) Review the scope of the audit plan and program and its effectiveness;
- k) Review the appropriateness of any special internal audit assignments undertaken at the request of Council or CEO;
- l) Review the level of resources allocated to internal audit and the scope of its authority;
- m) Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- n) Review the local government's draft annual financial report, focusing on:
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years;
- o) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- p) Review the annual Compliance Audit Return and report to Council the results of that review, and
- q) Consider the CEO's reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the Council.

# Western Australian Auditor General's Report



## Local Government Building Approvals



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***The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.***

## **Local Government Building Approvals**

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Report 28  
June 2018-19



**THE PRESIDENT  
LEGISLATIVE COUNCIL**

**THE SPEAKER  
LEGISLATIVE ASSEMBLY**

### **LOCAL GOVERNMENT BUILDING APPROVALS**

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

This was a narrow scope performance audit, conducted under section 18 of the *Auditor General Act 2006* and in accordance with Australian Auditing and Assurance Standards. Narrow scope performance audits have a tight focus and generally target compliance with legislation, public sector policies and accepted good practice.

The audit objective was to determine if local government entities effectively regulate residential building permits.

I wish to acknowledge the cooperation of staff at the local and state government entities included in this audit.

A handwritten signature in black ink, appearing to read 'C Spencer'.

CAROLINE SPENCER  
AUDITOR GENERAL  
26 June 2019

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## Auditor General's overview

In 2016, my office tabled a report on the *Regulation of Builders and Building Surveyors* focussed on the Building Commission's (now the Building and Energy Division within the Department of Mines, Industry Regulation and Safety) regulatory functions. This current audit recognises the important role that local government entities have to control building activities in their areas through approval of building permits, and monitoring and enforcement of compliance with those permits.



I was pleased to find that the local government entities reviewed in the audit were properly assessing permit applications against requirements in the *Building Act 2011* and issuing most building permits within the legislated timeframes. The audit also identified opportunities for local government entities to strengthen their controls to reduce the risks of inappropriate permit approvals, and improve the transparency of their building control activities.

It was however disappointing to find that local government entities undertake limited monitoring and inspections of building works, and that compliance issues were not always resolved quickly. The *Building Act 2011* provides local government entities with compliance and enforcement powers that can assist with ensuring buildings comply with permits and are safe, but that also act as a significant deterrent to anyone contemplating non-compliance. However, we found these powers were little used.

I note that the Building and Energy Division is considering regulatory reforms to address compliance and enforcement shortcomings identified in the 2018 Shergold Weir report *Building Confidence*. A key part of this work is the development of a consultation paper with options for independent inspections at key stages of building works. I will watch with interest how state and local government entities and the building industry collaborate to implement measures to protect the quality and safety of homes in WA.

I encourage all local government entities to use Appendix 2 as a guide to improve their building control functions.

# Executive summary

## Introduction

The objective of this audit was to determine if local government (LG) entities effectively regulate residential building permits (permits). The specific lines of inquiry were:

- Do LG entities adequately assess permit applications?
- Do LG entities effectively monitor and enforce compliance with permits?

We audited the following 4 LG entities in metropolitan and regional Western Australia (WA) that had issued a large number of permits, and the Building and Energy Division (formerly the Building Commission) within the Department of Mines, Industry Regulation and Safety:

- City of Albany (Albany)
- City of Gosnells (Gosnells)
- City of Joondalup (Joondalup)
- City of Mandurah (Mandurah).

## Background

A permit is usually required for construction or renovation of any building. This includes new houses, carports and sheds. The permit process is legislated under the *Building Act 2011* (Act). In 2017-18, all LG entities in WA issued around 18,400 permits for residential buildings. Of these, nearly 13,500 related to new houses with a total value of more than \$3.8 billion.

To get a permit, either a certified or an uncertified application must be lodged with the relevant LG entity, along with the fee prescribed in the Building Regulations 2012<sup>1</sup>. A permit can be issued when building plans meet the requirements of the Act, the Building Code of Australia (Code)<sup>2</sup>, and planning and other required approvals. LG entities must assess certified applications within 10 business days and uncertified applications within 25 business days, unless the applicant and the LG entity agree in writing to extend the time. Figure 1 summarises the permit process.

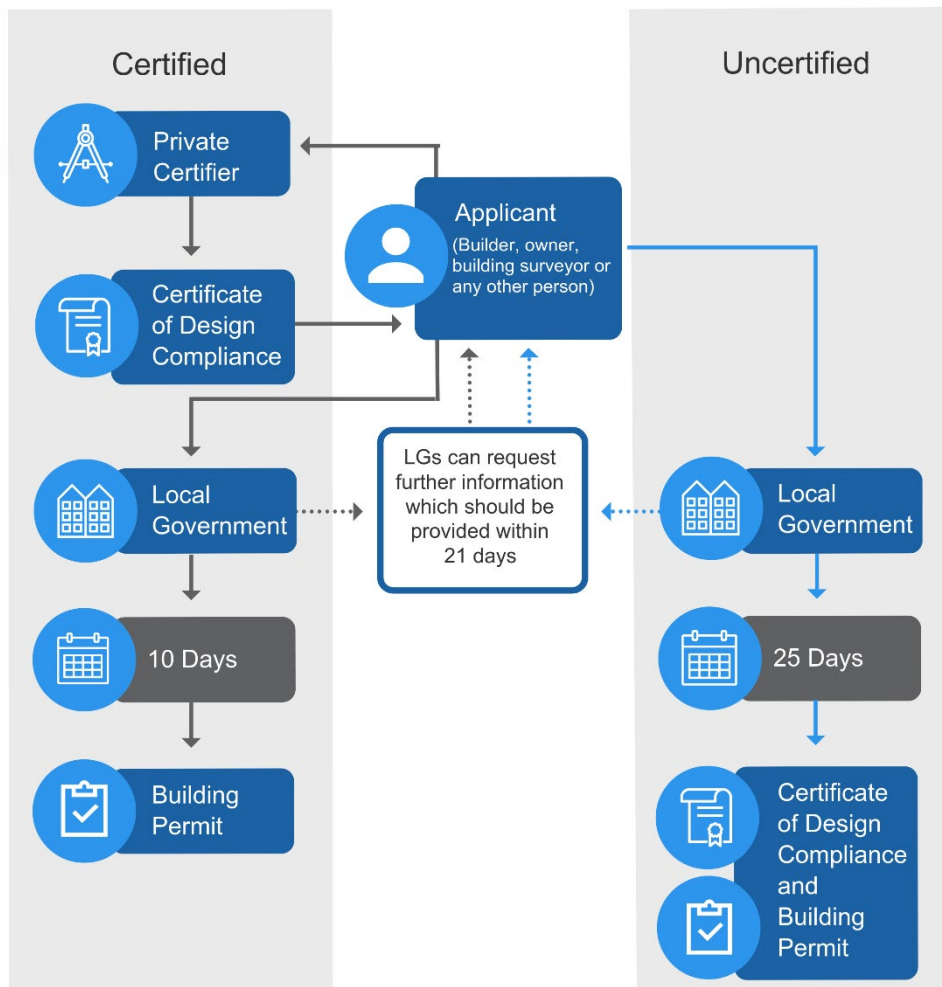
If information in the application is missing or incorrect, LG entities can request information informally (via email or phone), or formally based on the Act's requirements. LG entities can only formally request information and 'pause the clock' for up to 21 days, once. Thereafter, LG entities have the remainder of the 10 or 25 days to process the application.

If LG entities do not meet the timeframes or the agreed extended time, they must refund the application fee, but may still process the application. The clock stops when the permit is issued. A permit is valid for 2 years unless otherwise specified or extended.

---

<sup>1</sup> A certified application costs 0.19% of the estimated value of building works while an uncertified application costs 0.32%. The minimum fee payable is \$97.70

<sup>2</sup> Sets quality and safety standards for the design and construction of buildings and other structures throughout Australia



Source: OAG

**Figure 1: Building permit process under the *Building Act 2011***

LG entities are required under the Act to keep a public register of permits and records of approved plans for owners and relevant parties to inspect.

Construction in all states and territories is a regulated activity. In WA, the Act gives LG entities the power to monitor and inspect building works to ensure compliance with the permit, but does not mandate any particular level of monitoring or inspections. The Act also provides LG entities with the power to issue building orders to remedy or stop building works, and prosecute builders and owners for non-compliance. Failing to comply with a building order carries a penalty of up to \$50,000 for a first offence and up to \$100,000 and 12 months imprisonment for subsequent offences.

The Building and Energy Division (B&E), supports the functions of the Building Commissioner legislated in the Act. B&E administers the Act and provides advice to LG entities and the building industry. It also regulates builders and surveyors through the issue of licences, monitoring compliance with building laws, and complaint processes. B&E can investigate alleged breaches of building laws, take disciplinary action against builders, and refer building non-compliance matters to LG entities. We audited how B&E regulates builders and surveyors in our 2016 *Regulation of Builders and Building Surveyors*<sup>3</sup> audit.

<sup>3</sup> [Report 12: June 2016: Regulation of Builders and Building Surveyors](#)

Since July 2016, B&E has collected permit information from LG entities such as details of builders, application processing times (including start-pause-stop clock and reasons), permit decisions, and conditions. This information is stored in B&E's Building Permit Database (Permit Database).

## Conclusion

All 4 LG entities in our sample adequately assessed applications and issued nearly all permits within legislated timeframes between July 2016 and June 2018. They also improved timeliness of approvals over the last 4 financial years. However, different approaches to when LG entities started, paused and stopped the clock raise concerns about the accuracy and comparability of these processing times. Key controls to promote transparent and accountable decision-making had also either not been implemented or were not effectively managed.

The LG entities monitored and inspected building projects to identify non-compliance but the limited extent of this work meant they do not confidently know if building works in their area comply with requirements of permits. All LG entities we reviewed relied on complaints from the community and others as the primary means of identifying instances of non-compliance. Resolution of these issues was not always timely with some matters taking years to finalise.

## Key findings

### **LG entities adequately assessed permit applications, but could improve their processes**

The LG entities assessed permit applications against requirements in the Act. Our review of 100 applications received between July 2016 and June 2018 across the LG entities, found permit processes were followed and decisions recorded in their systems. Permits were issued only when applications contained the required supporting documents and approvals.

However, we identified control weaknesses that could result in applicants receiving preferential treatment, biased decisions and permits that had not been properly authorised. We found:

- none of the LG entities recorded conflicts of interest related to applications. We note staff declare interests annually to comply with the *Local Government Act 1995*, however these did not cover conflicts of interest relating to permits
- at Mandurah, staff could approve and issue permits without being authorised to do so
- Joondalup had 9 different positions, including administration officers and personal assistants, authorised to approve permits.

The LG entities used different processes and interpretations of the Act to receive and assess applications. Builders we spoke with confirmed our observations and told us about the impact of this on their operations. These different practices can limit the consistency and efficiency of approval processes. For example:

- all 4 LG entities provided online application lodgement and tracking facilities, but Joondalup required one-off applicants to apply by e-mail or over the counter
- Gosnells reviewed all certified applications in detail while the other 3 LG entities only checked these applications for completeness. The Act does not require LG entities to check the Certificate of Design Compliance (CDC) or prohibit them from doing so

- Albany paused the clock for informal requests, which is contrary to the Act, and Joondalup stopped the clock after application assessments were complete, but before issuing permits. These practices can provide misleading information on the number of days taken to issue permits. Both LG entities advised they had adopted compliant practices as a result of the audit.

B&E received around \$2.5 million of State funding to deliver an electronic lodgement and assessment system by 2017-18 to standardise the permit approvals processes. However, the system has not been developed. B&E told us that it consulted with large LG entities during the audit and found a lack of support for the system as LG entities had already modified their systems and processes to align with the permit approval requirements of the Act.

### **Most permits were issued on time**

The LG entities issued most permits on time. Between July 2016 and June 2018, about 98% of applications were assessed within the required timeframes. Nearly all had a permit issued. This helps builders and owners to plan building works, and avoid potential losses and delays. We also found the LG entities improved the timeliness of permit approvals in the past 4 financial years.

The LG entities took around 3 times longer to issue permits when they received incomplete and incorrect applications and had to wait for more information from applicants. Most of the LG entities' information requests we reviewed related to:

- missing or inadequate information in the CDC
- home indemnity insurance and other approvals such as owner builder approval, or water services notifications.

Applicants can avoid delays in permit approvals if they submit complete and correct applications.

LG entities provided limited building activity information to B&E, community and industry stakeholders. The limited use of the Permit Database amongst LG entities means comprehensive building data is not collected across the sector. For example, only 8 metropolitan LG entities, including Gosnells, report data online to the Permit Database. A lack of reporting makes it difficult for B&E and other stakeholders to assess performance against legislated permit timeframes and other building control activities.

### **LG entities do not effectively monitor and enforce compliance with permits**

The LG entities monitored and inspected building progress but this work was limited. Albany monitored permit expiry, Gosnells inspected footings, and Joondalup and Mandurah carried out one-off compliance activities on a small sample of building works. None regularly monitor or inspect at other stages of works. This is concerning given B&E's most recent inspection of 337 new houses found that nearly 30% to 50% of key building stages did not satisfactorily comply with building standards. This included non-compliant slab, roof and bushfire area requirements that may lead to future building quality and safety issues.

The LG entities did not always resolve community concerns about building works in a timely manner. Our review of 43 complaints found 6 compliance matters were not resolved in a timely manner across Albany, Joondalup and Mandurah. These 3 LG entities often granted extensions to owners and builders to comply. Albany had 1 matter which took 7 years to resolve.

---

## Recommendations

Under section 7.12A of the *Local Government Act 1995*, the 4 sampled LG entities are required to prepare an action plan addressing significant matters arising from the audit relevant to their entity. This should be submitted to the Minister for Local Government within 3 months of this report being received by the local government, and published on the LG entity's website within 14 days after giving the report to the Minister. This action plan should address the recommendations below that are relevant to their entity.

1. Albany, Gosnells, Joondalup and Mandurah should:
  - a. require written declarations of interest from assessment staff, and ensure appropriate mitigation action is taken for any conflicts
  - b. improve the transparency of their building control activities by providing information about permits, monitoring and enforcement activities, and building related complaints to B&E, community and industry stakeholders
  - c. develop and implement a risk-based approach to monitor and inspect building works
  - d. improve guidance to staff on how to prioritise and manage building related complaints and enforcement activities to resolve community concerns and non-compliance issues in a timely way.
2. Joondalup and Mandurah should limit the authority and delegation to issue permits only to appropriately trained staff who assess and issue permits.
3. Albany and Joondalup should only start, pause and stop the clock in accordance with the requirements of the Act.
4. B&E should consult further with LG entities and stakeholders:
  - a. on ways to assist LG entities to implement consistent practices
  - b. to determine if it will progress or cease development of the centralised e-lodgement and assessment system.

**Response:** Agreed

**Implementation timeframe:** by December 2019

## **Response from audited local government entities**

All 4 LG entities supported the audit findings and generally accepted our recommendations.

The LG entities advised they intend to implement audit recommendations in the near future, with some already being addressed.

Appendix 3 includes the full responses from the LG entities.

## **Response from the Building and Energy Division**

The Department of Mines, Industry Regulation and Safety's, Building and Energy Division is comfortable with the findings of the report and supports the recommendations.

Appendix 3 includes the full response from B&E.

## Audit focus and scope

The audit objective was to determine if local government (LG) entities effectively regulate residential building permits (permits).

The specific lines of inquiry were:

- Do LG entities adequately assess permit applications?
- Do LG entities effectively monitor and enforce compliance with permits?

The following 4 LG entities were included in the audit:

- City of Albany (Albany)
- City of Gosnells (Gosnells)
- City of Joondalup (Joondalup)
- City of Mandurah (Mandurah).

The audit also included the Building and Energy Division (B&E) within the Department of Mines, Industry Regulation and Safety. We spoke with key staff who deal with coordination, compliance, complaints, the Building Permit Database and policy matters.

The audit focussed on the regulation of permits for new houses and major renovations requiring LG entity approval. We did not review approvals for planning, demolitions and commercial buildings or other building activities like patios, retaining walls and swimming pools. The audit did not assess how builders inspect the quality of their own work.

We audited permit approvals, monitoring and enforcement of compliance with the permits for the 2016-17 and 2017-18 financial years. At each LG entity, we tested 25 permit applications and at least 10 complaints. We also reviewed and assessed:

- policies and procedures for permit approvals, monitoring, complaints and enforcement, and declarations of conflict of interest and gifts
- the timeliness of approving permits against legislated 10 and 25 day timeframes
- monitoring and inspection activities
- enforcement actions
- complaints management.

We also consulted with a range of stakeholders including:

- Master Builders Association
- Housing Industry Association
- WA Local Government Association
- LG Professionals WA
- Building surveyors
- 2 building companies that operate across a number of LG entities in WA.

This performance audit was conducted under section 18 of the *Auditor General Act 2006* and in accordance with Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*. We complied with the independence and other relevant ethical requirements related to assurance engagements. Performance audits primarily focus on the effective management of state and local government programs and activities. The approximate cost of undertaking the audit and reporting was \$340,000.



## Findings

### LG entities adequately assessed permit applications, but can improve their processes

All 4 LG entities ensured applications met the Act's requirements before issuing a permit. However, we identified some weak controls which reduce the transparency and accountability of permit decisions. LG entities also receive and assess applications differently which affect the consistency and efficiency of the approvals process.

#### LG entities only issued permits when legislative requirements were met

The LG entities had suitable permit systems and processes in place to receive applications and assess them against requirements in the Act (Appendix 1). Their systems and checklists prompted staff to complete step-by-step checks of all applications. We reviewed 100 permit applications across the 4 LG entities and found processes were followed to check that applications:

- were complete and included plans, fees and other supporting documents such as engineering reports and relevant insurances
- met requirements for any specific conditions like owner builder or health approvals
- had an appropriate bushfire attack level assessment for buildings within a bushfire prone area
- contained correct information on the builder, surveyor and the applicant.

This ensured permits were issued only when applications contained the supporting documents and approvals needed under the Act.

### Weak controls may lead to inappropriate permit approvals

#### *Conflicts of interest are not recorded and managed transparently*

We found none of the LG entities recorded actual, potential or perceived conflicts of interest that arose when assessing permit applications. LG entities told us that staff only declared conflicts of interest verbally, to their supervisor, who then assigned the application to someone else. As a result, we were not able to determine if conflicts of interest were declared and managed appropriately. It is good practice to record conflicts of interest and actions taken to manage them.

Conflicts of interest may arise for assessment staff when they:

- are in relationships, or familiar with builders or owners. This is more likely when staff live in the local government area or have worked at the LG entity for some time
- have had past grievances with an owner, builder or private surveyor.

We note that LG entity staff complete an annual declaration on conflicts to comply with the *Local Government Act 1995*. However, these declarations did not cover conflicts of interest relating to permits.

Conflicts of interest can lead to biased or improper assessments. During the audit, the LG entities acknowledged these risks and said they would consider processes to record assessed conflicts of interest for each application.

### *Inadequate approval controls increase the risk of unauthorised issue of permits*

Joondalup and Mandurah did not have adequate controls over the issue of permits. We found:

- Joondalup had 9 different positions (including administration officers and personal assistants) authorised to approve permits. Joondalup advised it is reviewing these delegations to remove any unnecessary or excessive delegated authority.
- At Mandurah, permit system users could approve and issue permits without delegated authority to do so. Although Mandurah requires its surveyors to sign a monthly declaration stating they completed the applications, this does not fully mitigate the risk of unauthorised permit approvals in the system.

### **Processes and systems differ across LG entities which leads to inefficiencies**

#### *Applications are lodged differently*

The process to apply for a permit and pay fees varied across the LG entities we reviewed. For example:

- although all the LG entities allowed applicants to submit and track applications online, Joondalup required one-off applicants to apply by email or over the counter
- the LG entities used different ways to pay application fees. Gosnells charged fees via a monthly account, while Joondalup sent email invoices with credit card or BPAY options.

Builders told us that some LG entities did not accept emailed applications and only accepted in person or posted applications, and had different document requirements and payment methods. They spoke about the inefficiencies, confusion and delays this created in applying for permits, particularly for builders who lodge applications across multiple LG entities.

In July 2015, the State provided around \$2.5 million to B&E to develop a centralised e-lodgement system to provide better access and consistency for lodgement and assessment of applications. The system had not been developed despite an implementation date by 2017-18, due to other priorities. B&E discussed its system proposal with 11 LG entities in February 2019, which together issued about 50% of permits in 2017-18. B&E told us that the LG entities were not supportive of the proposal as they had already modified their own systems and processes.

#### *LG entities assessed certified applications with varying rigour, creating uncertainty for applicants*

The LG entities assessed certified applications with varying rigour. Three limited their assessment to a high level review of the completeness of applications, whereas Gosnells sometimes reviewed information, such as the Certificate of Design Compliance (CDC), in more detail when it had concerns about compliance with the Code, or applications contained errors. Builders we spoke with told us about the impact of this on their operations. While we found these different practices reduced the consistency of approval processes across the LG entities it did not impact the timeliness of approvals. Gosnells still assessed most of these applications within the required 10 days. The Act does not require LG entities to check the CDC or prohibit them from doing so.

#### *Two LG entities incorrectly recorded application processing times*

Albany and Joondalup incorrectly paused and stopped the clock when assessing applications. These practices can result in misleading information on the number of days taken to issue permits. We found:

- Albany paused the clock for informal requests. This occurred in 4 of the 25 applications we reviewed. Other LG entities only paused the clock for formal requests, which is consistent with the Act. We found that despite this incorrect practice, Albany issued nearly all permits within 10 and 25 days. Albany told us it no longer pauses the clock for informal requests
- 3 LG entities stopped the clock when they issued the permit. In contrast, Joondalup stopped the clock when the surveyor completed the assessment but issued the permit only after a review of the assessment. In the last 2 financial years in Joondalup, this resulted in a time lag of 0 to 80 days for 1,231 certified applications, with only 17 permits issued after 10 days. Joondalup advised they had discontinued this practice since January 2019.

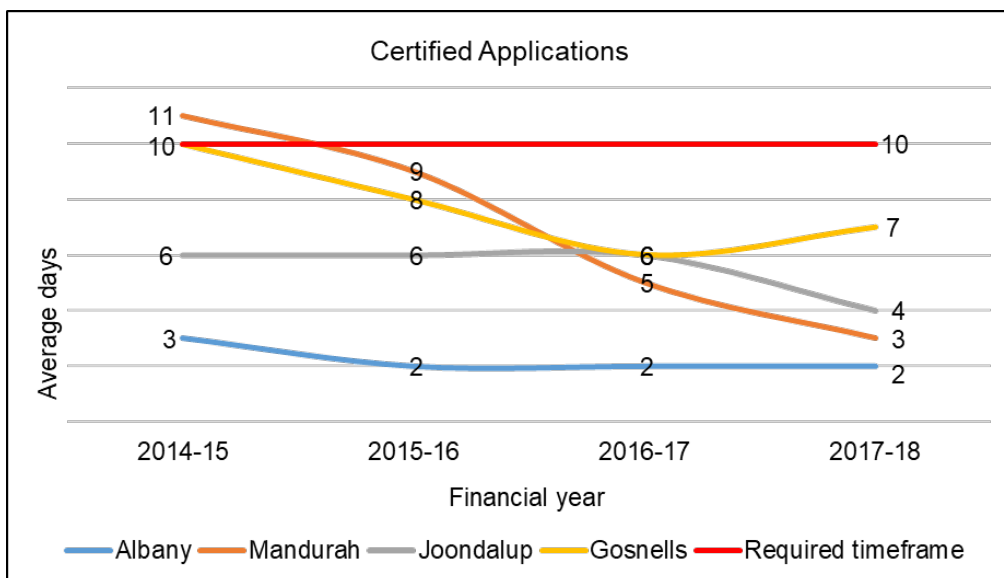
## Most permits were issued on time

### LG entities issued permits in required timeframes

Between July 2016 and June 2018, the LG entities assessed applications and issued most permits within the required timeframes. We calculated the time taken to issue permits and found:

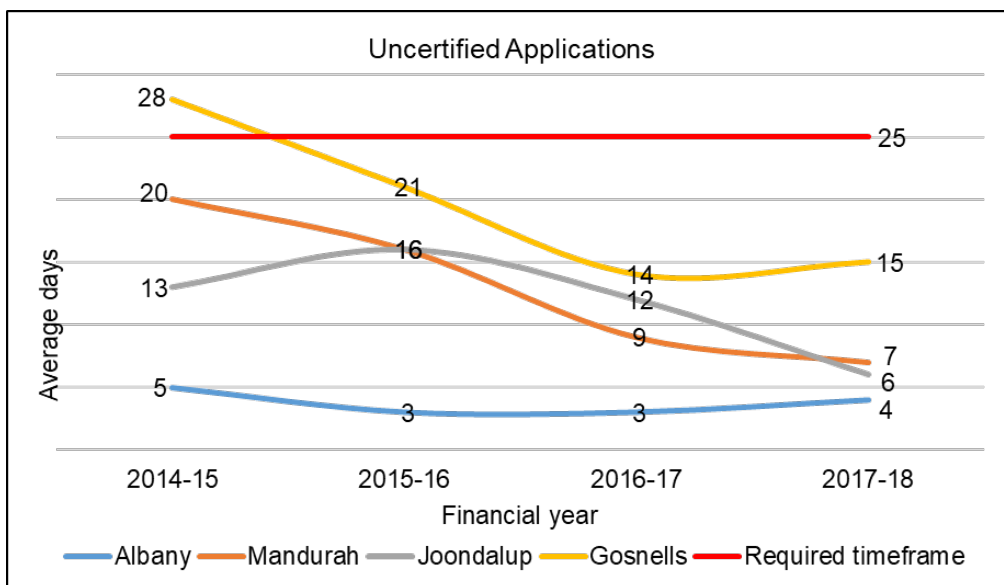
- about 98% of the 3,736 certified applications were assessed within 10 days. Nearly all had a permit issued
- about 98% of the 1,069 uncertified applications were assessed within 25 days. Nearly all had a permit issued.

All LG entities have improved the timeliness of their assessments over the last 4 financial years (Figures 2 and 3). Our review of approved and refused applications showed Albany and Joondalup had relatively consistent assessment times, while Mandurah and Gosnells improved over the last 2-3 years in part due to lower numbers of applications. Between July 2014 and June 2018, the number of applications received by the 4 LG entities declined by 35%.



Source: OAG using data from LG entities

**Figure 2: Average time to assess certified applications**



Source: OAG using data from LG entities

**Figure 3: Average time to assess uncertified applications**

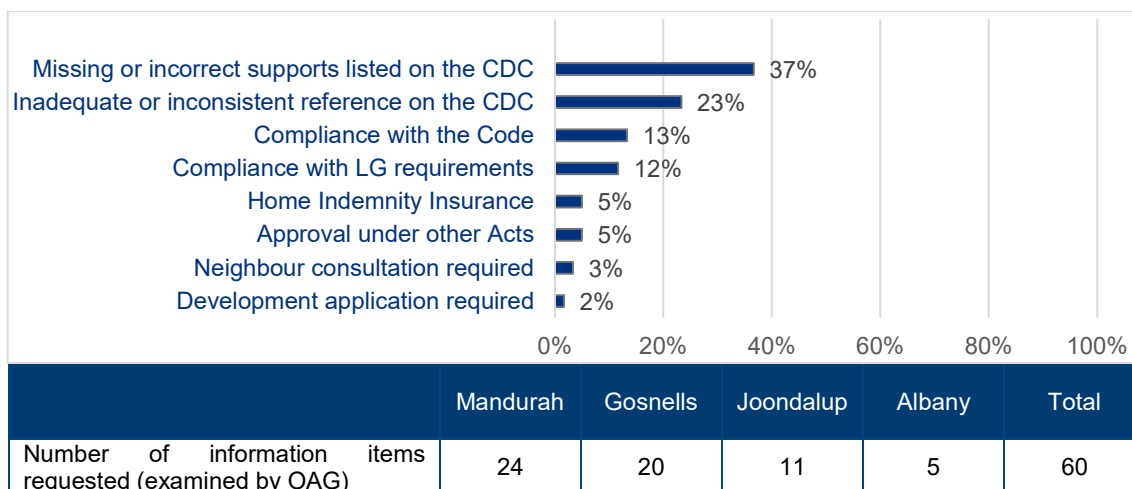
A future rise in building activity could put LG entities who take longer to issue permits at risk of not meeting the timeframes. Delays in issuing permits affect planning of building works and can lead to increased costs for applicants, particularly when they are renting and holding land.

### Incomplete and incorrect applications often result in longer approval times

We found the LG entities took about 3 times longer to issue permits when they had to wait for more information from an applicant to assess an application. Around 75% of the information requests we reviewed related to incomplete or incorrect applications. This meant the majority of applicants could have avoided delays in their permit approvals if they had submitted complete and correct applications.

We reviewed 60 information requests for certified applications (Figure 4) and found:

- 60% related to missing or inadequate supporting information in the CDC
- another 15% related to incomplete applications such as mandatory information on home indemnity insurance or approvals required under building or health legislation.



Source: OAG using information from LG entities

**Figure 4: Reasons for information requests by the LG entities**

In the last 2 financial years the LG entities formally requested more information for around 38% of certified and 47% of uncertified applications. While these requests allowed LG entities to pause the clock for up to 21 days, it did add to the overall elapsed time to process applications.

Some requests for minor administrative errors could be resolved by informal requests (phone or email), which do not pause the clock. For instance, Albany adopted this approach advising us that they found it more efficient and customer-focused. In the last 2 financial years, Albany made fewer formal requests (32%) than the other LG entities (42%).

### **Reporting of permit information could be improved**

All LG entities provided limited permit information to B&E, community and industry stakeholders. B&E's Permit Database aimed to fill this gap by collecting permit information from LG entities in a consistent format and more efficiently, but:

- only 8 metropolitan LG entities including Gosnells report data online to the Permit Database
- another 88 LG entities from regional WA report manually to the Permit Database, however these entities represent only a small proportion of permit approvals.

B&E told us that metropolitan LG entities do not report to the Permit Database because online reporting requires changes to the LG entities' permit systems, and manual reporting was not practical due to the large number of applications they received. A lack of reporting makes it difficult for B&E to assess LG entities' performance against legislated permit timeframes and other building control activities. This also impairs transparency and accountability on this important aspect of regulation by public sector entities.

We also found LG entities could provide more permit information to the community and industry stakeholders. Although all LG entities included the number and value of permits issued in their annual reports, only Mandurah reported the percentage of permits approved within the required timeframes, and none included information on complaints, monitoring or enforcement activities. This meant ratepayers had little information on how LG entities manage and regulate permits.

### **LG entities do not effectively monitor and enforce compliance with permits**

The LG entities carried out limited monitoring, inspections and enforcement to ensure building works complied with permits. They identified most compliance matters through complaints but did not always take timely action to resolve them. The lack of monitoring and appropriate enforcement meant LG entities could not identify and address non-compliant building works or resolve community concerns in an effective and timely way.

Builders must also ensure their work complies with the permit and the Code, and submit a completion certificate to the LG entity within 7 days of finishing building works. Builders are legally responsible for faulty and defective work for up to 6 years after completion.

### **LG entities carry out limited monitoring and inspections of building work**

None of the 4 LG entities had a formal policy or program to monitor and inspect building works, nor did they conduct monitoring or inspections at all key stages of building works. However, we found Albany monitored permit expiry, Gosnells inspected footings, and Joondalup and Mandurah did one-off projects on a small sample of building works (Figure 5). The Act gives LG entities power to monitor and inspect building works to ensure compliance

with permits. However, the Act does not require LG entities to inspect building works at key stages of construction.

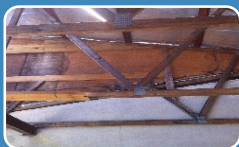
The LG entities had not assessed the effectiveness of their existing compliance activities to understand whether they should continue their current work, or allocate resources to other quality and safety risks arising from non-compliance. LG entities advised that resource constraints and their inability to recover costs from current application fees limited the extent of their compliance work. A risk-based monitoring program could help LG entities use their limited resources to target the most serious and likely risks, and thereby provide better assurance that houses are well built and safe to live in.



**Gosnells** is the only LG entity that requires footings inspections. In the last 2 financial years, they inspected 760 sites.



**Albany** actively worked with owners and builders to ensure permits were extended before they expired. They use geographic information system data and site visits to assess the status of construction and compliance with permits.



**Mandurah** did a one-off compliance project on roof tie downs. They inspected 22 sites and found 86% (19/22) of roof tie downs were non-compliant. Mandurah advised the builders about the defects and did some follow-up inspections.



**Joondalup's** building manager did one-off site visits with surveyors as part of a training exercise. They identified some non-compliance and recorded these as complaints to be followed up by compliance staff.

Source: OAG using information from LG entities

**Figure 5: Examples of monitoring by LG entities**

Each year B&E inspects a small number of building works at key stages of construction. In the last 2 financial years, B&E inspected 337 new houses (1.2% out of nearly 28,500 approvals) and found nearly 30% to 50% of key stages did not satisfactorily comply with the Code or permit. For example, slab, roof and bushfire readiness issues were areas of identified shortcoming. These findings highlight the need for monitoring and inspections of building work to enhance compliance and provide safeguards to the community so that new houses meet quality and safety standards.

During our audit, B&E told us that it is preparing a consultation paper, which considers independent inspections. This will include options on who could do inspections, at what stages of construction, and the fees or costs. Other states, except for South Australia, require independent inspections at 4 to 6 key stages and most use private building surveyors to carry out these inspections. South Australian building law requires LG entities to inspect a certain percentage of building works every year.

## LG entities could improve complaints processes to achieve more timely compliance

While all LG entities properly investigated complaints, they did not always take timely action to resolve community concerns about building works. In our review of 43 complaints about matters including building without a permit, deviation from the approved plans, and dangerous state of a building or structure, we found:

- 6 compliance matters across Albany, Joondalup and Mandurah took between 8 months and 7 years to be resolved. These LG entities often allowed builders and owners extensions to the required compliance time. Albany had 1 matter which commenced in 2011 and was resolved in 2018
- 10 complainants were not advised of the outcome. This sometimes led to follow up complaints for matters that were already being dealt with. Not advising complainants of the outcome is likely to result in a perception of unsatisfactory customer service and ineffective regulation.

Timely and appropriate enforcement action by LG entities deters non-compliance and sends a strong message to builders and owners who do not comply with permits. In the last 2 financial years Gosnells, Joondalup and Mandurah issued 24 building orders, of which 20 were issued by Gosnells. In the same period, the 3 LG entities prosecuted 8 matters. Penalties totalled \$122,000. However, Albany has not issued a building order or prosecuted a matter since the Act was introduced.

LG entities advised that they preferred an informal approach (education and warning letters) to maintain a softer image in the community. They also told us that a lack of resources, staff time and other costs limit their ability to take formal enforcement actions (building orders and prosecution).

# Appendix 1 – Building permit application checklist

## Information required to accompany certified and uncertified applications

Item	Certified	Uncertified
Certificate of Design Compliance	✓	✗
Copy of each technical certificate used by the building surveyor in the Certificate of Design Compliance (if any)	✓	✗
All prescribed authorities have been obtained <sup>4</sup>	✓	✓
Heritage notifications	✓	✓
Water services notifications	✓	✓
Consent/court order for encroachments and/or for work affecting other land	✓	✓
2 copies of final plans (working drawings) and specifications	✓	✓
Evidence of payment of the Building and Construction Industry Training Fund Levy	✓	✓
Evidence of home indemnity insurance/s	✓	✓
Building Services Levy	✓	✓
Building Permit fee	✓	✓
Met the requirements of the relevant local government building permit checklist	✓	✓

Source: OAG using information from B&E

<sup>4</sup> For example, if the building work is defined as 'development' under s.4 of the *Planning and Development Act 2005* each relevant approval under the Act.



## Appendix 2 – Better practice principles

The following table shows key principles on which our audit focused. Our listed expectations are not exhaustive and do not cover all of the *Building Act 2011* (Act) and other compliance requirements.

Regulating building approvals		
Stage	Principle	Our expectation (what we expected to see)
Receive application	Lodgement and payment systems	<ul style="list-style-type: none"> <li>• LG entity website provides adequate guidance to permit applicants.</li> <li>• Online system to lodge and pay for permit applicants.</li> <li>• Ability to track all applications online.</li> </ul>
	Assess application	<ul style="list-style-type: none"> <li>• Policies and procedures which:               <ul style="list-style-type: none"> <li>○ align with current legislation and building codes</li> <li>○ explain the LG entity's interpretation of key terms of the Act</li> <li>○ include guidance for staff to effectively manage permit assessments.</li> </ul> </li> </ul>
	Conflicts of interest	<ul style="list-style-type: none"> <li>• Assess actual, potential or perceived conflicts of interest for each application.</li> <li>• Record whether a conflict of interest exists or not.</li> <li>• Record decisions and actions taken to manage any conflict of interest.</li> </ul>
	Further information requests	<ul style="list-style-type: none"> <li>• Where appropriate, use informal requests (phone or email) to resolve minor administrative errors more quickly.</li> </ul>
	Quality review	<ul style="list-style-type: none"> <li>• Review of assessment by a senior staff member, preferably a building surveyor.</li> </ul>
	Record timeframes	<ul style="list-style-type: none"> <li>• Staff start, pause and stop the clock as required by the Act. Particularly:               <ul style="list-style-type: none"> <li>○ pause clock for formal requests only</li> <li>○ ensure clock is paused only once</li> <li>○ ensure further information provided by the applicant is correct before re-starting the clock</li> <li>○ stop the clock when the permit is issued.</li> </ul> </li> </ul>
Issue permit	Staff delegations	<ul style="list-style-type: none"> <li>• Delegate relevant staff with the authority to approve and issue permits.</li> <li>• Only delegated staff to have access to the permit system's approval and issue tasks.</li> </ul>

Stage	Principle	Our expectation (what we expected to see)
<b>Permit compliance</b>	Monitoring	<ul style="list-style-type: none"> <li>• Policies and procedures explain LG entity's regulatory approach and guidance on how to monitor and inspect building works, for example the nature and extent of possible monitoring and compliance enforcement actions including desktop review and on-site inspections.</li> <li>• Risk-based program for monitoring and inspections. Consider: <ul style="list-style-type: none"> <li>○ compliance risks during permit assessments (e.g. owner builders may lack building experience)</li> <li>○ compliance history of the applicant, builder or surveyor</li> <li>○ results of previous inspections and complaints</li> <li>○ local risks such as site conditions and types of dwelling</li> <li>○ other resources like B&amp;E's website to identify builders and surveyors warned, fined or prosecuted for non-compliance.</li> </ul> </li> </ul>
	Complaints management	<ul style="list-style-type: none"> <li>• Staff guidance on how to assess risks, assign a rating and prioritise complaints.</li> <li>• Timely referral of compliance matters to relevant staff.</li> <li>• Provide feedback to the complainant.</li> </ul>
	Enforcement	<ul style="list-style-type: none"> <li>• Policies and procedures on enforcement.</li> <li>• Consider appropriate enforcement method on a case by case basis: <ul style="list-style-type: none"> <li>○ informal (education, warning letters)</li> <li>○ formal (building order, prosecution).</li> </ul> </li> <li>• Follow up to ensure action is taken to remedy the non-compliance.</li> <li>• Escalate matters to senior staff if previous enforcement action did not achieve compliance.</li> </ul>
<b>Reporting</b>	Performance information	<ul style="list-style-type: none"> <li>• Report permit approvals, monitoring and enforcement data to B&amp;E.</li> <li>• Provide key performance information to relevant stakeholders and the community. This could include information on: <ul style="list-style-type: none"> <li>○ number and value of permit applications received</li> <li>○ time taken to issue permits</li> <li>○ monitoring and inspection activities</li> <li>○ building related complaints</li> <li>○ number of non-compliance issues identified and resolved</li> <li>○ number of building orders and prosecutions.</li> </ul> </li> </ul>

Source: OAG

## Appendix 3 – Full responses from audited entities

### City of Albany

We appreciate both the OAG's acknowledgement of what we are doing well, as well as identifying some improvement opportunities. We were especially proud of our very short turnaround times in relation to the other audited local governments and intend to continue to provide a high level of service to our community.

In relation to the recommendations made, we provide the following comment that we will include in the Action Plan required under 7.12A of the Local Government Act 1995:

#### *City of Albany's specific responses to recommendations*

- 1a. Noted.
- 1b. Subject to privacy considerations, our reporting processes have been modified to comply with these requirements.
- 1c. We will continue to comply with legislative requirements.
- 1d. The City of Albany has a Regulatory Compliance Policy and Guideline to ensure these recommendations are met.
3. The City of Albany agree to this and have implemented processes to immediately comply.

### City of Gosnells

The City views the building control function as critical for ensuring community safety. In this regard, the speed of processing applications should not be a key metric. Instead, the City believes the community expect a vigorous assessment of building applications and the City is pleased that the OAG has recognised this while also noting the City complies with statutory timeframes.

The City notes that mandatory inspections of building construction is not required under current legislation. The City is not opposed to mandatory building inspections, but if this outcome is desired, the function should be self-funded to ensure that the wider community is not asked to pay for a function which has a very specific benefit.

The City acknowledges the dialogue with the OAG during the Performance Audit and is pleased that many of the City's comments have been accepted.

### City of Joondalup

The City of Joondalup ("the City") supports the Office of the Auditor General (OAG) and its responsibility for carrying out performance audits within local governments. Prior to being included as one of the local governments in this audit, the City has found value in reviewing previous OAG reports to determine if any issues affecting other local governments exist at the City and if improvements to the control environment are necessary.

The City appreciates the opportunity to participate in the Local Government Building Approvals Performance Audit and accepts all the recommendations made by the OAG which will be, or already have been implemented to improve the City's systems for assessing building permit applications and build a more effective monitoring and enforcement regime to improve compliance.

The City is always willing to cooperate with any other government entities, including the Building Commission (now known as Building and Energy within the Department of Mines,

Industry Regulation and Safety) and the building industry, to improve the regulation of building permits and introduce a more consistent approach across the entire local government sector for the benefit of all stakeholders.

#### *City of Joondalup's specific responses to recommendations*

- 1a. Written declarations of interest from assessment staff was implemented in April 2019.
- 1b. The City will consider appropriate ways to inform the community and industry on these matters. Permit information is already provided to the Building Commission (Building and Energy). Information on the number, value and type (residential or non-residential) of building permits is already included in the City's Annual Report.
- 1c. As the current fee structure is cost neutral, if this approach is to be progressed there needs to be recognition in the statutory fee structure of the costs that would be incurred in applying this approach.
- 1d. A protocol to provide improved guidance will be developed.
2. Agree and implemented. Permits have always been determined by appropriately qualified and trained staff, and this delegation was only to allow for the administrative issuing of permits.

To provide better clarity around the delegation (*Building Act 2011* – Granting Building and Demolition Permit Applications, Building Approval Certificates, Building Certificate Strata, Occupancy Permits) it has been amended to reflect firstly its administrative intent, and secondly by providing a new condition that clarifies the delegation is restricted to administratively granting certificates and permits that have the relevant certifications of building compliance, construction compliance and/or design compliance, as certified and issued by a person meeting the qualification requirements of the Building Services (Registration) Regulations 2011.

Some sub-delegations from the Chief Executive Officer to employees have been removed as they do not form part of the building application approval process.

3. Agree and implemented. This practice ceased on 17 January 2019 and the time now being recorded accurately reflects the date a building application is received until the issue of the permit.

#### **City of Mandurah**

In acknowledging the findings and recommendations of this report, the City of Mandurah is broadly supportive of the recommendation to initiate building inspections. However, it is important that, despite the presence of localised activity, this is regulator-driven, consistent across all local governments and proposes a fee structure which enables local governments to recoup the cost of inspections.

## Building and Energy Division

The Department of Mines, Industry Regulation and Safety's Building and Energy Division is comfortable with the findings of the report and supports the recommendations.

### *Building and Energy's specific responses to recommendations*

1. Building and Energy agrees unconditionally with these recommendations 1. a, b, c and d.
2. Building and Energy agrees with recommendations 2 and 3. We suggest the recommendations should apply generally to all local government permit authorities, not just the four audited.
3. As above.
4. Agree with a, and b by December 2019. Building and Energy has been working with local government permit authorities on ways to implement more consistent practices. The goal is to align practices as a first step which will then pave the way for further streamlining of the permit application and approval processes.

In 2015, the former Building Commission published a "Guide to the building approvals process in Western Australia" to assist local government authorities, consumers and the building industry understand the permit application and approval process as prescribed under the Building Act.

Building and Energy will consult with local government permit authorities on the merits of further publications and other mechanisms to improve consistency in these processes.

## Auditor General's Reports

Report number	Reports	Date tabled
27	Opinion on Ministerial Notification	20 June 2019
26	Opinions on Ministerial Notifications	19 June 2019
25	PathWest Laboratory Information System Replacement	19 June 2019
24	Verifying Employee Identity and Credentials	19 June 2019
23	Improving Aboriginal Children's Ear Health	12 June 2019
22	Opinions on Ministerial Notifications	5 June 2019
21	Engaging Consultants to Provide Strategic Advice	5 June 2019
20	Information Systems Audit Report 2019	15 May 2019
19	Audit Results Report – Annual 2018 Financial Audits	15 May 2019
18	Firearm Controls	15 May 2019
17	Records Management in Local Government	9 April 2019
16	Management of Supplier Master Files	7 March 2019
15	Audit Results Report Annual 2017-18 Financial Audits of Local Government Entities	7 March 2019
14	Opinions on Ministerial Notifications	13 February 2019
13	Opinion on Ministerial Notification	23 January 2019
12	Managing Disruptive Behaviour in Public Housing	20 December 2018
11	Opinions on Ministerial Notifications	20 December 2018
10	Opinions on Ministerial Notifications	18 December 2018
9	Treatment Services for People with Methamphetamine Dependence	18 December 2018
8	Opinions on Ministerial Notifications	10 December 2018
7	Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities	8 November 2018
6	Opinion on Ministerial Notification	31 October 2018
5	Local Government Procurement	11 October 2018

Report number	Reports	Date tabled
4	Opinions on Ministerial Notifications	30 August 2018
3	Implementation of the GovNext-ICT Program	30 August 2018
2	Young People Leaving Care	22 August 2018
1	Information Systems Audit Report 2018	21 August 2018









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# Shire of Coolgardie

## 2017/18 Audit Management Report

### Action List

Matter Raised	Area of Concern	Action Taken / Proposed Action	Measurement of Success
<b>Fixed Asset Register</b>	The Shire's fixed asset register and asset management software were not updated following management's review of the remaining useful life assessments of the Shire's road assets during the previous financial year. As a result, depreciation calculations for road assets as presented to us were incorrect.	Implementation of Month End Checklist. Training for staff in the asset management software.	Completion of monthly asset reconciliations, including depreciation calculated that reconcile between asset management & accounting software.
<b>Fair Value Accounting for Infrastructure Assets</b>	Fair value accounting for infrastructure assets as required by AASB 13 and Local Government (Financial Management) Regulation 17(A) as presented to us was incorrect. <sup>9</sup>	Reputable consultant to be engaged to complete fair values for all infrastructure.	Completion of fair value transactions in accordance with the standards and fair values corrected entered in accounting software.
<b>Municipal Bank Reconciliation</b>	The Municipal bank reconciliation did not reconcile and was not picked up until it was highlighted during our year end audit visit.	Bank reconciliations now completed manually. Implementation of Month End Checklist.	Bank accounts balanced to general ledger every month. Completion of Month End Checklist with minimal errors or discrepancies
<b>Reserve Bank Reconciliation</b>	The Bank reconciliation for the Shire's Reserve accounts had not been completed.	Bank reconciliations now completed manually. Implementation of Month End Checklist.	Bank accounts balanced to general ledger every month. Completion of Month End Checklist with minimal errors or discrepancies
<b>Regional Records Facility</b>	Joint venture's transactions in respect of the regional records facility were incorrectly accounted for within the Shire's book including the joint venture's bank account which was incorrectly included on the Shire's balance sheet.	All transactions for Regional Records Facility now recorded separately and shown in Trust.	Transactions not included within the Shire's normal trading activities.

<b>Matter Raised</b>	<b>Area of Concern</b>	<b>Proposed Action</b>	<b>Measurement of Success</b>
<b>Accounting Treatment for Accruals</b>	Accounting for accruals, including salaries & wages and interest on borrowings, was not completed properly or at all until after we raised queries.	Implementation of Month End Checklist and Year End Checklist.	Correct treatment of accruals for creditors, salaries & interest on borrowing at year end.
<b>Calculation of Leave Provisions</b>	Calculations for the Shire's provisions for annual leave and long service leave calculations were not completed correctly and were subsequently adjusted post audit review.	Matter raised was only minor and leave calculations will continue to be calculated at least annually.	Calculation of leave provisions to reflect current leave schedules at current rates of pay & service.
<b>Staffing</b>	Completion of financial balances and procedures	Implementation of Month End Checklist.  Additional training for staff as required.	Completion of Month End Checklist with minimal errors or discrepancies  Ability to complete tasks as required
<b>Operating Surplus Ratio</b>	The Shire's ratio (after adjustment for FAGs) has slightly improved in the current year from (0.42) to (0.40) but has been negative for the last five years.	Identify opportunities to increase revenue and reduce expenditure to a sustainable level.	Continual improvement and ultimately trying to achieve the recommended target level of 0.15
<b>Asset Sustainability Ratio</b>	This ratio has deteriorated in the current year from 0.39 to 0.27, and has been below the Department of Local Government, Sport and Cultural Industries target level of 0.90 for the past 5 years.	Continual review of infrastructure fair values, depreciation rates and the Shire's commitment to capital renewal programs.	Continual improvement and ultimately trying to achieve the recommended target level of 0.90
<b>Asset Sustainability Ratio</b>	Council should consider reviewing its Asset Management plans, to help the Shire more accurately determine the required capital renewal expenditure over the next 10 years in line with its Long Term Financial Plan	Asset Management and Long Term Financial Plans to be updated in line with current financial years.	Council to adopt the Long Term Financial Plan in the 2018/19 financial year and the Asset Management Plan to be implemented on completion of LTFFP

18 December 2018

The President  
Shire of Coolgardie  
PO Box 138  
KAMBALDA WA 6442

Dear Cr Cullen

## MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2018

We advise that we have completed our audit procedures for the year ended 30 June 2018.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

We noted the following matters that we wish to draw to your attention:

### SIGNIFICANT ADVERSE TREND – FINANCIAL MANAGEMENT PRACTICES

As highlighted in our audit report this year, we again noted a significant adverse trend in the financial management practices of the Shire for the financial year ended 30 June 2018.

This trend has continued from last financial year and was evidenced by continued problems with the financial systems and procedures of the Shire as observed during the interim audit (through the financial management review performed on behalf of the Chief Executive Officer) and the year end audit as discussed below.

Some of the key breakdowns observed during the course of our audit that had impacted on 2018 were:

- The Shire's fixed asset register and asset management software were not updated following management's review of the remaining useful life assessments of the Shire's road assets during the previous financial year. As a result, depreciation calculations for road assets as presented to us were incorrect;
- Fair value accounting for infrastructure assets as required by AASB 13 and Local Government (Financial Management) Regulation 17(A) as presented to us was incorrect;
- The Municipal bank reconciliation did not reconcile and was not picked up until it was highlighted during our year end audit visit;
- The Bank reconciliation for the Shire's Reserve accounts had not been completed.
- Joint venture's transactions in respect of the regional records facility were incorrectly accounted for within the Shire's book including the joint venture's bank account which was incorrectly included on the Shire's balance sheet.
- Accounting for accruals, including salaries & wages and interest on borrowings, was not completed properly or at all until after we raised queries.
- Calculations for the Shire's provisions for annual leave and long service leave calculations were not completed correctly and were subsequently adjusted post audit review.

The breakdowns experienced were again a direct result of the Shire not having sufficient accounting resources and support, including a lack of qualified and experienced accounting staff for proper financial reporting purposes. The current accounting staff had difficulties in operating the Shire's accounting system, as outlined above, including reconciling/finalising transactions and balances.

**SIGNIFICANT ADVERSE TREND – FINANCIAL MANAGEMENT PRACTICES (CONTINUED)**

During the course of the audit, we continued to observe a number of account balances which were incorrectly balanced and processed (some as highlighted above). This has required us to perform additional audit work (at increased cost) above what would normally be expected to rectify and reconcile them. As a result, the Shire's financial statements had to be subsequently adjusted and amended to reflect the true position.

This significant adverse trend also reflects on the efficiency of the Shire as a whole as it compromises the delivery of meaningful, accurate and timely management information.

We note similar points were raised in previous management letters dating back to 2011.

To help ensure this situation is rectified and does not present itself again, Council and management should review the Shire's current financial management practices. This may include recruitment of qualified and experienced accounting staff, a review of current staff qualifications, structure and training with a goal of establishing sound financial management practices moving forward.

We will continue to monitor the situation in future years.

**OPERATING SURPLUS RATIO**

This ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates and operating grants.

The Shire's ratio (after adjustment for FAGs) has slightly improved in the current year (from (0.42) to (0.40)) but has been negative for the last five years.

A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode the Shire's ability to service debt and maintain both its operational service level and asset base over the longer term whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.

An analysis of the Shire's Statement of Comprehensive Income indicates the improvement of the ratio in the current year is mainly due to a decrease in employee costs.

We acknowledge that the Shire had performed a comprehensive review of the unit rates, condition and Remaining Useful Life assessments of its infrastructure assets (in particular roads) during the current year revaluation process. This has resulted in a significantly lower depreciable asset base compared to last year. Management anticipate, based on the valuation report, the depreciation expense will be lower for the next year and more reflective of asset consumption which would help to improve the Shire's operating position and this ratio.

Notwithstanding this, both Council and management will need to continue to consider ways to improve the operating position in order to increase the ratio above the basic acceptable target level of 0.15. This includes considering the sustainability of the current rating structure, identifying potential new avenues of revenue, and finding the optimum level of the Shire's operating expenses.

**ASSET SUSTAINABILITY RATIO**

This ratio expresses capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. It is used to identify any potential decline or improvement in asset conditions. A percentage of less than 100% on an ongoing basis indicates assets may be deteriorating at a greater rate than spending on renewal or replacement.

This ratio has deteriorated in the current year from 0.39 to 0.27, and has been below the Department of Local Government, Sport and Cultural Industries target level of 0.90 for the past 5 years. A significant reason for the fluctuation in this ratio is the actual spending on renewal or replacement has not been consistent for the past five years.

We note the revised depreciation as discussed at the Operating Surplus Ratio above would assist the Shire to maintain its asset base more effectively and improve this ratio into the future by determining the appropriate level of depreciation for renewal and replacement of its existing assets.

**ASSET SUSTAINABILITY RATIO (CONTINUED)**

Whilst acknowledging the above, we also note management and council should consider reviewing its Asset Management plans, to help the Shire more accurately determine the required capital renewal expenditure over the next 10 years in line with its Long Term Financial Plan in view of the revised depreciation costs.

We noted no other matters we wish to draw to your attention.

**UNCORRECTED MISSTATEMENT**

We advise there were no uncorrected misstatements noted during the course of the audit.

We take this opportunity to thank the Shire for their assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



Wen-Shien Chai  
Partner  
[Moore Stephens](#)

Encl.





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

Our ref CG3-4#03 E1915478  
Enquiries Stuart Fraser  
Phone 65521586  
Email [stuart.fraser@dlgsc.wa.gov.au](mailto:stuart.fraser@dlgsc.wa.gov.au)

Mr James Trail  
Chief Executive Officer  
Shire of Coolgardie  
PO Box 138  
KAMBALDA WA 6442

Dear Mr Trail

The Department of Local Government, Sport and Cultural Industries (the Department) has received the Shire's 2017-18 Audit Report from Moore Stephens dated 18 December 2018.

The Audit Report identifies matters as significant in regard to adverse trends, qualified audits and other matters. The following matter is identified as significant by the auditor:

- Significant adverse trend in the financial management practices: problems with financial systems and procedures and difficulties balanceing the year end position in the current financial year.

Section 7.12A(4) of the *Local Government Act 1995* states that a local government must:  
*prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*  
*(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*  
*Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.*

To date it appears that a report has not been received and has not been published on the Shire's official website in accordance with Section 7.12A.

As a matter of priority the Shire must prepare a report for its Audit Committee and seek council's endorsement before forwarding a copy to the Department at [audits@dlgsc.wa.gov.au](mailto:audits@dlgsc.wa.gov.au)

As this report is now overdue, the Department requires the local government to remedy this non-compliance within the next 60 days from the date of this letter.

Gordon Stephenson House, 140 William Street  
PO Box 8349 Perth Business Centre, WA 6849  
Telephone (08) 6552 7300  
Email [info@dlgsc.wa.gov.au](mailto:info@dlgsc.wa.gov.au)  
Web [www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au)

For further information please review the Department's Circulars 05-2019 Local Government Auditing and 02-2018 Guide to Local Government Auditing Reforms (page 8) which are published on the Department's website.

Should you have any queries please contact the Department on the above email address or phone 65527300.

Yours sincerely



Narrell Lethorn  
Director Industry and Sector Regulation

28 June 2019

cc Cr Malcolm Cullen, President, Shire of Coolgardie