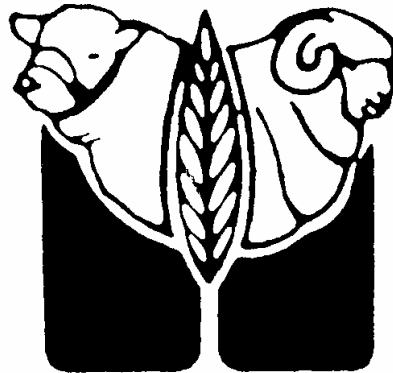


AGENDA



ORDINARY MEETING

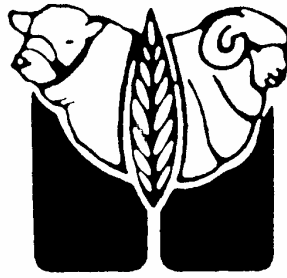
TO BE HELD

THURSDAY, 15 MARCH 2007

COMMENCING AT 3.30PM

AT

SHIRE OF BOYUP BROOK CHAMBERS
ABEL STREET – BOYUP BROOK



SHIRE OF BOYUP BROOK

**NOTICE OF ORDINARY COUNCIL
MEETING**

To:-

Cr T Ginnane – Shire President
Cr R Downing – Deputy Shire President
Cr S Broadhurst
Cr J Florey
Cr P Marshall
Cr M Martin
Cr K Moir
Cr T Oversby
Cr A Piper

The next Ordinary Council Meeting of the Shire of Boyup Brook will be held on Thursday 15 March 2007 in the Council Chambers, Shire of Boyup Brook, Abel Street, Boyup Brook – commencing at 3.30pm.

MR TONY DOUST
Acting Chief Executive Officer

Date: 9 March 2007

Disclosure of Financial and Proximity Interest

- (a) Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.60B and 5.65 of the Local Government Act 1995).
- (b) Employees must disclose the nature of their interest in reports or advise when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the Local Government Act 1995).

Disclosure of Interest affecting Impartiality.

- (a) Members and staff must disclose their interest in matters to be discussed at the meeting In respect of which the member or employee has given or will give advice.

TABLE OF CONTENTS

1	RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED.....	4
2	PUBLIC QUESTION TIME.....	4
3	APPLICATIONS FOR LEAVE OF ABSENCE.....	4
4	PETITIONS/DEPUTATIONS/PRESENTATIONS/REPORTS	4
5	CONFIRMATION OF PREVIOUS MINUTES	4
6	PRESIDENTIAL COMMUNICATIONS	4
7	REPORTS OF OFFICERS AND COMMITTEES	4
7.1	WORKS AND SERVICES.....	5
7.1.2	BOYUP BROOK TOWNSITE – ENTRY STATEMENTS.....	5
7.2	DEVELOPMENT AND COMMUNITY SERVICES	7
7.2.1	MULTI PURPOSE BUILDING – SWIMMING POOL	7
7.3	CORPORATE SERVICES	10
7.3.1	ACCOUNTS FOR PAYMENT	10
7.3.2	JANUARY 2007 MONTHLY STATEMENT OF FINANCIAL ACTIVITY	12
7.3.3	AUDIT AND MANAGEMENT REPORT FOR YEAR ENDED 30 TH JUNE 2006	14
7.3.4	ANNUAL REPORT 2005/06	20
7.3.5	PURCHASING POLICY	22
7.3.6	ANNUAL COMPLIANCE RETURN 2006	24
7.3.7	SANDAKAN MEMORIAL – BOYUP BROOK.....	26
7.3.8	MUSIC PARK – USE BY BOYUP BROOK COUNTRY MUSIC CLUB INC	29
7.3.9	BUNBURY PORT AUTHORITY - SPONSORSHIP.....	32
8.	PETITIONS AND MEMORIALS.....	34
9.	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	34
10.	URGENT BUSINESS – BY APPROVAL OF THE PRESIDENT OR A MAJORITY OF COUNCILLORS PRESENT	34
11.	CONFIDENTIAL MATTERS	34
11.1	EMPLOYMENT CONTRACT – DR MICHIEL MEL (ITEM TO BE PROVIDED TO COUNCILLORS ON 15/03/2007)	34
11.2	APPOINTMENT CHIEF EXECUTIVE OFFICER (ITEM TO BE PROVIDED TO COUNCILLORS ON 15/03/2007).....	34
12..	CLOSURE OF MEETING	34

1 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED

1.1 Attendance

1.2 Apologies

2 PUBLIC QUESTION TIME

2.1 Response to Previous Public Questions Taken on Notice

2.2 Public Question Time

3 APPLICATIONS FOR LEAVE OF ABSENCE

4 PETITIONS/DEPUTATIONS/PRESENTATIONS/REPORTS

5 CONFIRMATION OF PREVIOUS MINUTES

5.1 Minutes of the Ordinary Meeting of the Council held on 15 February 2007.

MOVED:

SECONDED:

That the minutes of the previous Ordinary Meeting of the Council held on Thursday 15 February 2007, be confirmed as an accurate record.

6 PRESIDENTIAL COMMUNICATIONS

7 REPORTS OF OFFICERS AND COMMITTEES

7.1 WORKS AND SERVICES

7.1.2 Boyup Brook Townsite – Entry Statements

Location: Boyup Brook – Donnybrook Road
Applicant: Townscape (Waters Edge) Advisory Committee
File: PA/46/001
Disclosure of Interest: Nil
Date: 6 March 2007
Author: John Eddy – Manager of Works and Services

Signature of Author _____

Signature of Acting CEO _____
Appendices: 1.1 Minutes of the Townscape (Waters Edge) Committee Meeting 5/3/2007

SUMMARY

To obtain Council's approval for the location of the entry statement to the townsite Boyup Brook on the Boyup Brook Donnybrook Road.

BACKGROUND

Council has previously approved the funding for the design and construction of a sculpture, incorporating a "Farmer, Sheep and Dog" for placement on an entry to the townsite of Boyup Brook. Len Zuks was commissioned to provide the sculpture and it is proposed to locate this on the Boyup Brook Donnybrook Road entry to Boyup Brook.

The Townscape (Waters Edge) Advisory Committee considered this matter on 5/3/2007 and the following report is provided:-

"Prior to the Townscape Meeting the committee assessed several locations on the Boyup Brook / Donnybrook Road for the placement of the entry statement.

The committee agreed that the preferred location for the entry statement was on the eastern side of the Boyup Brook / Donnybrook Road adjacent to the 'Roo – Gully' sign.

J Eddy to liaise with Main Roads on their requirements and criteria for locating signage within Main Roads road reserves to confirm the selected location for the entry statement.

Cr Broadhurst, Cr Oversby and E Biddle traveled to Perth to view the entry statement sculpture at the invitation of L Zuks. All committee members were impressed with the sculpture and recommended only minor changes be made.

Cr Broadhurst presented photographs of the sculpture to committee members and after discussion it was recommended that Cr Broadhurst contact L Zuks and request that the farmers top hat be modified to project the farmer image.

Cr Broadhurst advised that the anticipated delivery time for the sculpture was three weeks."

The Committee resolved:-

"The Townscape (Waters Edge) Advisory Committee recommends to Council that the 'Farmer, Sheep and Dog' entry statement be located on the Boyup Brook / Donnybrook Road adjacent to the 'Roo – Gully' sign – subject to Main Roads WA approval. "

COMMENT

The placement of the "Entry Statement" will need to be within the Road Reserve (not Railway Reserve) and at per the recommendation the positioning requires Main Roads approval.

CONSULTATION

Townscape (Waters Edge) Advisory Committee members

STATUTORY ENVIRONMENT

Main Roads approval required for placement of a sculpture on a road under their control

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Funding for the "Entry Statement" has been approved by Council and funds are available to place the sculpture at the approved position.

STRATEGIC IMPLICATIONS

The provision of the entry statements will provide benefit with the promotion and development of the Shire.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RECOMMENDATION

That Council adopt the Townscape (Waters Edge) Advisory Committee recommendation:-

That the "Farmer, Sheep and dog" entry statement be located on the Boyup Brook Donnybrook Road Reserve adjacent to the "Roo Gully" sign subject to the prior approval of Main Roads WA.

7.2 DEVELOPMENT AND COMMUNITY SERVICES

7.2.1 Multi Purpose Building – Swimming Pool

Location: Swimming Pool, Beatty Street, Boyup Brook
Applicant: Recreation & Leisure Advisory Committee
File: RE/37/001
Disclosure of Interest: Nil
Date: 6 March 2007
Author: Keith Jones – Manager of Finance and Administration

Signature of Author _____

Signature of Acting CEO _____

Appendices: 1.2 Minutes of the Recreation & Leisure Committee Meeting 1/3/2007

SUMMARY

To consider a recommendation by the Recreation and Leisure Committee for Council approval to utilise funding provided in the 2006/07 budget for a feasibility of maintaining the water level in the Blackwood River, to develop plans and costings to provide a multi purpose recreation room at the Boyup Brook Swimming Pool.

BACKGROUND

The Swimming Pool Manager has advised that approximately 65 people used the gym equipment provided in the pool crèche area during 2005/06. This matter has been considered by the Recreation and Leisure Committee on a number of occasions which are summarized accordingly:-

“The following motion was put in February 2006.

That the CEDO look to obtaining funding for a multi-purpose room for a gym and other exercise activities.

The CEDO has indicated that he requires actual costing of the project before applying for grant funding and as such further investigation and discussion is required before further action can proceed.

The following motion was put in October 2006.

That the Community & Economic Development Officer look to obtaining funding for a feasibility study on the provision of a heated lap pool and multi-purpose recreation room at the Boyup Brook Swimming Pool.

The Council did not move this recommended motion at the October Meeting as they had concerns that sufficient information was not presented.

The following motion was put in February 2007.

That council approves the CEDO to apply for funding to employ a recreation consultant to cost the multi-purpose recreation room at the Boyup Brook Swimming Pool precinct.

The meeting was held at a time too late to present the report to the February Council meeting and as such the recommendation was not considered.

The committee at its meeting on 1/3/2007 discussed the idea put forward by Cr Martin that an amount of \$5,000 in this year's budget set aside for feasibility on maintaining the Blackwood River water level is reallocated to provide a concept plan on the multi purpose recreation room. Other points raised were:

- *The committee sees this as a higher priority over the River level because it gives more immediate benefits to the community.*
- *The committee did not want to cancel the River level feasibility study but revisit it in the next financial year.*
- *The recreation consultant would provide drawings and a draft plan with full costing.*
- *Once the concept has been fully researched and costed the Council will be able to make an informed decision on the future of the multi purpose recreation room.*

The committee resolved:-

"That the Recreation & Leisure Advisory Committee recommends that the budgeted funds of \$5,000 for the Blackwood River feasibility be reallocated to cover costs for a concept plan, which includes drawings, draft plan and recreation consultant fees, to be drawn up to provide a multi purpose building at the swimming pool precinct."

ACTING CHIEF EXECUTIVE OFFICER'S COMMENT

Whilst the proposal has been given high priority by the Recreation & Leisure Advisory Committee the project has not been considered in conjunction with the other requirements of the Shire. There are a number of issues / requirements that need to be assessed when making any decision about providing additional facilities and services including:-

- Strategic Plan (Direction of the Shire and priorities)
- Long Term Financial Plan (sustainable financial ability)
- Asset Management (overall/present position of all fixed assets)
- Present Financial Position (Projected deficit)
- Budget – for the ensuing (12) months (not completed/unknown)

When making these comments it is not about whether the project is worthwhile it is about making a decision that will ensure that the limited available resources are utilized effectively to meet the highest priorities of the Council.

Although the funding required is only \$5,000 it is important that the priority be established prior to any expenditure being incurred.

It is recommended that the project be considered during the future formalization of a strategic plan, long term financial plan and asset management plan.

CONSULTATION

Recreation & Leisure Advisory Committee members; Acting Chief Executive Officer

STATUTORY ENVIRONMENT

Local Government Act 1995 – Section 6.8 Unbudgeted expenditure

POLICY IMPLICATIONS

No specific policy

FINANCIAL IMPLICATIONS

As per the Acting Chief Executive Officer's comments within the report.

STRATEGIC IMPLICATIONS

As per the Acting Chief Executive Officer's comments within the report.

VOTING REQUIREMENTS

Absolute Majority (Committee Recommendation)

Simple Majority (Officer Recommendation)

COMMITTEE RECOMMENDATION

That Council adopt the Recreation and Leisure Advisory Committee recommendation:-

- 1. That the budgeted funds of \$5,000 for the Blackwood River feasibility be reallocated to cover costs for a concept plan, which includes drawings, draft plan and recreation consultant fees, to be drawn up to provide a multi purpose building at the swimming pool precinct.**

OFFICER RECOMMENDATION

That the proposal to provide a multi purpose building at the Boyup Brook Swimming Pool be considered during the preparation of future strategic and long term financial plans during the year 2007/08.

7.3 CORPORATE SERVICES

7.3.1 Accounts for Payment

Location: Shire of Boyup Brook
Applicant: Shire of Boyup Brook
File: EM/51/003
Disclosure of Interest: Nil
Date: 8 March 2007
Author: Keith Jones – Manager of Finance and Administration

Signature of Author _____

Signature of CEO _____
Appendices: 1.3 - Cheque Listings

SUMMARY

Report recommends the acceptance and approval of the Schedule of Accounts for Payment.

BACKGROUND

Invoices have been received during the month of February 2007.

COMMENT

Accounts are presented for consideration (see appendix 1.3) or where paid by direct debit pursuant to the Council's "Authorisation to Incur Debts and Make Payments" policy.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations Act 1009, Regulation 12; and Regulations 13(3)(a)(b); 13(1); and 13(4).

POLICY IMPLICATIONS

Accounts are presented for consideration or where paid by direct debit pursuant to the Council's "Authorisation to Incur Debts and Make Payments" policy.

FINANCIAL IMPLICATIONS

Account payments are in accordance with the adopted budget for 2006/07 or authorized by separate resolution.

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATIONS

1. That the accounts for February 2007 as presented totaling \$291,589.91 as-
 - a.. cheque voucher numbers 15800 - 15881 be approved for payment;
 - b.. paid by-
 - i. direct electronic payments through the Municipal Account;
 - ii. cheque voucher number 2104 paid through the Chief Executive Officer's Advance Account;
- be endorsed.

7.3.2 **January 2007 Monthly Statement of Financial Activity**

Location: NA
Applicant: NA
File: EM/51/003
Disclosure of Interest: Nil
Date: 9 March 2007
Author: Keith Jones – Manager of Finance & Administration

Signature of Author _____

Signature of CEO _____
Appendices: 1.4 - Financial Report

SUMMARY

Report recommends Council receive the Balance Sheet and Operating Statement for the month ended 31 January 2007, and Investment Schedule for the month end 28 February 2007.

BACKGROUND

Section 6.4 of the Local Government Act 1995 places financial reporting obligations on local government operations.

Regulation 34 (1)–(4) of the Local Government (Financial Management) Regulations 1996 requires the local government to prepare a ‘Monthly Statement of Financial Activity’.

The regulations also prescribe the content of the report.

The report is attached – see appendix 1.4

COMMENT

It is suggested that the recommendation be considered.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

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

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATIONS

That the January 2007 Monthly Statement of Financial Activity as presented, be received.

7.3.3 **Audit and Management Report for Year Ended 30th June 2006**

Location: Shire of Boyup Brook
Applicant: Shire of Boyup Brook
File: FM-9/004
Disclosure of Interest: Nil
Date: 21 February 2007
Author: Tony Doust – Acting Chief Executive Officer

Signature of Author _____

SUMMARY

To present to Council the Audit and Management reports for the year ended 30th June 2006, and determine the action required from the matters raised.

BACKGROUND

Messrs D Tomasi and R Swarbreck, UHY Haines Norton, were appointed by Council in August 2004 as the Shire Auditors for the period 1st July 2004 to 30th June 2007.

The annual audit for 2005/06 commenced with an interim audit and a final visit to the Shire Office by UHY Haines Norton staff on 28th November 2006 to complete the process. The Audit committee met with Haines Norton representatives on 29th November 2006.

Completion of the audit report has been delayed due to the need to make a number of changes to the financial statements available on 28th November 2006. Mr Tomasi has now provided the Acting Chief Executive Officer with the audit and management report for the year ended 30th June 2006.

COMMENT

The following audit report has been received:-

***“INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF
THE SHIRE OF BOYUP BROOK*”**

Scope

The financial report and Council's responsibility

The financial report comprises the income statement by nature or type, income statement by program, balance sheet, statement of changes in equity, cash flow statement, rate setting statement and accompanying notes to the financial statements for the Shire of Boyup Brook for the year ended 30 June 2006.

Council is responsible for the preparation and true and fair presentation of the financial report in accordance with the Local Government Act 1995 (as amended). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the electors of the Shire. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than

conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 (as amended), including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Shire's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedure, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report presents, fairly in accordance with the requirements of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended), applicable Accounting Standards and other mandatory professional reporting requirements, the financial position of the Shire of Boyup Brook as at 30 June 2006 and the results of its operations and its cash flows for the year then ended.

Statutory Compliance

During the course of our audit we became aware of the following instances where the Council did not comply with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

Submission of Financial Report

The accounts and financial report for the year ended 30 June 2006 were not submitted to the auditor by 30 September 2006 as required by Section 6.4(3) of the Act.

Raising of Loan 114

During the year, Council raised Loan 114 for an amount of \$200,000, of which only \$150,000 was included in the original budget for the year ended 30 June 2006.

30 days local public notice for the additional amount of the loan was not given as required by Section 6.20(2)(b) of the Act.

Review of Budget

A copy of the budget review was not submitted to the Director General of the Department of Local Government within 30 days of its adoption by council, as prescribed by Financial Management Regulation 33A(4).

INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF BOYUP BROOK (continued)

Monthly Financial Reports

The Monthly Financial Reports for each month were presented to Council as required by Financial Management Regulation 34 however they did not contain the following information as required:

- (1) Material variances between the year to date actual and budgeted income and expenditure. (Financial Management Regulations 34(1)(d)).
- (2) An explanation of each of the variances referred to in (2) above. (Financial Management Regulations 34(2)(b)).

Adoption of Material Variance

Council did not adopt a percentage or value to be used in statements of financial activity for reporting material variances as required by Financial Management Regulation 34(5).

Annual Financial Report

The annual financial report for the year ended 30 June 2005 was not submitted to the Director General of the Department of Local Government within 30 days of receipt by the CEO of the auditor's report, as prescribed by Financial Management Regulation 51(2).

Other Matters

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) i) There are no matters that in our opinion indicate significant adverse trends in the financial position of the Shire.
- ii) A significant adverse trend in the financial management practices of the Shire was evidenced by:
 - difficulty in balancing 30 June 2006 accounts for the purposes of the 2005/06 audit and annual financial report;
 - the number of non-compliance matters listed above; and
 - the late completion of the 2005/06 annual financial report.
- b) Except as detailed above, no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS

Date: 19 February 2007
Perth, WA

DAVID TOMASI
PARTNER"

The Management Report received is as follows:-

“MANAGEMENT REPORT FOR THE YEAR ENDED 30TH JUNE 2006

We advise that we have completed our audit procedures for the year ended 30th June 2006 and enclose our Audit Report.

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.

Tender Register

Upon review, the tender register did not appear to be up to date in respect of all necessary details. In particular, details concerning the decision to invite tenders as required by Functions and General Regulation 17(2) had not been completed in all instances.

We recommend procedures be implemented to help ensure these details are recorded promptly and the register is complete with all necessary requirements.

Rates Valuation Reconciliation

A manual reconciliation of valuations as per the rates system to the amendments/variations received periodically from the Valuer General is being updated but is still out of balance.

To help ensure valuations are correctly recorded, the correct amount of rates are charged and the integrity of the rating system is maintained, we recommend this difference be traced to the individual properties and interim rate notices be issued where applicable.

A senior officer should also review the reconciliation and sign it as evidence of the review.

Year End Balancing and Audit Readiness

As you may be aware, the completion of our audit was delayed due to various, material balances not having been reconciled prior to the commencement of the audit.

This resulted in management presenting us with three different versions of the Financial Report and supporting schedules over a period of approximately two months.

As indicated during our meetings with management, we have completed our audit procedures and obtained the necessary levels of assurance to enable us to issue our audit opinion. As is obvious from the turn of events, the process has been far from efficient and has resulted in additional costs.

We have discussed our requirements with management at length and highlighted the major areas of concern.

Not only does it impact on the efficiency of the audit process, it also reflects on the efficiency of the Shire as a whole as it compromises the delivery of meaningful, accurate and timely management information.

Action needs to be implemented to ensure this situation is rectified and does not present itself again as this is not the first time we have reported on matters relating to the Shires financial reporting and reconciliation procedures.

We noted no other matters we wish to draw to Council's attention.

We take this opportunity to thank the Acting Chief Executive Officer, the Manager of Finance and Administration and all staff for the 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

**UHY HAINES NORTON
CHARTERED ACCOUNTANTS**

**DAVID TOMASI
PARTNER**

Both the Audit and Management Reports highlight the need to review the management and financial management procedures of the Shire to make sure they are in accordance with the relevant legislation. Whilst the non compliance issues raised by the Auditor are of concern the effect of the financial position of the Shire is minimal, other than the additional audit costs and staff time, albeit any area of non compliance is always open to legal challenge.

With regards to the individual items it is the intention of the Acting Chief Executive Officer to ensure procedures are in place to meet the requirements of legislation. Officers need to be mindful of the compliance requirements and it is proposed to use the Compliance Return due by 31st March 2007 to review this area of management.

The comments made by the Auditor with regard to the end of year balancing and audit readiness are of concern as the annual cost for the audit for the 2005/06 has increased from \$5900 as per the agreement with the Auditor, to \$17,000.

The agreement with UHY Haines Norton clearly outlines that a maximum number of hours and that any work outside the scope of the audit, in the form of accounting assistance, will be a separate fee. In addition to the external audit cost the extra time by the Acting Chief Executive Officer and Manager of Finance and Administration to complete the Annual Financial Statements to meet the audit requirements, is well above that required under normal circumstances.

The position highlights the need to employ senior staff, including the Chief Executive Officer, that are adequately trained and experienced to ensure the financial management requirements and procedures are in place and managed effectively on a day to day basis.

CONSULTATION

Auditor David Tomasi UHY Haines Norton, Shire President, Manager Finance & Administration

STATUTORY ENVIRONMENT

Local Government Act 1995 – Section 7.12A “Duties of Local Government with Respect to Audits”

POLICY IMPLICATIONS

No specific policy in relation to Audit/Management Reports

FINANCIAL IMPLICATIONS

As explained in the comment section of the report the actual audit costs including additional accounting will increase from \$5900 to \$17000. The adopted budget figure is \$10750 which includes provision for the annual audit fees and the financial management review costs of \$4000 (completed in July 2006). The recent budget review did not include any increase as the Acting Chief

Executive Officer was not aware of the actual additional costs associated with the Audit until the process was completed. The revised budget will need to be amended to \$20750.

STRATEGIC IMPLICATIONS

It is essential that the Shire has a high level of both management and compliance to ensure the limited available resources are utilized effectively to meet the aspirations of the Council/Community.

VOTING REQUIREMENTS

Simple Majority Items 1 and 2

Absolute Majority Item 3

OFFICER RECOMMENDATIONS

1. That Council accepts the Auditors report and in doing so expresses concern with regard to the level of non compliance.
2. That the Chief Executive Officer consider the areas of non compliance and management deficiencies and implement measures / action to ensure a high level of compliance and improved management.
3. Council approves the additional funding of \$10,000 to meet the actual cost of auditing and accounting assistance.

7.3.4 **Annual Report 2005/06**

<i>Location:</i>	<i>Shire of Boyup Brook</i>
<i>Applicant:</i>	<i>Shire of Boyup Brook</i>
<i>File:</i>	<i>CM/52/001</i>
<i>Disclosure of Interest:</i>	<i>Nil</i>
<i>Date:</i>	<i>21 February 2007</i>
<i>Author:</i>	<i>Tony Doust – Acting Chief Executive Officer</i>
<i>Signature of Author</i>	_____
<i>Appendices:</i>	<i>1.5 Draft Annual Report 2005/06 (Under Separate Cover)</i>

SUMMARY

The purpose of this report is to present to Council the Annual Report for the year 2005/06 for their acceptance.

BACKGROUND

The Local Government Act 1995 sets out the requirement for the preparation of Annual Reports and the information to be included:

- A report from the mayor or president;
- A report from the CEO;
- An overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;
- The financial report for the financial year;
- Such information as may be prescribed in relation to the payments made to employees;
 - i) the number of employees of the local government entitled to an annual salary of \$100 000 or more;
 - ii) the number of employees with an annual salary entitlement that falls within each band of \$10 000 over \$100 000;
- the auditor's report for the financial year;
- a matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*; and
- such other information as may be prescribed.

Council is required to accept the Annual Report when presented with or without modification:-

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* *Absolute Majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

COMMENT

The report presented has been prepared in accordance with the past format and includes the information required in the background section of this report.

Council will need to agree on a date to hold the Annual General Meeting of Electors which must be prior to 11th May 2007 but not before (14) days local public notice is given.

It is recommended that Council accept the report as presented.

CONSULTATION

Shire President, Manager of Finance and Administration, Manager of Works

STATUTORY ENVIRONMENT

Local Government Act 1995 Sections 5.53 & 5.54 Annual Report, Sections 5.27 & 5.29 Electors Meeting
Local Government (Administration) Regulations 1996 Section 19B

POLICY IMPLICATIONS

No specific policy in relation to the Annual Report and or Annual Electors Meetings

FINANCIAL IMPLICATIONS

The costs associated with producing the Annual Report and holding Annual Electors meeting are provided for in the 2006/07 budget.

STRATEGIC IMPLICATIONS

The Annual Report provides information about the Shire for 2005/06 and the plan for the future

VOTING REQUIREMENTS

Absolute Majority Item 1
Simple Majority Item 2

OFFICER RECOMMENDATIONS

1. That Council accepts the Annual Report as presented for the 2005/06 financial year.
2. That the Annual meeting of Electors for the year 2005/06 be held in the Council Chambers on Thursday 19th April 2007 at 7.00pm.

7.3.5 **Purchasing Policy**

<i>Location:</i>	<i>Shire of Boyup Brook</i>
<i>Applicant:</i>	<i>Shire of Boyup Brook</i>
<i>File:</i>	<i>CM/43/001</i>
<i>Disclosure of Interest:</i>	<i>Nil</i>
<i>Date:</i>	<i>23 February 2007</i>
<i>Author:</i>	<i>Tony Doust – Acting Chief Executive Officer</i>
 <i>Signature of Author</i>	<hr/>
<i>Appendices:</i>	<i>Purchasing Policy</i> <i>1.6 Local Purchasing and Sales of Goods and Services Policy</i>

SUMMARY

This item relates to the recent change of the tender regulations requiring Council to adopt a Purchasing Policy by 30th March 2007 and recommends Council adopt the Draft Policy provided.

BACKGROUND

The Local Government (Functions and General) amendment Regulations 2007 were published in the Government Gazette on 2nd February 2007. The amendments include an increase in the tender threshold from \$50,000 to \$100,000 and the requirement for Local Governments to have a Purchasing Policy for the amounts under the new threshold.

COMMENT

The Western Australian Local Government Association, in consultation with the Department of Local Government and Regional Development, produced a draft policy as a guide for Local Governments when considering this requirement. The draft policy has been produced on a basis that it may be suitable for all Local Governments. The detail/administration required by the draft appears to be far in excess of this Shire's requirements given the size, staff numbers and availability of competition within the Shire.

The Acting Chief Executive Officer has amended the draft to reflect the above and the requirements for the Shire of Boyup Brook and is satisfied that the principals have not been compromised. When considering this matter it was also necessary to incorporate Council's Policy with regard to "Local Purchases and Sales of Goods and Services". Reference has been made to this policy in Section 1.4 and the existing policy is attached as an addendum.

CONSULTATION

Ms Jeni Law – Manager Local Government Development & Support, Department of Local Government & Regional Development
Western Australian Local Government Association "Total Purchasing Solutions"
Manager of Works and Services
Manager of Finance and Administration

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 3.57 – Tender for Providing Goods and Services
Local Government (Functions and General) Regulations 1996 Section (11) and (11A)

POLICY IMPLICATIONS

Development of a new policy "Purchasing".
Reference is made to Council's existing "Local Purchasing and Sales of Goods and Services"

FINANCIAL IMPLICATIONS

The adoption and implementation of this policy will not require any additional expenditure.

STRATEGIC IMPLICATIONS

The policy will assist with the delivery of “Best Practice” with purchasing goods and services and ensure consistency in undertaking this requirement.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATIONS

That Council adopts the Draft Purchasing Policy as shown in the attachments to the Agenda/Minutes and the same be implemented as from 30th March 2007.

7.3.6 **Annual Compliance Return 2006**

Location: Shire of Boyup Brook
Applicant: Shire of Boyup Brook
File: FM/9/004
Disclosure of Interest: Nil
Date: 1 March 2007
Author: Tony Doust – Acting Chief Executive Officer

Signature of Author
Appendices:

1.7 Boyup Brook Compliance Return 2006

SUMMARY

The purpose of this report is to present to Council the Annual Compliance Return for Council adoption.

BACKGROUND

The Local Government (Audit) Regulations 1996, Section (14) requires Local Governments to carry out a Compliance Audit for the period 1st January to 31st December in each year. Section (13) of the regulations outlines the sections of the Act & Regulations that are subject to audit.

The Department of Local Government and Regional Development has provided the compliance form approved by the Minister for completion and presentation to Council for adoption.

Section (15) of the Regulations require that a certified copy of the return presented and adopted by Council be sent to the Director General of Department of Local Government by 31st March each year, together with a copy of the minutes referring to this matter. The report is to be certified by the Shire President and Chief Executive Officer.

COMMENT

The completed Compliance Return highlights a number of non compliance areas; some of these have been raised by the Auditor either in the Audit or Management Reports.

The “comment” section of the compliance report provides some information in relation to the areas of non compliance.

It is the intention of the Acting Chief Executive Officer to use this report to assist staff and Councillors in ensuring the level of compliance in the year 2007 is substantially improved. All staff and Councillors need to read to report to obtain a better understanding of the requirements. It is recommended to Council that the report be adopted and certified by the Shire President and Acting Chief Executive Officer.

CONSULTATION

Manager of Finance and Administration – Keith Jones
Manager of Works and Services – John Eddy
Environmental Health/Building Officer – Wayne Jolley
Payroll Finance Officer – Georgia Wallace
Administration Staff

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 7.13(1)(i)
Local Government (Audit) Regulations 1996 Sections (13)(14) & (15)

POLICY IMPLICATIONS

No specific policy in relation to compliance as it is covered by legislation

FINANCIAL IMPLICATIONS

The cost of completing the Compliance Audit is within the existing budget, however a high level of non compliance can lead to unnecessary additional expenditure.

STRATEGIC IMPLICATIONS

A high level of compliance will allow staff to spend more time on matters relating to the delivery of services and future planning.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATIONS

That the Council adopts the Annual Compliance Report for 2006, noting the areas of non compliance and that the Shire President and Acting Chief Executive Officer certify the return for submission to the Department of Local Government and Regional Development.

7.3.7 **Sandakan Memorial – Boyup Brook**

Location: Shire of Boyup Brook
Applicant: Shire of Boyup Brook
File: Ass 30107
Disclosure of Interest: Nil
Date: 7 March 2007
Author: Tony Doust – Acting Chief Executive Officer

Signature of Author _____

SUMMARY

To bring to Council's attention several developments in relation to the Sandakan Memorial and annual ceremony and obtain approval for funding to progress the works required.

BACKGROUND

Sandakan Memorial was established in the park alongside the Shire Administration Building in 1991 by the late Ted McLaughlin in memory of all the Australians who had died in Sandakan, North Borneo. Since then the Lions Club have conducted an annual Memorial Service in September. The Council at a later date named the park "Sandakan". The memorial has been developed over the years to the present standard.

During the past (12) months the Shire President Cr T Ginnane and Deputy Shire President Cr R Downing attended the annual Sandakan Day Memorial Service in Sandakan on 15th August 2006. The Shire President provided the following message to the people of Sandakan from the Community of Boyup Brook which was published in the booklet produced for the occasion;-

"I am honored to be invited to participate in the 4th Sandakan Day Memorial Service and to represent my community in recognizing the sacrifices that Australian soldiers and members of your community suffered during that terrible period.

During my first visit to your country in April 2005 when my wife Carol and I attended the ANZAC day ceremony, we were overwhelmed by the genuine friendship shown to us personally by your Council President, Mr Yeo Boon Hai, and his family and without exception by the many people we were introduced to by Catherin Chua.

I found it extraordinary that a community that had suffered so much personal loss and destruction of their city by supporting the Australian soldiers have retained a great affection and respect for we Australians. I was and continue to be deeply humbled by your on-going friendship.

That the story of the Sandakan tragedy has become better known in Australia was in no small measure the result of the dedication of Ted McLaughlin, a local farmer in our district and a former prisoner of war in Singapore. Ted was determined that Australians needed to be told of the horrors and of the suffering of his mates who were separated from him and becomes victims of the Sandakan death marches as it is now known. He championed the establishment of the first Australian memorial to the conflict, being erected in Boyup Brook in 1991. The message continues to be told through the endeavours and zealously of his son, Joe, and Mr Ryan Rowland."

The Shire President and Deputy President have started the process of establishing a "Twinning" or "Sister City" relationship with the Sandakan Municipal Council in Sabah through the President Yeo Boon Hai. This is a matter that will be progressed during the next few months.

President Yeo Boon Hai has also indicated that he would like to attend the Sandakan Memorial Day in Boyup Brook during September 2007. The Shire President Cr Ginnane has recently sent an email to President Yeo Boon Hai seeking confirmation of his attendance at the Boyup Brook Service in 2007 as a guest of the Shire of Boyup Brook. Confirmation has been received that Mr Yeo Boon Hai would like to attend and the arrangements required are being considered.

The Shire President is very keen to have the service at the Memorial and not in the Boyup Brook Town Hall as has occurred in the past when the weather is inclement. To achieve this it will be necessary to establish a level hard standing area on the right hand side of the path leading to the memorial, which can be used for seating and if necessary covered with the erection of a "Marquee".

In addition to the provision of level area the placement of a "Hologram" of the late Ted McLaughlin has been suggested and supported by the Borneo Exhibition group. Sandy Chambers has provided an estimated cost to provide the hologram. Discussion has also been held with Mr Joe McLaughlin (Ted's son) about this matter.

COMMENT

The establishment of the "Sandakan Memorial" in Boyup Brook has and is providing significant promotion of Boyup Brook from visitors throughout Australia and overseas.

The development of the memorial and its significance will assist in progressing a "Twinning" or "Sister city" relationship with the Sandakan Municipal Council and recognition of the contribution and sacrifice made by Australians during the Second World War.

The estimated costs for the works required to progress the above are as follows:-

Hard Standing Area	\$ 7,000
Hologram	\$ 6,000
TOTAL	<u>\$13,000</u>

Given the need to progress this matter in time to complete both projects prior to the September 2007 Sandakan Service and prior to consideration and adoption of the 2007/08 Budget, Council is asked to underwrite both projects to a maximum cost of \$13,000. It is envisaged that funding will be sourced from any Government programmes that are available as well as contributions from the Borneo Exhibition Group Inc and private sector. Any funding obtained will reduce the estimated cost.

CONSULTATION

Shire President, Deputy Shire President, Mr Ryan Rowland Borneo Exhibition Group Inc, Lions Club President Mr John Walsh and member Mr Grant Wardle, Mr Joe McLaughlin, Manager of Works and Services and Manager of Finance and Administration.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 6.8 Unbudgeted Expenditure

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

No funds are provided within the existing budget for this proposal. It is recommended that funding be approved as unbudgeted expenditure and funds not required in this financial year to progress the projects be carried forward for inclusion in the 2007/08 budget.

STRATEGIC IMPLICATIONS

The development of the Sandakan Memorial and relationship with the Sandakan Municipal Council, North Borneo will have significant benefits for the promotion of Boyup Brook.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATIONS

1. That Council approves the allocation of \$13,000 from unbudgeted expenditure to fund the construction of a hard standing area and hologram of the late Ted McLaughlin at the Sandakan Memorial Boyup Brook.
2. The CEO peruse the avenues available to obtain grant funding and or private contributions towards the construction of the items referred to in Item (1) above.
3. That the works be undertaken in consultation with the Lions Club of Boyup Brook

7.3.8 **Music Park – Use By Boyup Brook Country Music Club Inc**

Location: Music Park – Jackson Street, Boyup Brook
Applicant: Boyup Brook Country Music Club Inc
File: CP/31/003
Disclosure of Interest: Nil
Date: 8 March 2007
Author: Tony Doust – Acting Chief Executive Officer

Signature of Author _____

SUMMARY

To consider a request received from the Boyup Brook Country Music Club Inc for free usage of the Music Park

BACKGROUND

The 2006/07 Budget Schedule of Fees and Charges included a fee of \$500.00 for the use of the Music Park by the Boyup Brook Country Music Club Inc including the Festival and Markets. An account for this was raised and sent to the club.

The Club when paying the account has written accordingly:-

“On behalf of the Boyup Brook Country Music Club I am enclosing a cheque for \$500 as requested for the use of Music Park for Sunday Markets. We would like some clarification on this account as we have only used the Music Park twice for Markets.

We would also like to put forward that as a Council you would consider a peppercorn lease or free rental for the use of the Music Park, to the Country Music Club for the life time of usage. This was initially discussed in the planning stages.

To date the Music Park has come together with Federal and State Government funding to the value of \$180,000, plus hundreds of volunteer hours and a cash contribution from the Country Music Club. We do not have the final accounts in hand as yet. Fencing the river was also at a cost to the Club – some \$900 – making it safe for year round use for all patrons.

The Music Park has become a very popular area for the community to enjoy and share experiences. The stage has already been used by the High School Band and very professional Drumming Workshops have taken place. Dog Training sessions, a Community Thanksgiving Service for Volunteers and Sunday Markets, plus Family picnics are becoming more regular on the grassy banks. This has all been in the early stages and imaginations are being stretched for other activities and events. It has been an exciting step for the community and great to see the enthusiasm of our local volunteers who have been very eager to assist in many ways.

With consideration of all the Country Music Club input to this valuable community area, we urge Councillors to consider free usage of the Music Park to the Country Music Club.”

COMMENT

The fee was introduced in the 2006/07 budget on the basis that other clubs and organizations pay for the use of Shire Facilities. The fee set is in line with that paid by others.

When considering this matter Council needs to bear in mind the cost of maintaining the Music Park as well as the level of assistance provided to the club during the festival.

<u>Music Park Operation/Maintenance</u>	<u>2006/07 Budget</u>	<u>2006/07 Actual to date</u>
Wages/Overheads	\$2683	\$2592
Plant Operation Cost	\$ 775	\$ 605
Water (Estimated)	\$1000	\$2900
Tree Hazard Report/Pruning	\$-	\$3040
Electricity	\$1000	\$ 73
Other	\$ 500	\$ 398
	\$5958	\$9608

<u>Support For the Country Music Club Festival</u>	<u>Actual to date</u>
Wages / Overheads	\$4111
Plant Costs	\$ 406
Materials	\$2137
	\$6654

With regard to the request for a lease, there are a number of matters that will need to be considered, including any approvals required, liability, maintenance responsibilities, process for future development and public use. It is suggested that the Chief Executive Officer discuss this matter with the Boyup Brook Country Music Club Inc and report to Council if the Club wishes to continue with this request.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 3.58 (Disposing of Property which includes a lease)
 Section 6.12 (Power to permit grant discounts, waive or write off debts)
 Shire of Boyup Brook Local Government Property Local Law

POLICY IMPLICATIONS

No specific policy in relation to use of Reserves or leases.

FINANCIAL IMPLICATIONS

The financial implications are covered within the comment section of the report.

STRATEGIC IMPLICATIONS

The Council has not adopted any long term strategic plans for the Music Park at this time.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATIONS

1. That the Boyup Brook Country Music Club Inc be advised that the Council considers that the present Annual fee of \$500 for the use of the Music Park by the Club for the annual festival and markets is justified given that other clubs and organisations pay to use facilities provided and maintained by the Shire.
2. Boyup Brook Country Music Club Inc be advised that the Shire costs to maintain the Music Park in 2006/07 are estimated to be \$11,000 and that the value of other assistance provided to the Club during the 2007 annual festival is estimated at \$6700

- 3. That the Chief Executive Officer discuss with the Boyup Brook Country Music Club the issues relating to the lease of the Music Park and report to Council if the Club wishes to proceed with this request.**

7.3.9 **Bunbury Port Authority - Sponsorship**

Location: Shire of Boyup Brook
Applicant: Bunbury Port Authority
File: FM/25/011
Disclosure of Interest: Nil
Date: 8 March 2007
Author: Tony Doust – Acting Chief Executive Officer

Signature of Author _____

SUMMARY

To provide details of sponsorship available from the Bunbury Port Authority to Shires in the South West and decide on a project for submission for consideration and approval by the Authority.

BACKGROUND

The Chief Executive Officer of the Authority advised accordingly:-

“

Directors of the Bunbury Port Authority have once again agreed to make available sponsorship for Shires in the South West outside of Bunbury in recognition of the port's role in the South West community and the support that the South West community has given to the port.

Sponsorship applications are invited for projects that meet the following criteria:

- Community and/or youth related;
- Must be from non-profit organisations and of a capital nature;
- Sponsorship is limited to a maximum of \$6,000 per project;
- One sponsorship per shire will be approved in any one year.

Applications for sponsorship close on 15 April 2007. Applications received after the closing date will not be considered.

It is important that the project clearly identify the following requirements:

It is important that the project clearly identify the following requirements:

1. Project scope/objectives;
2. Start date and completion date;
3. Project proponent;
4. Total project cost, dissected into labour, materials, consultants, other;
5. Project Manager;
6. Public/Community benefits;
7. Amount of sponsorship requested;
8. Local community support/need for the project;
9. On completion, a summary of the cost.

As you will appreciate, the Authority is not able to support all projects, but it will support one project per shire. In the instance where more than one project is proposed by a shire, it would be appreciated if the projects are prioritised.

”

The Shire received \$2100 in 2005/06 towards the cost of replacing a damaged BBQ at Sandakan Park and provision of new seating at the visitor centre.

COMMENT

Given Item 7.3.7 (Sandakan Memorial) on this agenda, it is suggested that Council approve the submission of an application for \$6000 to assist with the cost of improvement / development at the

Sandakan Memorial and provision of a hologram of the Late Ted McLaughlin. Details of the projects are outlined in Agenda Item 7.3.7.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

A successful application for sponsorship will reduce the contribution required by Council to the Sandakan Memorial projects.

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Nil

OFFICER RECOMMENDATIONS

That the Chief Executive Officer make application to the Bunbury Port Authority for sponsorship of \$6000 to assist with the cost of improvements (Hard standing area) and hologram of the Late Ted McLaughlin at the Sandakan Memorial, Sandakan Park, Boyup Brook

8. PETITIONS AND MEMORIALS

9. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

10. URGENT BUSINESS – BY APPROVAL OF THE PRESIDENT OR A MAJORITY OF COUNCILLORS PRESENT

11. CONFIDENTIAL MATTERS

11.1 Employment Contract – Dr Michiel Mel (Item to be provided to Councillors on 15/03/2007)

11.2 Appointment Chief Executive Officer (Item to be provided to Councillors on 15/03/2007)

12.. CLOSURE OF MEETING

There being no further business the Chairman declared the meeting closed at