

## **FINANCE POLICIES – INDEX**

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<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>1</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

<b>ADOPTED POLICY</b>	
<b>Title:</b>	<b>1. ANNUAL CHARGES AND FEES</b>
<b>Objective:</b>	The Finance Committee or Full Council shall review all charges and fees prior to each annual budget meeting of Council.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>2</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
Yes

<b>Delegation No.</b>
3

<b>ADOPTED POLICY</b>	
<b>Title:</b>	<b>2. INSTALMENT PAYMENTS OF RATES</b>
<b>Objective:</b>	The Manager of Finance and Deputy CEO is delegated authority in consultation with the Chief Executive Officer to accept reasonable requests for alternative instalment payments of rates where the instalment programme differs from that adopted as part of the Annual Budget.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	27 Sept 2016

<b>Policy No:</b>	<b>3</b>
<b>Date Last Reviewed</b>	20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
Yes

<b>Delegation No.</b>
28

### ADOPTED POLICY

<b>Title:</b>	<b>1. TOWNSCAPE PAINTING &amp; IMPROVEMENTS</b>
<b>Objective:</b>	<p>The Chief Executive Officer is delegated authority to approve subsidies of 1/3 total cost up to a maximum of <b>\$2000.00</b> for the painting and structural improvement/restoration work of shop fronts, facades and verandas under the following guidelines.</p> <ol style="list-style-type: none"> <li>1. The shop front and façade needs to be painted and or structurally improved</li> <li>2. Colours are to follow the recommended Palette as prepared by the Townscape Consultant – November 2014 and will therefore be in keeping with the character of the building &amp; surrounding buildings.</li> <li>3. Funding shall be subject to availability of funds in Councils Townscape Budget and be provided on the receipt of invoices for the completed works.</li> <li>4. Councillors, employees &amp; Councillor and employees immediate families are not eligible to claim this subsidy for a period of 12 months after the adoption of this clause into the policy”. – adopted (25/10/2016).</li> </ol>

### REVIEWED

<b>Date:</b>	<b>MINUTE RESOLUTION NUMBER</b>
18 Dec 2012	Minute # 2078
24 Mar 2015	Minute # 2664
27 Sep 2016	Minute # 3114
25 Oct 2016	Minute # 3145
20 Nov 2018	Minute # 3910

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>4</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

<b>ADOPTED POLICY</b>	
<b>Title:</b>	<b>2. WAGIN DISTRICT HIGH SCHOOL – USE OF COUNCIL BUILDINGS</b>
<b>Objective:</b>	That the Wagin District High School be able to utilise Council's Town Hall for educational purposes free of charge.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 June 2010 – Minute #1395

<b>Policy No:</b>	<b>5</b>
<b>Date Last Reviewed:</b>	24 June 2014 – Minute #2484 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No. 6</b>

## ADOPTED POLICY

<b>Title:</b>	<b>3. ACCOUNTS CERTIFYING OFFICERS – AUTHORISATION POLICY</b>						
<b>Objective:</b>	<i>The purpose of the Shire of Wagin’s Accounts Certifying Officers – Authorisation Policy is to clearly define which staff can authorise accounts to be paid and the extent of their authority with regards to authorisation limits.</i>						
<b>Policy Statement</b>	<p>That the Chief Executive Officer, Deputy CEO, Manager of Finance and Manager of Works be appointed authorised officers for checking and certifying accounts for payment.</p> <p>The following limits will apply to each officer:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: black; color: white;"> <th style="text-align: left;">Invoice Amount</th> <th style="text-align: left;">Authorised Staff</th> </tr> </thead> <tbody> <tr> <td>Up to \$39,999</td> <td>CEO Deputy CEO Manager of Finance Manager of Works</td> </tr> <tr> <td>\$40,000 and above</td> <td>CEO</td> </tr> </tbody> </table> <p><b>Legislation</b> Legislation covering this policy includes:</p> <ul style="list-style-type: none"> <li>Local Government Act 1995</li> <li>Local Government (Financial Management) Regulations 1996</li> </ul>	Invoice Amount	Authorised Staff	Up to \$39,999	CEO Deputy CEO Manager of Finance Manager of Works	\$40,000 and above	CEO
Invoice Amount	Authorised Staff						
Up to \$39,999	CEO Deputy CEO Manager of Finance Manager of Works						
\$40,000 and above	CEO						

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 June 2010 – Minute #1395

<b>Policy No:</b>	<b>6</b>
<b>Date Last Reviewed:</b>	25 Nov 2014 – Minute #2602 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>
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<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>
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**ADOPTED POLICY**

<b>Title:</b>	<b>4. ISSUING OF COUNCIL PURCHASE ORDERS</b>																					
<b>Objective:</b>	<i>The purpose of the Shire of Wagin’s Issuing of Council Purchase Orders Policy is to clearly define which staff can issue and sign Council Purchase Orders and the extent of their authority with regards to issuing and signing limits.</i>																					
<b>Policy Statement</b>	<p>That the Chief Executive Officer, Deputy CEO, Manager of Finance, Manager of Works, and Building Maintenance Officer be delegated authority to issue and sign Council Purchase Orders.</p> <p>The following limits will apply to each officer:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Proposed Delegation Limit</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>Peter Webster</td> <td>Unlimited</td> </tr> <tr> <td>Deputy CEO</td> <td>Brian Roderick</td> <td>Up to \$39,999</td> </tr> <tr> <td>Manager of Finance</td> <td>Tegan Hall</td> <td>Up to \$39,999</td> </tr> <tr> <td>Manager of Works</td> <td>Allen Hicks</td> <td>Up to \$39,999</td> </tr> <tr> <td>Building Maintenance Officer</td> <td>Jim Praetz</td> <td>Up to \$1,000</td> </tr> <tr> <td>Shire Mechanic</td> <td>Jason Yates</td> <td>Up to \$1,000</td> </tr> </tbody> </table> <p><b>Legislation</b> Legislation covering this policy includes:</p> <ul style="list-style-type: none"> <li>• Local Government Act 1995 Section</li> <li>• Local Government (Financial Management) Regulations 1996</li> </ul>	Title	Name	Proposed Delegation Limit	CEO	Peter Webster	Unlimited	Deputy CEO	Brian Roderick	Up to \$39,999	Manager of Finance	Tegan Hall	Up to \$39,999	Manager of Works	Allen Hicks	Up to \$39,999	Building Maintenance Officer	Jim Praetz	Up to \$1,000	Shire Mechanic	Jason Yates	Up to \$1,000
Title	Name	Proposed Delegation Limit																				
CEO	Peter Webster	Unlimited																				
Deputy CEO	Brian Roderick	Up to \$39,999																				
Manager of Finance	Tegan Hall	Up to \$39,999																				
Manager of Works	Allen Hicks	Up to \$39,999																				
Building Maintenance Officer	Jim Praetz	Up to \$1,000																				
Shire Mechanic	Jason Yates	Up to \$1,000																				

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>7</b>
<b>Date Last Reviewed:</b>	25 Nov 2014 – Minute #2601 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

## ADOPTED POLICY

<b>Title:</b>	<b>5. CHEQUE SIGNING POLICY</b>
<b>Objective:</b>	<p>Wagin Shire Council cheques issued from the Municipal, Trust, or Reserve accounts or by direct debit require endorsement by way of two signatories being a combination of:</p> <ol style="list-style-type: none"> <li>1) The Chief Executive Officer, Deputy CEO, and Manager of Finance any person appointed to act in the Chief Executive Officer, Deputy CEO or Manager of Finance</li> </ol> <p>Payment of salaries and wages shall be authorised by both the Chief Executive Officer and the Manager of Finance. In the event that one or both the officers are unavailable the Accountant may authorise the payment of salaries and wages with the Chief Executive Officer or Manager of Finance to review the transfer on their return.</p> <p>A list of all payments made shall be presented to Council at the following ordinary meeting in accordance with the Local Government (Financial Management) Regulations 1996.</p>



<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>8</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

**ADOPTED POLICY**

<b>Title:</b>	<b>6. GRATUITY PAYMENTS</b>
<b>Objective:</b>	<ol style="list-style-type: none"> <li>1. The Shire of Wagin will only pay a gratuity to those employees whose employment with the local authority is finishing and who have provided an extended period of loyal service to the local authority as determined by the Council of the day.</li> <li>2. Any gratuity paid under this policy will be up to a maximum of \$1000.</li> <li>3. In special circumstances the Council may consider it appropriate to make a greater payment than that listed in its policy, in those cases local public notice is required to be given in relation to the payment made in accordance with section 5.50 (2) of the Local Government Act 1995.</li> </ol>

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>9</b>
<b>Date Last Reviewed:</b>	16 Dec 2014 – Minute #2629 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

## ADOPTED POLICY

<b>Title:</b>	<b>7. RESERVE ACCOUNT</b>
<b>Objective:</b>	<p><b>Leave Reserve Account</b> The purpose of Council’s Leave Reserve Account is to provide provisions to meet Council’s Long Service Leave and Accrued Annual leave liabilities so as to minimise the effect on Council’s Budget from year to year. The objective of the Reserve is to provide cashed back provisions to meet Long Service Leave liability of staff with seven or more years service and accrued annual leave of staff. Funds may be expended to meet these requirements or other emergency payments resulting from termination of employees.</p> <p>The balance of the reserve and Council’s liability to staff leave will be reviewed each year at the annual budget.</p> <p><b>Administration Centre Furniture and Equipment Reserve</b> The purpose of this reserve is to provide for the purchase of furniture, fittings and equipment with the Council’s entire administration building. The objective of the reserve is to minimise the effect on Council’s budget from year to year for the purchase of furniture and equipment either for replacement or expansion. The funds may be used in emergency situations (eg photocopier or computer breakdown) or for budgeted purposes.</p> <p>The reserve balance will be reviewed at budget time each year and Council will consider transfers to and from the reserve as it sees fit.</p> <p><b>Aerodrome Maintenance and Development Reserve</b> Purpose of this reserve is to provide for major maintenance type works (eg resealing of</p>

apron area, replacing lights etc) and development type works (such as reconstructing runways, sealing roadways, upgrading buildings, fences etc) at the Wagin Airstrip. The object of the reserve is to minimise the effect on Council's budget from year to year on major expenditure on the Wagin Airstrip.

The level of funds in the Reserve will be reviewed at budget each year by Council taking into account any works identified in its budget or Principal Activities Plan.

#### **Municipal Buildings Reserve**

The purpose of the Municipal Buildings Reserve is to provide funds for the upgrading, renovating or restoration of existing Council owned buildings and the construction of new Council owned buildings including fences and Council houses.

The objective of the Reserve is to minimise the effect on Council budget from year to year on major expenditure on Municipal Buildings.

The level of funds in the Reserve will be reviewed at budget each year by Council taking into account proposed works in its budget and Principal Activities Plan.

#### **Recreation Centre Equipment Reserve**

The purpose of the Recreation Centre Equipment Reserve is to provide funds for the purchase of additional or replacement equipment utilised at the Wagin Community Recreation Centre including the upgrading or replacement of fixtures and fittings.

The object of the Reserve is to minimise the impact on Council budget from year to year on major expenditure items at the Recreation Centre.

The level of funds in the Reserve will be reviewed at budget each year by Council.

#### **Recreation Development Reserve**

The purpose of the Recreation Development Reserve is to provide funds for the expansion, upgrading and development of Council's Recreation facilities. This includes the upgrading of water supplies and the like for recreation areas within the Shire of Wagin.

The objective of this Reserve is to reduce the reliance on Council's year to year budget on major expenditure items in the Recreation area.

The Reserve balance will be reviewed each year at budget taking into account works identified in the budget and Councils Financial Planning Documents and other matters considered relevant by Council.

#### **Land Development Reserve**

The purpose of this Reserve is to provide funds for the development of land within the Wagin Shire for the benefit of residents and the good Government of the local authority as determined by the Council. This includes the purchase, subdivision and development of land for industrial, residential, commercial or other purposes as the need arises and as Council sees fit. The object of the Reserve is to reduce the reliance on Council's budget from year to year on land development issues.

The level of funds held in the Reserve will be reviewed each year by Council taking into account items identified in its budget, Councils Financial Planning Documents and other

matters considered relevant by the Council.

#### **Plant Reserve**

The purpose of this Reserve is to provide funds for the ongoing replacement and upgrading of motor vehicles, heavy machinery, light machinery and other equipment necessary in the performance of Council's core functions.

The object of the Reserve is to reduce the impact on Council's budget from year to year on the purchase of new and replacement plant items.

The level of funds held in the Reserve will be reviewed each year by Council, taking into account items identified in its coming budget, Councils Financial Planning Documents and other matters considered relevant by the Council.

#### **Home and Community Care Plant and Leave Reserve**

The purpose of this Reserve is to provide provision to meet the HACC long service leave and accrued annual leave liabilities so as to minimise the impact on the HACC budget from year to year and to provide for the replacement vehicles, should grant monies not be provided or are insufficient to meet requirements.

The object of the Reserve is to reduce the impact on the Home and Community Care budget from year to year, given the limited recurrent grant from the Health Department and contributions/donations made by clients which do not allow for large one off expenditure items that may be required from time to time.

The level of funds held in the Reserve will be reviewed each year by Council, taking into account items identified in its budget and other matter considered relevant by the HACC programme, its funding body (Health Department) or by the Council.

#### **Community Bus Reserve**

The purpose of this Reserve is to provide funds to allow for the maintenance, upgrade and changeover of the Wagin Community Bus as required from time to time.

The object of the Reserve is to ensure that funds are available to ensure the ongoing effective management of the Community Bus program.

The level of funds held in the Reserve Account will be monitored by the Community Bus Management Committee and Council from time to time in line with the operations of the Community Bus and at the end of each financial year. Net operating profits will be transferred to the Reserve Account and any operating losses transferred from the Reserve Account.

#### **Refuse Site/Waste Management**

The purpose of the Refuse site/ Waste Management Reserve is to provide funds for a new refuse site, rehabilitation of the existing site and future costs for waste management in working towards zero waste.

#### **Wagin Water Management Plan Reserve**

The purpose of the Wagin Water Management Plan is to ensure Council spends the surplus Rural Towns grant and Councils funds on measures and projects in line with the Water Management Plan.

#### **Refuse Site Rehabilitation Reserve**

The purpose of the Refuse Site Rehabilitation Reserve is to provide funds to rehabilitate

the existing refuse site at Brockman Road once the site has been replaced with a Waste Transfer Station.

**Town Drainage Reserve**

The purpose of the Town Drainage Reserve is to provide funds to rehabilitate existing drainage around the town site that is in need of major repair work and for any identified new drainage required in the townsite.

**Electronic Sign Reserve**

The purpose of the Electronic Sign Reserve is to provide funds for the installation of an electronic sign in the Wagin townsite in the near future.

**Emergency and Bushfire Control Reserve**

The purpose of the Emergency / Bushfire Reserve is to provide funds during unexpected times of extreme emergency recovery and provide adequate assistance to bushfire requirements.

**Community Gym Reserve**

The purpose of this Reserve is to provide funds to allow for the maintenance, upgrade and changeover of the Wagin Community Gym and equipment as required from time to time.

**Sportsground Precinct Redevelopment Reserve**

The purpose of this Reserve is to provide funds to carry out the Sportsground Precinct Redevelopment in the near future.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>10</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

## ADOPTED POLICY

<b>Title:</b>	<b>8. RATES CONCESSION INCENTIVES – COMMERCIAL PROPERTIES</b>
<b>Purpose:</b>	This policy is to clearly demonstrate the Wagin Shire Council’s commitment to attracting new business enterprises into Wagin. Council will endeavour to support economic development in the town because of the benefits that flow to the local economy by way of increased services, job creation, population growth and general economic activity.
<b>Objectives</b>	<p>The objectives of this policy are;</p> <ul style="list-style-type: none"> <li>• To help provide increased economic activity by providing incentives to new business.</li> <li>• To fill empty shops particularly in the CBD of Wagin</li> <li>• To provide a clear concise outline of the concessions available to potential businesses moving to Wagin.</li> <li>• Note it is not the objective of this policy to provide advantages to new business setting up in competition to existing firms. Whilst Council respects the right of firms to set up in competition to existing firms and also acknowledges advantages may arise as a result of competition, the policy is not intended to provide unfair advantage to such firms.</li> </ul> <ol style="list-style-type: none"> <li>1. Waiver of rates (and rubbish) fees for a period of 12 months if the new business is not in direct competition to an existing business in the town. <p style="margin-left: 40px;">If the building premises in which the business sets up is not owned by the business the rate concession will still apply to the owner of the building so long as the business remains trading for a period of 12 months.</p> </li> <li>2. The concession applies only to businesses which set up in the Commercial or Industrial Zoned areas of the town. Other bona fide businesses setting up outside</li> </ol>

these zones may be considered for such a concession on application to Council.

3. Where a new business will be providing some services of a competitive nature but is not in direct competition to an existing business and its principal business is considered new to the town the concession shall still apply. The authority to decide as to whether direct competition exists is delegated to the Chief Executive Officer in consultation with the Shire President.
4. Council will also consider assistance with providing materials for building site works for new businesses. Provided this can be accommodated in its works budget and given that each case shall be considered on its merits.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 May 2010 – Minute #1394

<b>Policy No:</b>	<b>11</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

**ADOPTED POLICY**

<b>Title:</b>	<b>9. CORPORATE CREDIT CARD</b>								
<b>Objective:</b>	<p><i>The purpose of the Shire of Wagin’s Corporate Credit Card Policy is to establish rules for their use and the responsibilities of cardholders using the Shire’s corporate credit cards.</i></p> <p><i>The policy ensures that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing goods and services on behalf of the Shire.</i></p>								
<b>Policy Statement</b>	<p><b>Authority for Use of Corporate Credit Cards</b> Shire of Wagin Corporate Credit Cards may be issued to the Chief Executive Officer, Deputy CEO, Manager of Finance, and Manager of Works where it is inappropriate or inconvenient to use the Shire’s normal payment systems.</p> <p><b>Authority for Approval of Corporate Credit Cards</b> The Council must approve the issue of a credit card to the Chief Executive Officer, Deputy CEO, Manager of Finance, and Manager of Works and any change to the credit card limit. The following Limits to apply –</p> <table style="margin-left: 40px;"> <tr> <td>\$8,000</td> <td>Chief Executive Officer</td> </tr> <tr> <td>\$2,000</td> <td>Deputy CEO</td> </tr> <tr> <td>\$2,000</td> <td>Manager of Finance</td> </tr> <tr> <td>\$2,000</td> <td>Manager of Works</td> </tr> </table> <p>The Local Government Act 1995 does not allow for the issue of Credit Cards to elected members of Local Governments. Councillors are entitled to allowances or the reimbursement of expenses incurred on Council business.</p>	\$8,000	Chief Executive Officer	\$2,000	Deputy CEO	\$2,000	Manager of Finance	\$2,000	Manager of Works
\$8,000	Chief Executive Officer								
\$2,000	Deputy CEO								
\$2,000	Manager of Finance								
\$2,000	Manager of Works								



**Legislation**

The Local Government Act 1995 does not specifically mention the use of Corporate Credit Cards by officers in a Local Government. However, Section 6.5(a) of the Act requires the CEO to ensure that proper accounts and records of the transactions and affairs of the Local Government are kept in accordance with regulations. In addition, the Local Government (Financial Management) Regulation 11(1)(a) requires Local Government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisation in place for the use of credit cards.

**Purchases and Use of Corporate Credit Cards**

The Shire's Corporate Credit Cards shall only be used for purchases of goods and services in the performance of official duties for which there is a budget provision. Under no circumstances are they to be used for personal or private purposes or for the withdrawal of cash through a bank branch or any automatic teller machine.

Most internet transactions provide this ability and any telephone or facsimile communications provide the opportunity to make such a request. If no invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required. (Date, Company, Address, ABN, amount, any GST included).

Where a payment is made for entertainment, it is important to note on the invoice/receipt the number of persons entertained and the names of any Shire of Wagin employees in that number. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.

**Accounts and Settlement**

The provider of the credit card will supply the Shire with a statement on each card each month. This statement will be forwarded to each cardholder for certification and the supply of receipts and tax invoices to support the Shire's claim for the GST component of purchases and services obtained. The Chief Executive Officer will approve the expenses by signing the statement and in the case of the Chief Executive Officer, the statement must be signed by the Shire President.

The credit shall be linked to Council's Municipal bank account and a recoup of expenditure be made, on a monthly basis, via funds transferred from the Shire of Wagin Municipal Account.

**Card Lost or Stolen**

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing banker by telephone. At the earliest opportunity, written notification must also be given to the Manager of Finance so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

**Misuse of Corporate Credit Cards**

Cards which show unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder.

**Recovery of Unauthorised Expenditure**

Unauthorised expenditure or expenditure of a private nature that is proved to be inappropriate will be recovered by deductions from the officer's salary.

**Internal Audit of the Corporate Credit Card System**

The Chief Executive Officer will monitor the use of all credit cards and the adherence to the policy and procedures.

**Reward/Bonus Points**

Where the Corporate Cards carry rewards or bonus points, usually to encourage the use of the card by the issuing institution, these rewards or points will be accumulated in the name of the Shire of Wagin. The Chief Executive Officer will decide how these points are to be utilised and may include a charitable, social or sporting distribution. Under no circumstances are rewards or bonus points to be redeemed for an officer's private benefit.

**Return of Cards**

When the Chief Executive Officer or other Managers cease to occupy a position that is authorised to be issued with a corporate credit card they must return the card to the Manager of Finance at least one week prior to vacating the position so that the card may be cancelled and the account settled.

**Manager of Finance Responsibilities**

The Manager Finance is responsible for arranging the issue of the Corporate Credit Card on advice from the CEO.

The Finance and Corporate services section responsibilities in relation to the Shire's Corporate Credit Cards include:-

1. Maintain a Card Register of all cardholders.
2. Arrange the issue/cancellation of the Corporate Cards.
3. Arrange for all cardholders to sign the Card User Instruction Agreement (see Appendix A) on receipt of the new card and ensure the signed agreement is filed with the Card Register.
4. Verify payment of card expenditure on receipt of the card statement from the Bank after certification from the cardholder. Ensure that all receipts and tax invoices are in place prior to authorisation for payment.
5. To keep cardholders informed of any changes to policy and procedures on the use of the Corporate Cards.

**Cardholders Responsibilities**

Officers who are issued with Corporate Cards must -

- (i) Ensure the care and safe keeping of the card.
- (ii) Adhere to the policy and procedures in relation to use of the card and its financial limits.
- (iii) Ensure receipts and tax invoices are received when the card is used and to produce

them as evidence for settlement with the Bank.

(iv) Ensure the monthly card statement is certified correct and approved for payment when received from the Finance and Corporate Services section and return to the Finance and Corporate Services section together with the receipts and tax invoices

(vi) To provide an early response to enquiries that may be made by the bank, creditors or related parties, as the case may be.

#### **Appendix A**

**To:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**From: Manager of Finance**

**Date:** \_\_\_\_\_

#### **CORPORATE CARD USER INSTRUCTIONS**

You have been provided with a Shire of Wagin sponsored Corporate Card in line with your official duties. The limit of this card is \$\_\_\_\_\_.

The following guidelines are provided for your information.

1. The card is issued in your name. It is a corporate card and all transactions made with it are the responsibility of the Shire of Wagin.
2. The card is to be used for official expenditure in the performance of official duties for which there is Budget provision. Under no circumstances is it to be used for personal or private purposes.
3. Being in your name, you are responsible for the care and safe keeping of the card and therefore held accountable to the Shire for its proper use.
4. The card is not to be used to withdraw cash even for official functions.
5. Any unauthorised, excessive or unreasonable use of the card will result in an enquiry and appropriate disciplinary action.
6. When using the card, the holder is required to obtain Tax Invoices to support all purchases. A credit card statement or credit card transaction slip is not acceptable as support for purchases. (Only a Tax Invoice allows the Shire to reclaim the GST component of purchases from the Australian Taxation Office). A Tax Invoice should provide a description of the goods or services supplied, the suppliers Australian Business Number and identifies any GST component of the amount paid.
7. When a Statement of Account is provided, you are required to certify the correctness of the expenditure and return the Statement to the Finance section together with all supporting Tax Invoices.
8. If the card is lost or stolen, you must immediately notify the NAB by phone on 1800 033 103. The Manager Finance should be notified on the next working day.

9. The card must be returned to the Shire via the Manager of Finance if you vacate the position. This must be done one week prior to your last working day so the card can be cancelled and accounts settled.

10. Please acknowledge the above by signing and returning the duplicate copy of this statement to the Manager Finance.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Name**

**Title**

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>12</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>
18

## ADOPTED POLICY

<b>Title:</b>	<b>10. LEGAL REPRESENTATION – COSTS INDEMNIFICATION</b>
<b>Objective:</b>	<p><b>1.0 Introduction</b></p> <ul style="list-style-type: none"> <li>➤ This policy is designed to protect the interests of Elected members and employees (including past members and former employees) where they become involved in civil legal proceedings because of their official functions. In most situations the local government may assist the individual in meeting reasonable expenses and any liabilities incurred in relation to those proceedings.</li> <li>➤ In each case it will be necessary to determine whether assistance with legal costs and other liabilities is justified for the good government of the district. This policy applies in that respect.</li> </ul> <p><b>2.0 General Principles</b></p> <ol style="list-style-type: none"> <li>a) The local government may provide financial assistance to members and employees in connection with the performance of their duties provided that the member or employee has acted reasonably and has not acted illegally, dishonestly, against the interests of the local government or otherwise in bad faith.</li> <li>b) The local government may provide such assistance in the following types of legal proceedings: <ol style="list-style-type: none"> <li>i) proceedings brought by members and employees to enable them to carry out their local government functions (eg where a members or employee seeks a restraining order against a person using threatening behaviour.</li> <li>ii) proceedings brought against members or employees [this could be in relation to a decision of Council or an employee which aggrieves another person (eg refusing a development application) or where the conduct of a member or employee in carrying out his or her functions is considered detrimental to the person (eg defending defamation actions]; and</li> <li>iii) statutory or other inquires where representation of members or employees is justified.</li> </ol> </li> </ol>

- c) The local government will not support any defamation actions seeking the payment of damages for individual members or employees in regard to comments or criticism leveled at their conduct in their respective roles. Members or employees are not precluded, however, from taking their own private action. Further, the local government may seek its own advice on any aspect relating to such comments and criticisms of relevance to it.
- d) The legal services the subject of assistance under this policy will usually be provided by the local government's solicitors. Where this is not appropriate for practical reasons or because of a conflict of interest then the service may be provided by other solicitors approved by the local government.

**3.0 Applications for Financial Assistance**

- a) Subject to item (e), decisions as to financial assistance under this policy are to be made by the Council.
- b) A member or employee requesting financial support for legal services under this policy is to make an application in writing, where possible in advance, to the Council providing full details of the circumstances of the matter and the legal services required.
- c) An application to the Council is to be accompanied by an assessment of the request and with a recommendation which has been prepared by, or on behalf of, the Chief Executive Officer (CEO).
- d) A member of employee requesting financial support for legal services, or any other person who might have a financial interest in the matter, should take care to ensure compliance with the financial interest provisions of the *Local Government Act 1995*.
- e) Where there is a need for the provision of urgent legal services before an application can be considered by Council, the Chief Executive Officer is delegated authority to authorise this to the value of \$5,000.

**4.0 Repayment of Assistance**

- a) Any amount recovered by a member of employee in proceedings, whether for costs or damages, will be offset against any moneys paid or payable by the local government.
- b) Assistance will be withdrawn where the Council determines, upon legal advice, that a person has acted unreasonably, illegally, dishonestly, against the interests of the local government or otherwise in bad faith, or where information from the person is shown to have been false or misleading.
- c) Where assistance is so withdrawn, the person who obtained financial support is to repay any monies already provided. The local government may take action to recover any such moneys in a court of competent jurisdiction.

**5.0 Acknowledgement of Policy Details**

Where a Council member or employee is granted assistance by Council in accordance with this policy the recipient of the assistance is required by Council to acknowledge in writing the details of this policy prior to Council providing legal assistance".

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>13</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

**ADOPTED POLICY**

<b>Title:</b>	<b>11. GROUP VALUATIONS FOR CONTIGUOUS RURAL LAND</b>
<b>Objective:</b>	<p>That Council apply to the Valuer General’s Office for contiguous use valuation on land / locations / lots that can be demonstrated to be owned and operated by a family unit as one farm unit, upon application made by the landowner.</p> <p>The valuation shall only apply to the definition of contiguous as determined by the Valuer General’s Office.</p> <p>Proponents wishing to seek a contiguous use valuation will be required to complete a Statutory Declaration to this effect, detailing the land / lots involved, the various ownership details and a statement as to who the “ratepayer / owner” will be in the rate book.</p> <p>In the event that a parcel of land is sold or Council is made aware that land is on the “market”, then the group valuation ceases to exist and is to be removed. The onus is on the landowner to advise Council of this event.</p> <p>Any associated cost incurred from the Valuer Generals office shall be reimbursed to Council by the applicant.</p>

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>14</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

## ADOPTED POLICY

<b>Title:</b>	<b>12. RATE RECOVERY</b>
<b>Purpose:</b>	The purpose of this policy is to set in place a system and give staff clear guidelines for recovery of outstanding rates in an efficient, timely and professional manner.
<b>Objective:</b>	The objective of this policy is to ensure consistency, fairness, integrity and confidentiality when recovering outstanding rates and charges and to ensure outstanding rates are reduced to a level that is acceptable.
<b>Policy:</b>	<ol style="list-style-type: none"> <li>1. Where rates remain outstanding fourteen (14) days after the due date shown on the Rate Notice, and the ratepayer has NOT elected to pay by the two or four instalment option, a Final notice shall be issued requesting full payment within seven (7) days.</li> <li>2. Rates remaining unpaid after the expiry date shown on the Final notice will be examined for the purpose of issuing a Final Council Demand letter.</li> <li>3. Where payment still remains outstanding despite the issue of a Final Demand letter, and the ratepayer has not entered into a payment arrangement, action will be taken to secure payment of the debt through Council's Collection Agency for amounts equal to or greater than the minimum rate for that particular property type.</li> <li>4. Following the issue of a Claim by Council's Collection Agency and the addition of legal costs, a reasonable offer to discharge a rate account will not be refused. The CEO will have the power of deciding what is reasonable in any particular circumstance and that action shall be reported to Council.</li> <li>5. Instalment arrangements will be calculated so that the minimum repaid over a full year will equal 150% of annual levies.</li> </ol>



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|--|--|
|  | <ol style="list-style-type: none"><li data-bbox="304 197 1490 293">6. Legal proceedings will continue until payment of rates imposed is secured. This includes the issue of a Property Seizure and Sale Order against goods and land if necessary.<ol style="list-style-type: none"><li data-bbox="363 331 1490 427">a. If a Property Seizure and Sale Order against land is proposed to collect outstanding rates due on a property, approval of Council shall be obtained before the PSSO is lodged.</li></ol></li><li data-bbox="304 465 1490 629">7. In cases where the owner of a leased or rented property on which rates are outstanding cannot be located, or refuses to settle rates owed, notice will be served on the lessee under the provisions of section 6.60 of the Local Government Act 1995, requiring the lessee to pay to Council the rent due under the lease/tenancy agreement as it becomes due, until the amount in arrears has been fully paid.</li></ol> |
|--|--|

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 June 2010 – Minute #1394

<b>Policy No:</b>	<b>15</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 - Minute #2078 20 Nov 2018 – Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

<b>ADOPTED POLICY</b>
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<b>Title:</b>	<b>13. PURCHASING TENDER GUIDE</b>
<b>Objective:</b>	<ul style="list-style-type: none"> <li>• <i>To provide compliance with the Local Government Act, 1995 and the Local Government Act (Functions and General) Regulations, 1996 (as amended in March 2007).</i></li> <li>• <i>To deliver a best practice approach and procedures to internal purchasing for the Shire of Wagin.</i></li> <li>• <i>To ensure consistency for all purchasing activities that integrates within all the Shire of Wagin operational areas.</i></li> </ul>
<b>Policy Statement:</b>	<p><b>Why do we need a Purchasing Policy?</b> The Shire of Wagin is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:</p> <ul style="list-style-type: none"> <li>• Provides the Shire of Wagin with a more effective way of purchasing goods and services.</li> <li>• Ensures that purchasing transactions are carried out in a fair and equitable manner.</li> <li>• Strengthens integrity and confidence in the purchasing system.</li> <li>• Ensures that the Shire of Wagin receives value for money in its purchasing.</li> <li>• Ensures that the Shire of Wagin considers the environmental impact of the procurement process across the life cycle of goods and services.</li> <li>• Ensures the Shire of Wagin is compliant with all regulatory obligations.</li> <li>• Promotes effective governance and definition of roles and responsibilities.</li> <li>• Uphold respect from the public and industry for the Shire of Wagin’s purchasing practices that withstands probity.</li> </ul> <p><b>Ethics and Integrity</b> All officers and employees of the Shire of Wagin shall observe the highest standards of ethics and integrity in undertaking purchasing activity and act in an honest and</p>

professional manner that supports the standing of the Shire of Wagin.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire of Wagin policies and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and audit requirements;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire of Wagin by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

#### **Value For Money**

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the Shire of Wagin. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider:

- all relevant whole-of-life costs and benefits whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal.
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history);
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

#### **Sustainable Procurement**

Sustainable Procurement is defined as the procurement of goods and services that have less environmental and social impacts than competing products and services.

Shire of Wagin is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable

considerations must be balanced against value for money outcomes in accordance with the Shire of Wagin's sustainability objectives.

Practically, sustainable procurement means the Shire of Wagin shall endeavour at all times to identify and procure products and services that:

- Have been determined as necessary;
- Demonstrate environmental best practice in energy efficiency / and or consumption which can be demonstrated through suitable rating systems and eco-labelling.
- Demonstrate environmental best practice in water efficiency.
- Are environmentally sound in manufacture, use, and disposal with a specific preference for products made using the minimum amount of raw materials from a sustainable resource, that are free of toxic or polluting materials and that consume minimal energy during the production stage;
- Products that can be refurbished, reused, recycled or reclaimed shall be given priority, and those that are designed for ease of recycling, re-manufacture or otherwise to minimise waste.
- For motor vehicles – select vehicles featuring the highest fuel efficiency available, based on vehicle type and within the designated price range;
- For new buildings and refurbishments – where available use renewable energy and technologies.

**Purchasing Thresholds and Staff Limits**

Where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be:-

<b>Amount of Purchase</b>	<b>Model Policy</b>
Up to \$5,000	Direct purchase from suppliers requiring only one verbal quotation.
\$5,001 - \$19,999	Obtain at least two verbal or written quotations.
\$20,000 - \$39,999	Obtain at least two written quotations
\$40,000 - \$99,999	Obtain at least three written quotations containing price and specification of goods and services (with procurement decision based on all value for money considerations).
\$100,000 and above	Conduct a public tender process.
<b>Amount of Purchase</b>	<b>Authorised Staff</b>
Up to \$39,999	CEO Deputy CEO Manager of Finance Manager of Works
Unlimited	CEO

The CEO will conduct regular checks of invoices to ensure the correct authorised staff have signed purchase orders and authorised accounts for payment within their authorised spending limit.

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for

purchases under the \$100,000 threshold (excluding GST). If a decision is made to seek public tenders for Contracts of less than \$100,000, a Request for Tender process that entails all the procedures for tendering outlined in this policy must be followed in full.

### **Up to \$5,000**

Where the value of procurement of goods or services does not exceed \$5,000, purchase on the basis of at least one verbal quotation is permitted. However it is recommended to use professional discretion and occasionally undertake market testing with a greater number or more formal forms of quotation to ensure best value is maintained.

This purchasing method is suitable where the purchase is relatively small and low risk.

Record keeping requirements must be maintained in accordance with record keeping policies.

### **\$5,001 to \$19,999**

This category is for the procurement of goods or services where the value of such procurement ranges between \$5,001 and \$19,999.

At least two verbal or written quotations (or a combination of both) are required. Where this is not practical, e.g. due to limited suppliers, it must be noted through records relating to the process.

The general principles for obtaining verbal quotations are:

- Ensure that the requirement / specification is clearly understood by the Shire of Wagin employee seeking the verbal quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.
- Read back the details to the Supplier contact person to confirm their accuracy.
- Written notes detailing each verbal quotation must be recorded.

Record keeping requirements must be maintained in accordance with record keeping policies.

### **\$20,000 to \$39,999**

For the procurement of goods or services where the value exceeds \$20,000 but is less than \$39,999, it is required to obtain at least two written quotes (commonly a sufficient number of quotes would be sought according to the type and nature of purchase).

The responsible officer is expected to demonstrate due diligence seeking quotes and to comply with any record keeping and audit requirements. Record keeping requirements must be maintained in accordance with record keeping policies.

**NOTES:** The general principles relating to written quotations are;

- An appropriately detailed specification should communicate requirement(s) in a clear, concise and logical fashion.
- The request for written quotation should include as a minimum:
  - Written Specification
  - Selection Criteria to be applied
  - Price Schedule
  - Supply timeframe

- Conditions of responding
- Validity period of offer
- Invitations to quote should be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- Offer to all prospective suppliers at the same time any new information that is likely to change the requirements.
- Responses should be assessed for compliance, then against the selection criteria, and then value for money and all evaluations documented.
- Respondents should be advised in writing as soon as possible after the final determination is made and approved.

### **\$40,000 to \$99,999**

For the procurement of goods or services where the value exceeds \$40,000 but is less than \$99,999, it is required to obtain at least three written quotations containing price and a sufficient amount of information relating to the specification of goods and services being purchased.

The Shire of Wagin Purchasing and Tender Guide has a series of forms including a Request for Quotation Template which can assist with recording details. Record keeping requirements must be maintained in accordance with record keeping policies.

For this procurement range, the selection should not be based on price alone, and it is strongly recommended to consider some of the qualitative factors such as quality, stock availability, accreditation, time for completion or delivery, warranty conditions, technology, maintenance requirements, organisation's capability, previous relevant experience and any other relevant factors as part of the assessment of the quote.

### **Regulatory Compliance**

#### **Tender Exemption**

In the following instances public tenders or quotation procedures are not required (regardless of the value of expenditure):

- An emergency situation as defined by the Local Government Act 1995;
- The purchase is under a contract of WALGA (Preferred Supplier Arrangements), Department of Treasury and Finance (permitted Common Use Arrangements), Regional Council, or another Local Government;
- The purchase is under auction which has been authorised by Council;
- The contract is for petrol, oil, or other liquid or gas used for internal combustion engines;
- Any of the other exclusions under Regulation 11 of the Functions and General Regulations apply.

#### **Sole Source of Supply (Monopoly Suppliers)**

The procurement of goods and/or services available from only one private sector source of supply, (i.e. manufacturer, supplier or agency) is permitted without the need to call competitive quotations provided that there must genuinely be only one source of supply. Every endeavour to find alternative sources must be made. Written confirmation of this must be kept on file for later audit.

**Note:** The application of provision "sole source of supply" should only occur in limited cases and procurement experience indicates that generally more than one supplier is able

to provide the requirements.

#### **Anti-Avoidance**

The Shire of Wagin shall not enter two or more contracts of a similar nature for the purpose of splitting the value of the contracts to take the value of consideration below the level of \$100,000, thereby avoiding the need to publicly tender.

#### **Tender Criteria**

The Shire of Wagin shall, before tenders are publicly invited, determine in writing the criteria for deciding which tender should be accepted.

The evaluation panel shall be established prior to the advertising of a tender and include a mix of skills and experience relevant to the nature of the purchase.

For Requests with a total estimated (Ex GST) price of:

- Between \$40,000 and \$99,999, the panel must contain a minimum of 2 members; and
- \$100,000 and above, the panel must contain a minimum of 3 members.

#### **Advertising Tenders**

Tenders are to be advertised in a state wide publication e.g. "The West Australian" newspaper, Shire of Wagin Tenders section, preferably on a Wednesday or Saturday.

The tender must remain open for at least 14 days after the date the tender is advertised.

Care must be taken to ensure that 14 **full** days are provided as a minimum.

The notice must include;

- a brief description of the goods or services required;
- information as to where and how tenders may be submitted;
- the date and time after which tenders cannot be submitted;
- particulars identifying a person from who more detailed information as to tendering may be obtained;
- detailed information shall include;
- such information as the Shire of Wagin decides should be disclosed to those interested in submitting a tender;
- detailed specifications of the goods or services required;
- the criteria for deciding which tender should be accepted;
- whether or not the Shire of Wagin has decided to submit a tender; and
- whether or not tenders can be submitted by facsimile or other electronic means, and if so, how tenders may so be submitted.

#### **Issuing Tender Documentation**

Tenders will not be made available (counter, mail, internet, referral, or other means) without a robust process to ensure the recording of details of all parties who acquire the documentation.

This is essential as if clarifications, addendums or further communication is required prior to the close of tenders, all potential tenderers must have equal access to this information in order for the Shire of Wagin not to compromise its Duty to be Fair.

**Tender Deadline**

A tender that is not received in full in the required format by the advertised Tender Deadline shall be rejected.

**Opening of Tenders**

No tenders are to be removed from the tender box, or opened (read or evaluated) prior to the Tender Deadline.

Tenders are to be opened in the presence of the Chief Executive Officer's delegated nominee and preferably at least one other Council Officer. The details of all tenders received and opened shall be recorded in the Tenders Register.

Tenders are to be opened in accordance with the advertised time and place. There is no obligation to disclose or record tendered prices at the tender opening, and price information should be regarded as *commercial-in-confidence* to the Shire of Wagin. Members of the public are entitled to be present.

The Tenderer's Offer form, Price Schedule and other appropriate pages from each tender shall be date stamped and initialled by at least two Shire of Wagin Officers present at the opening of tenders.

**No Tenders Received**

Where the Shire of Wagin has invited tenders, however no compliant submissions have been received, direct purchases can be arranged on the basis of the following:

- a sufficient number of quotations are obtained;
- the process follows the guidelines for seeking quotations between \$40,000 & \$99,999 (listed above);
- the specification for goods and/or services remains unchanged;
- purchasing is arranged within 6 months of the closing date of the lapsed tender.

**Tender Evaluation**

Tenders that have not been rejected shall be assessed by the Shire of Wagin by means of a written evaluation against the pre-determined criteria. The tender evaluation panel shall assess each tender that has not been rejected to determine which tender is most advantageous.

**Addendum to Tender**

If, after the tender has been publicly advertised, any changes, variations or adjustments to the tender document and/or the conditions of tender are required, the Shire of Wagin may vary the initial information by taking reasonable steps to give each person who has sought copies of the tender documents notice of the variation.

**Minor Variation**

If after the tender has been publicly advertised and a successful tenderer has been chosen but before the Shire of Wagin and tenderer have entered into a Contract, a minor variation may be made by the Shire of Wagin.

A minor variation will not alter the nature of the goods and/or services procured, nor will it materially alter the specification or structure provided for by the initial tender.



**Notification of Outcome**

Each tenderer shall be notified of the outcome of the tender following Council resolution. Notification shall include:

- The name of the successful tenderer
- The total value of consideration of the winning offer

The details and total value of consideration for the winning offer must also be entered into the Tenders Register at the conclusion of the tender process.

**Records Management**

All records associated with the tender process or a direct purchase process must be recorded and retained. For a tender process this includes:

- Tender documentation;
- Internal documentation;
- Evaluation documentation;
- Enquiry and response documentation;
- Notification and award documentation.

For a direct purchasing process this includes:

- Quotation documentation;
- Internal documentation;
- Order forms and requisitions.

Record retention shall be in accordance with the minimum requirements of the State Records Act, and the Shire of Wagin's internal records management policy.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	

<b>Policy No:</b>	<b>16</b>
<b>Date Last Reviewed:</b>	18 Dec 2012 – Minute #2078 20 Nov 2018 - Minute #3910

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>Local Government Act 1995 (As Amended) – Section 6.10.</li> <li>Australian Accounting Standards</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

**ADOPTED POLICY**

<b>Title:</b>	<b>14. SIGNIFICANT ACCOUNTING</b>
<b>Objective:</b>	<p><b>BASIS OF PREPARATION</b></p> <p>The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the Local Government Act 1995 and accompanying regulations), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.</p> <p>Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.</p> <p><b>Critical Accounting Estimates</b></p> <p>The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.</p> <p>The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.</p>

**The Local Government Reporting Entity**

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statements of those monies appears at Note 22 to these financial statements.

**AUSTRALIAN ACCOUNTING STANDARDS – INCONSISTENCY****Land Under Roads**

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available under Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

**SIGNIFICANT ACCOUNTING POLICIES****Grants, Donations and Other Contributions**

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 18. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. All allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**Classification and Subsequent Measurement**

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimates selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial Recognition and Measurement Between Mandatory Revaluation Dates**

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The Shire has determined that the cost and fair value of culverts, pipes and headwalls are not considered to be material and therefore these assets are not recognised by the Shire.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is

considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### **Land Under Control**

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the Shire was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreation facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

#### **Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the carrying amount of the asset and the net amount restated to the revalued amount of the asset.

#### **Depreciation Rates**

Major depreciation periods used for each class of depreciable asset are:

Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
<i>Sealed roads and streets</i>	
Formation	not depreciated
Pavement	50 years
Seal	
- Bituminous seals	20 years
- Asphalt surfaces	25 years
Gravel roads	
Formation	not depreciated
Pavement	50 years
Formed roads (unsealed)	
Formation	not depreciated

Pavement	50 years
Footpaths – slab	20 years
Sewerage piping	100 years
Infrastructure Other	2 to 10 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these good and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**Financial Liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing Costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**Employee Benefit**

**Short-term Employee Benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settle wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

**Other Long-term Employee Benefits**

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**Current and Non-current Classification**

The asset or liability is classified as current if it is expected to be settled with the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intention to release for sale.

**Rounding off Figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**Comparative Figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

**Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contributions plans.

**Fair Value of Assets and Liabilities**

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**Fair Value Hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.



### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

#### **Valuation Techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

##### Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

##### Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

##### Cost approach

Valuation techniques that reflect the current replacements costs of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset and liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### **Impairment of Assets**

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg AASB 116) whereby any impairment loss of revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation

	<p>model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.</p>
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<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	24 <sup>th</sup> June 2014

<b>Policy No:</b>	<b>17</b>
<b>Date Last Reviewed:</b>	24 June 2018 - Minute # 2484 20 Nov 2018 - Minute #3910,

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.13.</li> <li>2. Finance Management Regulations 19A &amp; 19B</li> </ol>

<b>Legal (Subsidiary):</b>

<b>Delegation of Authority Applicable</b>
Yes

<b>Delegation No.</b>

<b>ADOPTED POLICY</b>
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<b>Title:</b>	<b>15. RECOVERY OF NON RATES CHARGES</b>
<b>Objective:</b>	To provide for the collection of outstanding debts in relation to debts other than rates.
	<p><b>1.0 Debt Management – Excluding Infringement Notices</b> If the invoice is not paid by the due date, then the following procedure will take place.</p> <ol style="list-style-type: none"> <li>1.1 For amounts outstanding for up to 30 days, the Finance Officer is to issue a Statement to the debtor with an ‘overdue’ sticker attached to the Statement.</li> <li>1.2 For amounts outstanding for 60 days, the Finance Officer is to issue a Statement to the debtor with ‘urgent action’ sticker attached to the statement.</li> <li>1.3 For amounts outstanding for 90 days, the Finance Officer is to issue a Statement to the debtor with ‘final notice payment within 7 days’ sticker attached to the statement.</li> <li>1.4 For amounts outstanding for greater than 90 days, the Finance Officer is to issue a letter of demand to the debtor.</li> <li>1.5 Before any third party is engaged to take legal action to recover an outstanding debt, the Manager of Finance is to be consulted to ensure that this action is appropriate giving due consideration to all issues that have led to the debt being overdue and not paid.</li> <li>1.6 Once all reasonable attempts to either locate the debtor or to obtain payment have failed, the responsible officer for raising the debt will be asked to submit a written request for the invoice to be considered for write off.</li> <li>1.7 Approval will be sought from the Chief Executive Officer, and subsequently Council for approval for the debt to be written off. Once Council approval has been received, the appropriate entries will be made in the Accounts Receivable Ledger.</li> </ol>

## **2.0 Debt Management – Infringement Notices**

If the invoice is not paid by the due date, then the following procedure will take place.

- 2.1 For amounts outstanding for up to 28 days, the Finance Officer is to issue a Final Demand Notice (approved by The Fines Enforcement Registry) to the debtor.
- 2.2 If not paid by 28 days, an authorised Prosecuting Officer is to register the outstanding infringement notice with the Fines Enforcement Registry.
- 2.3 After the registration of the unpaid infringement at Fines Enforcement Registry, they will issue a 'Court Order to Pay or Elect' – this has the status of an order issued by the court order which requires the alleged offender within 28 days to:
  - pay the stipulated penalty in full or organise a time to pay arrangement with Fines Enforcement Registry; or
  - elect to have the matter heard and determined in the Magistrates Court.
- 2.4 Where there is no response to the order to pay or elect, Fines Enforcement Registry may issue a 'Notice of Intention to Enforce', pursuant to section 18 of the Fines, Penalties and Infringement Notices Enforcement Act 1994 (the Act) to the most recent address for the alleged offender as recorded in the database of the Department of Transport (DOT), or the most recent address provided to Fines Enforcement Registry. A 'Notice of intention to Enforce' informs the alleged offender that he or she must pay the amount demanded to avoid the licence nominated in the notice being suspended and/or to avoid further enforcement sanctions occurring on their vehicle or property. The payment period provided for this notice is 28 days. An alleged order can still elect to have the matter dealt with by the Magistrate Court under section 21 of the Act if they wish to defend the infringement.
- 2.5 If the alleged offender does not respond after the 28 days, a 'Licence Suspension Order' will be imposed on the offender and notice confirming the suspension order will be issued to the alleged offender. The 'Licence Suspension' Order stays in place until the penalty, including the relevant enforcement fees, are paid in full, place on time pay arrangement or the alleged offender makes an election under section 21 of the Act for the matter to be dealt with by the Magistrates Court.
- 2.6 If the Infringement requires a withdrawal due to being issued incorrectly, in error or a payment has been received, an authorised Prosecuting Officer will be able to withdraw the infringement from the Fines Enforcement Registry.

## **3.0 Debt Raised in Error or Debt Adjustment**

If a debt has been raised in error or requires an adjustment, then an explanation will be sought from the relevant staff members. Once this has been received a credit note request will be raised which is to be authorised by both the staff member who raised the initial invoice and the Manager of Finance.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	24 June 2014

<b>Policy No:</b>	<b>18</b>
<b>Date Last Reviewed:</b>	26 June 2014 - Minute #2484 20 Nov 2018 - Minute #3910,

<b>Legal (Parent):</b>
<ol style="list-style-type: none"> <li>1. Local Government Act 1995 (As Amended) – Section 6.14.</li> <li>2. Trustees Act 1962 – Part III</li> </ol>

<b>Legal (Subsidiary):</b>
<ol style="list-style-type: none"> <li>1. Local Government (Financial Management) Regulations 19, 28 and 49.</li> <li>2. Australian Accounting Standards</li> </ol>

<b>Delegation of Authority Applicable</b>
Yes

<b>Delegation No.</b>

<b>ADOPTED POLICY</b>
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<b>Title:</b>	<b>16. INVESTMENT POLICY</b>
<b>Objective:</b>	To invest the Shire’s surplus funds, with consideration of risk and the most favourable rate of interest available to it at the time, for that investment type, whilst ensuring that the Shire’s liquidity requirements are being met.
	<p><b>1.0</b> While exercising the power to invest, consideration is to be given in preservation of capital, liquidity, and the return of investment.</p> <p>1.1 Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.</p> <p>1.2 The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of investment.</p> <p>1.3 The investment is expected to achieve a predetermined market average rate of return that takes into account the council’s risk tolerance. Any additional return target set by council will also consider the risk limitation and prudent investment principles.</p> <p><b>2.0 Approved Investments</b> With approvals from Council, investments are limited to:</p> <p>2.1 State/Commonwealth Government Bonds with a term of maturity not exceeding three years;</p> <p>2.2 Fixed term deposits placed with an authorised institution for a term not exceeding 12 months;</p> <p>2.3 Interest bearing deposits placed with an authorised institution.</p> <p><b>3.0 Prohibited Investments</b> This Policy prohibits any investment carried out for speculative purposes including the following:</p> <p>3.1 Derivative based instruments;</p>

- 3.2 Principle only investments or securities that provide potentially nil or negative cash flow; and
- 3.3 Standalone securities issued that have underlying futures, options, forward contracts and swaps of any kind.
- 3.4 The use of leverage (borrowing to invest) of any investment.
- 3.5 Deposits with any institution other than an authorised institution.
- 3.6 Deposits for a fixed term of more than 12 months.
- 3.7 Investment in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory Government.
- 3.8 Investment in bonds with a term of maturity of more than three years.
- 3.9 Investment in a foreign currency.

**4.0 Risk Management**

Investments obtained are to comply with the following three criteria:

4.1 Overall Portfolio Limits

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category:

S&P LONG TERM RATING	S&P SHORT-TERM RATING	DIRECT INVESTMENT MAXIMUM
AAA	A-1+	100%
AA	A-1	100%
A	A-2	100%

4.2 Counterparty Credit Framework

The Shire of Wagin will invest funds with authorised financial institutions that provide a service to the local community by establishing branches or agencies in the Shire of Wagin. Such institutions must maintain a minimum Standard and Poor rating of A for short term investments.

4.3 Term to Maturity Framework

OVERALL PORTFOLIO TERM TO MATURITY LIMITS	
Portfolio % < 1 Year	100% maximum, 40% minimum
Portfolio % 1-3 Years	60%

**5.0 Performance Measurement**

Performance benchmarks will be as follows:

INVESTMENT	PERFORMANCE BENCHMARK
Cash	Cash Rate
Enhanced/Direct investments	UBSWA Bank Bill Rate
Diversified Funds	CPI + appropriate margin over rolling 3 year periods (depending on composition of fund)

**6.0 Report and Review Compliance Requirements**

- 6.1 A monthly report will be provided to Council in support of the monthly Statement of Financial Activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio and maturity date.
- 6.2 Documentary evidence must be held for each investment and details thereof maintained in the Investment Register.
- 6.3 Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 September 2015

<b>Policy No:</b>	<b>19</b>
<b>Date Last Reviewed:</b>	22 Sept 2015 Minutes #2810 & 2811 20 Nov 2018 - Minute #3910,

<b>Legal (Parent):</b>
3. Local Government Act 1995

<b>Legal (Subsidiary):</b>
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<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>
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## ADOPTED POLICY

<b>Title:</b>	<b>17. COUNCIL VEHICLE REPLACEMENT AND PROCUREMENT POLICY</b>
<b>Objective:</b>	<p>The objectives of this policy are:</p> <ul style="list-style-type: none"> <li>to ensure all vehicles purchased are the most sustainable and efficient vehicle allowable under the budget, and</li> <li>to ensure all vehicles meet the needs of the position and the employee while providing the best value for money to Council, and reflect an understanding that in order to attract and retain quality staff, Council should offer vehicles of a particular standard and size.</li> </ul>
<b>Policy Statement:</b>	<p><b>Why do we need a Vehicle Replacement and Procurement Policy?</b> This policy provides guidelines for fair, equitable and transparent vehicle allocation and vehicle replacement. This policy pertains to Council's passenger and light vehicle fleet assigned to employees.</p> <p><b>Procurement</b> When purchasing new Council vehicles the Department Manager will obtain quotations from suppliers (as per Council's procurement policy), and will include specified values for the trade-in vehicle (if applicable).</p> <p>All quotations shall be assessed on the basis of value for money. Council is transparent and accountable when dealing with ratepayer funds, and as such binds itself to procurement based on value for money.</p>

**Environmental Considerations**

Vehicle maintenance should be undertaken according to the manufacturer’s recommendations to ensure optimum fuel efficiency, emission performance and return on investment.

Staff will be made aware of the need to optimise fuel efficiency and emission performance by ensuring tyres are maintained at recommended pressures, wheels are aligned, vehicles are not used to carry unnecessary loads, and that good driving habits are observed.

**Economic Considerations**

In determining the cost to Council of operating a motor vehicle, purchase price, operating costs and resale must all be considered, to ensure the best value for Council.

The standard of vehicle purchased must be with a view of optimising the trade-in at change-over or disposal of the vehicle.

If the opportunity arises to replace any vehicle which is advantageous to Council, however is outside this policy, then the CEO is to investigate and report to Council for their consideration.

The replacement cycle for vehicles shall be modelled on the following:

- CEO, DCEO & EHO/BS Vehicles – Every 4 years or 80,000 km’s whichever comes first
- Manager Works Vehicle –Every 4 years or 80,000 km’s whichever comes first.
- Doctor’s Vehicle - Every 4 years or 80,000 km’s whichever comes first.

Type of vehicles shall be modelled on the following:

- |                           |                           |                |
|---------------------------|---------------------------|----------------|
| • CEO Vehicle –           | Family Sedan or similar – | Up to \$60,000 |
| • DCEO Vehicle-           | Family Sedan or similar – | Up to \$50,000 |
| • EHO/BS                  | Family Sedan or similar - | Up to \$40,000 |
| • Manager Works Vehicle – | 4WD Dual Cab Utility -    | Up to \$50,000 |
| • Doctor’s Vehicle -      | Family Sedan or similar – | Up to \$50,000 |

**Vehicle Options and Accessories**

The fitting of all accessories must be approved by the CEO. Approval will only be given where the accessories address genuine operational requirements.

These fall into two categories:

**Standard Accessories**

- Air Conditioning
- Automatic
- Window tinting
- Cargo barriers on wagons/4WDs
- Car mats and Dash mats
- Bluetooth.

**Extra Accessories**

- Tow bar
- Roo bar



**Vehicle use that Council will not approve**

All vehicles supplied to staff to undertake their Council duties must be maintained as per their individual agreements and must not be used:

- to contravene any road rule under the Australian Road Rules or Road Traffic Act
- in a dangerous or offensive manner.

**NOTE:** All Council staff who have a motor vehicle as part of their employment conditions will be required to enter into an individual vehicle agreement.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	26 July 2016

<b>Policy No:</b>	20
<b>Date Last Reviewed:</b>	21 July 2016 – Minute #3060 20 Nov 2018 - Minute #3910

<b>Legal (Parent):</b>
1. Local Government Act 1995 (As Amended) – Section 6.10.

<b>Legal (Subsidiary):</b>
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<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>
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**ADOPTED POLICY**

<b>Title:</b>	<b>RISK MANAGEMENT</b>
<b>Objective:</b>	<i>The Shire of Wagin is committed to organisation wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes.</i>
<b>Policy Statement</b>	<p><b>Definition of “Risk”:</b> AS/NZS ISO 31000:2009 defines risk as “the effect of uncertainty on objectives.”</p> <p>A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative, or a deviation from the expected. An objective may be financial, related to health and safety, or defined in other terms.</p> <p><b>Definition of Risk Management:</b> The application of coordinated activities to direct and control an organisation with regard to risk.</p> <p><b>Principles – Framework – Process</b> The Shire of Wagin considers risk management to be an essential management function in its operations. It recognises that the risk management responsibility for managing specific risks lies with the person who has the responsibility for the function, service or activity that gives rise to that risk.</p> <p>Council is committed to the principles, framework and process of managing risk as outlined in AS/NZS ISO 31000:2009.</p> <p>The Shire of Wagin will manage risks continuously using a process involving the identification, analysis, evaluation, treatment, monitoring and review of risks. It will be applied to decision making through all levels of the organisation in relation to planning or executing any function, service or activity.</p>

In particular it will be applied to:

- Strategic planning
- Expenditure of large amounts of money
- New strategies and procedures
- Management of projects, tenders and proposals
- Introducing significant change, and
- The management of sensitive issues.

#### **Risk Management Objectives**

- The achievement of organisational goals and objectives
- The ongoing health and safety of all employees at the workplace
- Ensuring public safety within the Council's jurisdiction is not compromised
- Limited loss or damage to property and other assets
- Limited interruption to business continuity
- Positive public perception of Council and the Shire
- Application of equal opportunity principles in the workforce and the community.

#### **Responsibilities**

- Executives, managers and supervisors have the responsibility and accountability for ensuring that all staff manage risks within their own work areas. Risks should be anticipated and reasonable protective measures taken.
- All managers will encourage openness and honesty in the reporting and escalation of risks.
- All staff will be encouraged to alert management to the risks that exist within their area, without fear of recrimination.
- All staff will, after appropriate training, adopt the principles of risk management and comply with all policies, procedures and practices relating to risk management.
- All staff and employees will, as required, conduct risk assessments during the performance of their daily duties.
- The level of sophistication of the risk assessment will be commensurate with the scope of the task and the associated level of risk identified.
- Failure by staff to observe reasonable directions from supervisors regarding the management of risks and/or failure of staff to take reasonable care in identifying and treating risks in the workplace may result in disciplinary action.
- It is the responsibility of every department to observe and implement this policy in accordance with procedures and initiatives that are developed by management.
- Council is committed morally and financially to the concept and resourcing of risk management.

#### **Monitor and Review**

The Organisation will implement a robust reporting and recording system that will be regularly monitored to ensure closeout of risks and identification of ongoing issues and trends.

Risk management key performance indicators, relating to both organisational and personal performance will be developed implemented and monitored, by the Shire of Wagin.

<b>Policy Type:</b>	Finance
<b>Date Adopted:</b>	22 August 2017 – Minute # 3362

<b>Policy No:</b>	<b>21</b>
<b>Date Last Reviewed:</b>	20 Nov 2018 - Minute # 3910

<p><b>Legal (Parent):</b></p> <p>4. Local Government Act 1995</p>
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<p><b>Legal (Subsidiary):</b></p> <p>Local Government (Financial Management) Regulations 1996 -</p> <p>r.4 – AAS to be complied with and has priority over Regulations</p> <p>r.5 – annual budget, annual financial report and other financial reporting to be in accordance with AAS</p> <p>Sch.2 Form 1 – CEO required to certify annual financial reports complied in accordance with AAS</p> <p>AAS Australian Accounting</p> <p>Standard 124</p>
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<b>Delegation of Authority Applicable</b>
No

<b>Delegation No.</b>

**ADOPTED POLICY**

<b>Title:</b>	<b>RELATED PARTY DISCLOSURES</b>
<b>Objective:</b>	From 1 July 2016, the Australian Accounting Standards Board has determined that AASB 124 Related Party Disclosures will apply to government entities, including local governments. The objective of the policy is to disclose the existence of certain related party relationships and related party transactions concerning key management personnel, their close family members and entities controlled or jointly controlled by any of them, and information about the transactions who have significant influence over the Shire’s operations, necessary for users to understand the potential effects on the financial statements are properly identified, recorded in Shires’ systems, and disclosed in Shires’ general purpose financial statements in compliance with the AASB 124
<b>Policy Statement</b>	<b>POLICY</b> The Shire of Wagin is committed to producing Financial Information with high standards. in delivering high standard financial information the Shire is committed to comply with the

:	<p>principles of transparency and good governance and compliance with the Accounting Standards prescribed by the Australian Accounting Standards Board (AASB), Local Government Act 1995, and Local Government (Financial Management) Regulations 1996.</p> <p>The Related Party Disclosure Policy aims to assist the Shire in complying with disclosure requirements concerning key management personnel (KMP), their close family members and entities controlled or jointly controlled by any of them stipulated under the Australian Accounting Standard AASB 124 Related Party Disclosures (AASB 124).</p> <p><b>SCOPE</b> This policy is to be applied in:</p> <ol style="list-style-type: none"> <li>1. identifying related party relationships; related party transactions (RPT), and ordinary citizen transactions concerning key management personnel, their close family members and entities controlled or jointly controlled by any of them; and</li> <li>2. identifying information about the related party transactions for disclosure;</li> <li>3. establishing systems to capture and record the related party transactions and information about those transactions;</li> <li>4. identifying the circumstances in which disclosure of the items in subparagraphs (1) and (2) are required.</li> <li>5. determining the disclosures to be made about those items in the general purpose financial statements for complying with the AASB 124</li> </ol> <p><b>BACKGROUND AND / OR PRINCIPLES</b> Local Government (Financial Management) Regulations 1996 requires the Shire to prepare its general purpose financial statements in compliance with the relevant Australian Accounting Standards applicable for the reporting period.</p> <p><b>AASB 124 DISCLOSURE REQUIREMENTS</b></p> <ol style="list-style-type: none"> <li>1. Disclosures - Relevant to this policy, and compliance with the AASB 124, for annual periods beginning on or after 1 July 2016, the Shire will disclose in its general purpose financial statements the information specified in section 4(2) for related party transactions during the periods covered by the financial statements.</li> <li>2. Disclosed Information – The Shire will disclose the following information in the Shire’s general purpose financial statements in aggregate or separately:</li> </ol> <p>Related party transactions of a similar nature in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the Shire, having regard to the following criteria:</p> <ol style="list-style-type: none"> <li>(a) the nature of the related party relationship;</li> <li>(b) the significance of the transaction (individually or collectively) in terms of size or value (including where the materiality arises since no consideration for the transaction is given or received by the Shire);</li> <li>(c) whether the transaction is carried out on non-arm’s length terms;</li> <li>(d) whether the nature of the transaction is outside normal day-to-day business operations, based on the factors and thresholds determined by the Chief Executive Officer and the Shires’ Audit committee.</li> </ol>
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1. Application

This Related Party Disclosures Policy applies to –

- a) Related Parties of Council,
- b) Key Management Personnel.

2. Disclosure requirement

- (a) The disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not.
- (b) Each financial year, the Shire must make an informed judgement as to who is a related party and what transactions need to be considered, when determining if disclosure is required.

3. Key Management Personnel (KMP)

In accordance with AASB 124, KMP are –

- All elected members
- CEO
- DCEO
- Manager of Finance
- Manager of Works
- Environmental Health Officer / Building Surveyor

4. Related Party – Council

- (a) Related entities to Council are those where the Shire of Wagin has significant control or influence, which is deemed to be a greater than 20% –
  - financial interest in the organisation,
  - voting rights in the organisation.
- (b) Unless otherwise excluded, the administration will be required to assess all transactions made with these persons or entities.

5. Related Party – KMP

- a) Related parties of the KMP are close family members of the KMP.
- b) For the AASB 124, close family members include –
  - Your spouse / domestic partner
  - Your children
  - Your dependents
  - Children of your spouse / domestic partner
  - Dependents of your spouse / domestic partner

Who may be expected to influence, or be influenced by, your dealings with the Council.

Close family members could also include extended family members (such as, parents, siblings, grandparents, uncles/aunts or cousins) if they could be expected to influence, or be influenced by, the KMP in their dealings with the Shire.

- c) Related entities to the KMP or close family members are those where the person has control, joint control or influence, which is deemed to be greater than 20% –
  - financial interest in the organisation
  - voting rights in the organisation.
- d) Unless otherwise excluded, the administration will be required to assess all transactions made with these persons or entities.

6. Related Party Transactions (RPT)

- (a) A related party transaction is a transfer of resources services or obligations between the Shire (reporting entity) and the related party, regardless of whether a price is charged.
- (b) For the purposes of determining whether a related party transaction has occurred,

the following transactions or provisions of services have been identified as meeting this criterion –

- (i) payments to elected members;
- (ii) employee compensation whether it is for KMP or close family member of KMP.
- (iii) lease agreements for housing rental (whether for a Shire owned property or property sub- leased by the Shire through a real estate agent)
- (iv) lease agreements as lessee or lessor, for commercial properties or other properties;
- (v) monetary and non-monetary transactions between the Shire and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the Shire (trading arrangement).
- (vi) loan arrangements between related entities or KMP;
- (vii) contracts and agreements for construction, consultancy or services
- (viii) purchases or sales of goods; property and other assets;
- (ix) rendering or receiving of services; or goods;
- (x) transfers under licence agreements; or finance arrangements (example, loans);
- (xi) provision of guarantees (given or received);
- (xii) commitments to do something if an event occurs, or does not occur, in the future;
- (xiii) settlement of liabilities on behalf of Council or by the Shire on behalf of that related party.

7. Ordinary Citizen Transactions (OCT)

- a) OCT are where there is no special treatment of consideration of either party and are deemed to be any transaction that a member of the public would receive in the usual course of business, and includes but is not limited to –
  - (i) payment of rates and charges imposed by Budget resolution, fines and penalties etc.
  - (ii) payment of application or development fees imposed by Council and applying to any applicant
  - (iii) use of Council facilities, whether use of the facility incurs a fee or not, and includes Recreation Centre, Civic Centre, library, parks, ovals, reserves, waste facility and public open spaces
- b) OCT incorporates transactions resulting from delivery of Public Service Obligations and includes but is not limited to –
  - (i) attending Shire of Narrogin functions that are open to the public
  - (ii) attending events that are open to the public
- (c) All Ordinary Citizen Transactions identified within this policy are unlikely to influence the conclusions that those reading the Shire’s financial statements would make.

8. Materiality

For guidance, materiality is generally deemed to apply where –

- Where an RPT can be expressed in financial terms
  - o Single transaction – greater than \$300
  - o Cumulative transactions – greater than \$1,500
- Where an RPT cannot be expressed in financial terms –
  - o reasonable person test – would an ordinary person consider that pressure has been applied or influence exerted

9. Related Party Notification

- a) KMP must submit to the CEO a Related Party Declaration, notifying of any existing or potential related party relationship between Council and either themselves, their close family members or entities controlled or jointly controlled by them or any of their close family members.
- b) Related Party Declarations are to be submitted –

- (i) within 30 days of commencement;
- (ii) annually, prior to 31 August;
- c) Related Party Declarations are to be updated where –
  - (i) any new or potential related party transaction that is required or likely to be required to be disclosed in Council’s financial statements; or
  - (ii) any change to a previously notified related party transaction.

10. Related Party Transaction Notification

- a) A related party transaction is a transfer of resources, services or obligations between the Shire (reporting entity) and the related party, regardless of whether a price is charged.
- b) KMP must submit to the CEO a Related Party Transaction Notification, notifying of any transaction between Council and either themselves, their close family members or entities controlled or jointly controlled by them or any of their close family members.
- c) Related Party Transaction Notifications are to be submitted –
  - (i) at minimum – within 30 days of the end of each financial year;
  - (ii) recommended – at Council meeting each month.

11. Confidentiality

- (a) All information contained in a disclosure return, will be treated in confidence.
- (b) Generally, related party disclosures in the annual financial reports are reported in aggregate and individuals not specifically identified.
- (c) Notwithstanding, management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and materiality. Individuals may be specifically identified, if the disclosure requirements of AASB 124 so demands.

**REGISTER OF RELATED PARTY TRANSACTIONS**

Staff will maintain and keep up to date a register of related party transactions that captures and records the information specified in section 4(2) for each existing or potential related party transaction (including ordinary citizen transaction assessed as being material in nature) during a financial year.

12. Discretionary capacity of the CEO

Where a matter is not covered by this policy, the CEO is authorised to make a determination, and may seek such advice as is necessary in order to do so.

– *End of Policy*

**Notes**

Abbreviations –  
 AASB – Australian Accounting Standards Board  
 KMP – Key Management Personnel  
 OCT – Ordinary Citizen Transaction  
 RPT – Related Party Transaction

The objective of the AASB is to ensure that an entity’s financial statements contain disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and transactions.



The disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the Shire must make an informed judgement as to who is a related party and what transactions need to be considered, when determining if disclosure is required.

Effective beginning 1 July 2016 the Shire must disclose in the Annual Report certain related party relationships and transactions together with information associated with those transactions in its Financial Statements, to comply with Australian Accounting Standard 124 Related Party Disclosures.

If there is a related party transaction with the Shire applicable to a reporting financial year, the AASB 124 requires the Shire to disclose in the financial statements the nature of the related party relationship and information about the transaction, including outstanding balances and commitments associated with the transaction. Disclosure in the financial statements may be in the aggregate and/or made separately, depending on the materiality of the transaction.

For more information about the Shire's disclosure requirements under the AASB 124, please refer to <http://www.aasb.gov.au>

#### **Schedule A: Related Party Disclosures - Definitions**

**ALBT or arm's length business transaction** means a transaction where the terms between parties are reasonable in the circumstances of the transaction that would result from –

- (a) neither party bearing the other any special duty or obligation; and
- (b) the parties being unrelated and uninfluenced by the other, and
- (c) each party having acted in its own interest

**associate** means relation to an entity (the first entity), an entity over which the first entity has significant influence.

**close members of the family of a person** means relation to a key management person, family members who may be expected to influence, or be influenced by, that key management person in their dealings with the Shire and include –

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

**control** means the ability to direct the business' activities of an entity through rights or exposure to returns from its involvement with the entity.

**entity** can include a body corporate, a partnership or a trust, incorporated association, or unincorporated group or body or non-profit association.

**financial benefit** includes giving a financial benefit indirectly through an interposed entity, making an informal, oral or non-binding agreement to give the benefit, and giving a benefit that does not involve paying money.

Examples of "giving a financial benefit" to a Related Party include but are not limited to the following –

- (a) Giving or providing the Related Party finance or property.
- (b) Buying an asset from or selling an asset to the Related Party.
- (c) Leasing an asset from or to the Related Party.
- (d) Supplying services to or receiving services from the Related Party.
- (e) Issuing securities or granting an option to the Related Party.
- (f) Taking up or releasing an obligation of the Related Party.

**joint control** is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of 2 or more parties sharing control.

**joint venture** is an arrangement of which 2 or more parties have joint control and have right to the net assets of the arrangement.

**KMP or key management personnel or Key management person** are those person(s) having authority and responsibility for planning, directing and controlling the activities of Council.

**KMP compensation** all forms of consideration paid, payable, or provided in exchange for services provided.

**material** is the assessment of whether the transaction, either individually or in aggregate with other transactions, by omitting it or misstating it could influence decisions that users make on the basis an entity's financial statements. For this policy, it is not considered appropriate to set either a dollar value or a percentage value to determine materiality.

**OCT or ordinary citizen transaction** are transactions that an ordinary citizen would undertake with Council, which is undertaken on arm's length terms and in the ordinary course of carrying out Shire's functions and activities.

**related party** is a person or entity that is related to the Shire or KMP pursuant to the definition contained in the AASB 124 –

- (a) an entity that is controlled, jointly controlled or significantly influenced by the Shire or KMP;
- (b) close family members of the KMP; or
- (c) an entity controlled, jointly controlled or significantly influenced by a close family member of the KMP.

**RPT or related party transaction** means a transfer of resources, services or obligations between the Shire and a related party, regardless of whether a price is charged.

**significant** means likely to influence the decisions that users of the Shire's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the Shire and related party outside a public service provider/ taxpayer relationship.

**remuneration or remuneration package** and includes any money, consideration or benefit received or receivable by the person but excludes reimbursement of out-of-pocket expenses, including any amount received or receivable from an RPT.

## **Schedule B: Related Party Disclosures – Reporting Requirements**

### 1. Background

The objective of the standard is to ensure that the Shire's financial statements contain disclosures necessary to advise of the possibility that its financial position and profit or loss may have been affected by the existence of related parties and transactions.

The disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the Shire must make an informed judgement as to who is a related party and what transactions need to be considered, when determining if disclosure is required.

The purpose of this policy procedure is to stipulate the information requested from related parties to enable an informed judgement to be made.

### 2. Identification of Related Parties

AASB 124 provides that the Shire will be required to disclose in its Annual Financial reports, related party relationships, transactions and outstanding balances.

Related parties include a person who has significant influence over the reporting entity, a member of the KMP of the entity, or a close family member of that person who may be expected to influence that person.

KMPs are defined in the Policy Statement as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Shire will therefore be required to assess all transactions made with these persons or entities.

### 3. Identification of Related Party Transactions

A related party transaction is a transfer of resources services or obligations between the Shire (reporting entity) and the related party, regardless of whether a price is charged.

For the purposes of determining whether a related party transaction has occurred, Council has defined in the Policy Statement the transactions or provisions of services have been identified as meeting this criterion:

### 4. Related Party Transactions

Some of the transactions listed in the Policy Statement, occur on terms and conditions no different to those applying to the public and have been provided during delivering public service objectives. These transactions are those that an ordinary citizen would undertake with council and are referred to as an Ordinary Citizen Transaction (OCT). Where the Shire can determine that an OCT was provided at arm's length, and in similar terms and conditions to other members of the public and, that the nature of the transaction is immaterial, no disclosure in the annual financial report will be required.

### 5. Ordinary Citizen Transactions

Ordinary Citizen Transactions that occur with the identified KMP as defined in AASB124, are identified in the Policy Statement as any transaction with the Shire of Narrogin or use of Shire facilities that any member of the public would receive.

Where any of the services OCTs were not provided at arm's length and under the same terms and conditions applying to the public, elected Council members and KMP will be required to make a declaration about the nature of any special terms received.

All transactions which does not meet the criteria of arm's length business transactions, elected members and KMP as identified, will be required to provide the necessary details to the CEO

### 6. Ordinary Citizen Transactions (OCTs) – Annual Report

Management will put forward a draft resolution to Council annually, declaring that in its opinion, based on the facts and circumstances, a list of OCTs that are provided on terms and conditions no different to those applying to the public and which have been provided in the course of delivering public service objectives, are unlikely to influence the decisions that users of the Council's financial statements make. As such no disclosure in the quarterly Related Party Disclosures is required.

### 7. Materiality

Management will apply professional judgement to assess the materiality of transactions disclosed by related parties and their subsequent inclusion in the financial statements. In assessing materiality, management will consider both the size and nature of the transaction, individually and collectively.



**Attachment – Related Party Disclosures**

**DECLARATION**

*As per requirements of AASB 124 Related Party Disclosures, and Business Operating Procedure – Related Party Disclosures. For additional information to assist you in making a declaration, please refer to the Appendices to this form.*

The following declaration must be completed by all Council members, the CEO, Directors and Senior Management of the Shire of Wagin who were elected or employed at any time during the financial year.

<b>Disclosure Period:</b>	
<b>Person making disclosure:</b>	
<b>Position held by person:</b> e.g. Councilor, CEO, Snr Mgr	
<b>1. CLOSE MEMBERS OF THE FAMILY</b>	
<b>Name of Family Member</b>	<b>Relationship to you</b>
<i>If there has been no change since your last declaration, please complete "No Change"</i>	

**2. ENTITIES THAT I, OR A CLOSE FAMILY MEMBER CONTROLS OR JOINTLY CONTROLS**

<b>Name of Entity</b>	<b>Name of person who has control/nature of control</b>
<i>If there has been no change since your last declaration, please complete "No Change"</i>	



**Attachment – Related Party Disclosures**

**TRANSACTION NOTIFICATIONS**

**3. ORDINARY CITIZEN TRANSACTIONS – NOT PROVIDED AT ARMS LENGTH**

Did you or any member of your close family use facilities provided at Recreation Centre, attend any event at the Civic Centre, or use any other Shire provided facility AND you received a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person using the facility	Service/Facility used	Nature of transaction	Nature of discount or special conditions

Note: Recreation Centre membership provided as part of employment has been provided under the same terms as those memberships provided to the public.

**4. LEASING AGREEMENTS - DOMESTIC RESIDENTIAL**

Did you, a close family member or related entity, enter a lease agreement with the Shire (either as lessee or lessor) for the provision of a domestic rental property (Includes properties owned by the Shire and privately owned properties sub-leased through the Shire from a real estate agent? Did you receive or provide a discount or special terms that would not otherwise be offered to any other member of the public?

Name of Person party to the lease	Property Address	Term of Lease & Weekly rent	Detail of any non- arm's length

**5. LEASING AGREEMENTS - COMMERCIAL**

Did you, a close family member or related entity, enter a commercial leasing agreement with the Shire for the provision of a commercial property? Did you receive a discount or special terms that would not otherwise be offered to any other member of the public?

<b>Name of person party to the lease</b>	<b>Property Address</b>	<b>Term of Lease &amp; Weekly rent</b>	<b>Detail of any non- arm's length</b>

**6. TRADING ARRANGEMENTS**

Were you or a close family member (as defined above) the owner of any business (or in a position to substantially control the business) that provided goods or services to the Shire? Were those goods or services provided on the same terms and conditions as those available to any other customer? If not, please provide details of the specific terms provided to the Shire.

<b>Business name</b>	<b>Goods or services provided</b>	<b>Approximate value for the reporting period</b>	<b>Terms &amp; conditions</b>

**7. OTHER AGREEMENTS (Construction, Consultancy, Service Contracts)**

Did you, a close family member or related entity, enter into any other agreements/arrangements with the Shire (whether or not a price was charged)? This may include (but is not limited to): construction contracts, consultancy services, service contracts (such as cleaning, maintenance, security). For e.g. a company that a close family member controls, was awarded a contract with the Shire for building a new office facility.

<b>Name of person or business/comp</b>	<b>Nature of agreement</b>	<b>Value of agreement</b>	<b>Terms &amp; conditions</b>

**8. PURCHASE OF PROPERTY**

Did you, a close family member or related entity, purchase any property or other assets from the Shire? (This may include vehicles or other plant items, land or buildings) was the purchase made at arm's length (for e.g. at public auction), and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided to you.

<b>Name of person or entity name</b>	<b>Property purchased</b>	<b>Value of the purchase</b>	<b>Terms &amp; conditions</b>



**9. SALE OF PROPERTY**

Did you, a close family member or related entity, sell any property or other assets to the Shire?  
 (This may include vehicles or other plant items, land or buildings).

Was the sale made at arm's length, and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided.

Name of person or entity name	Property Sold	Value of the Sale	Terms & conditions

**10. SELF SUPPORTING LOANS**

Did you, a close family member or related entity, enter into a loan agreement with the Shire? For example a club for which you have control (See Appendix 2 for example)

Name of person or entity name	Loan details	Value of the loan	Terms & conditions

**11. OTHER AGREEMENTS**

Please list any other agreement or arrangement you believe is a related party transaction and should be declared.

Name of person or business/comp	Nature of agreement	Value of agreement	Terms & conditions

I declare that all information and details provided in this form are true and correct to the best of my knowledge and belief and that no known relevant information has been omitted.

I have made this declaration after reading the information supplied by Council which details the meaning of the definitions to which this declaration relates.

SELECT OPTION 1:  Handwritten Signature

Signed: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Once signed please provide to the Chief executive Officer

OR

SELECT OPTION 2:  Electronic Signature

This form can be sent by email to the CEO, provided the email is sent by the person making the disclosure from their work or personal (e.g. Councilors) email account.