

Attachment 6



SHIRE OF PINGELLY

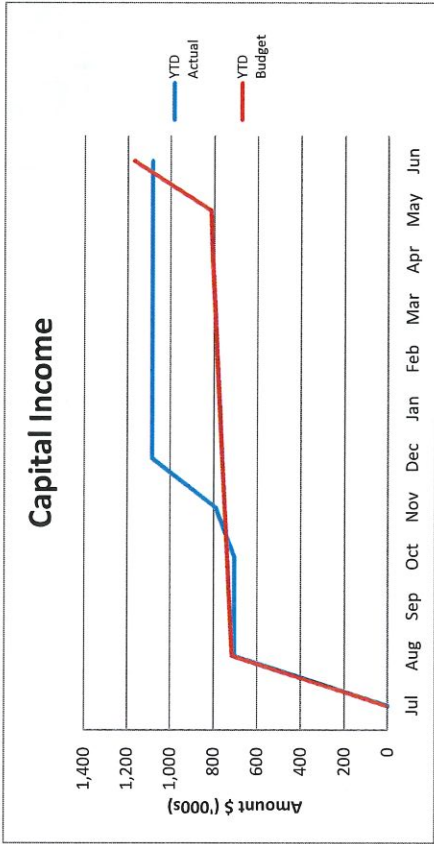
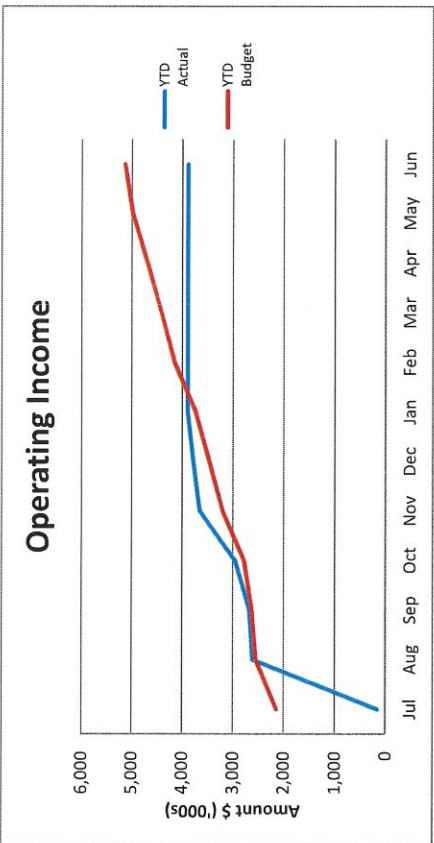
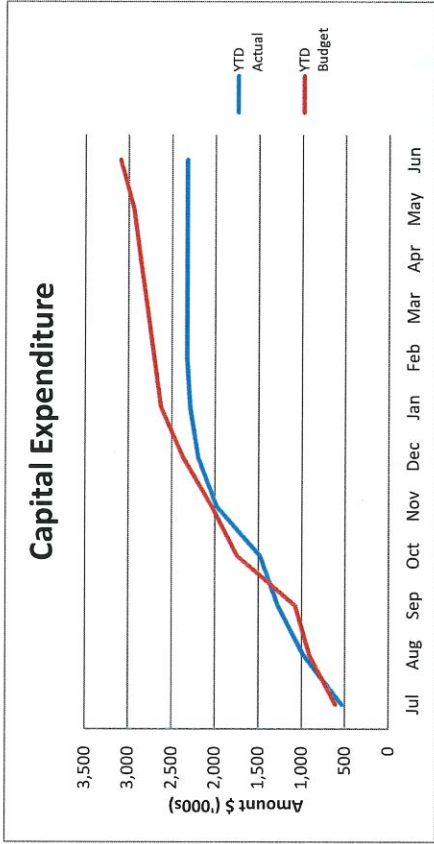
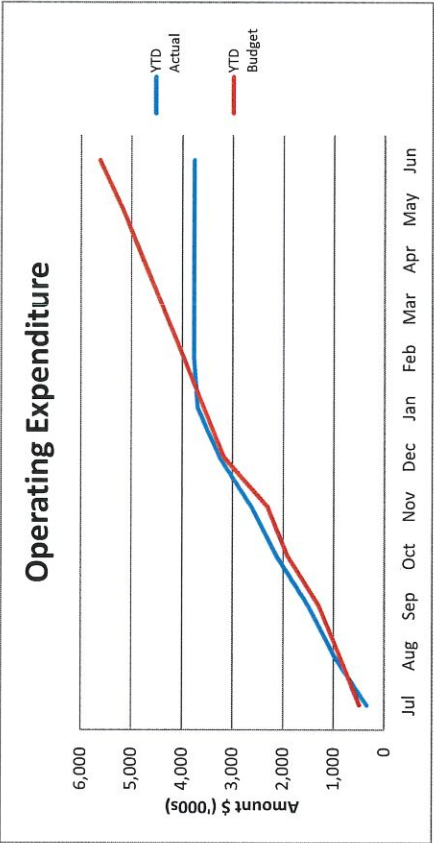
MONTHLY STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

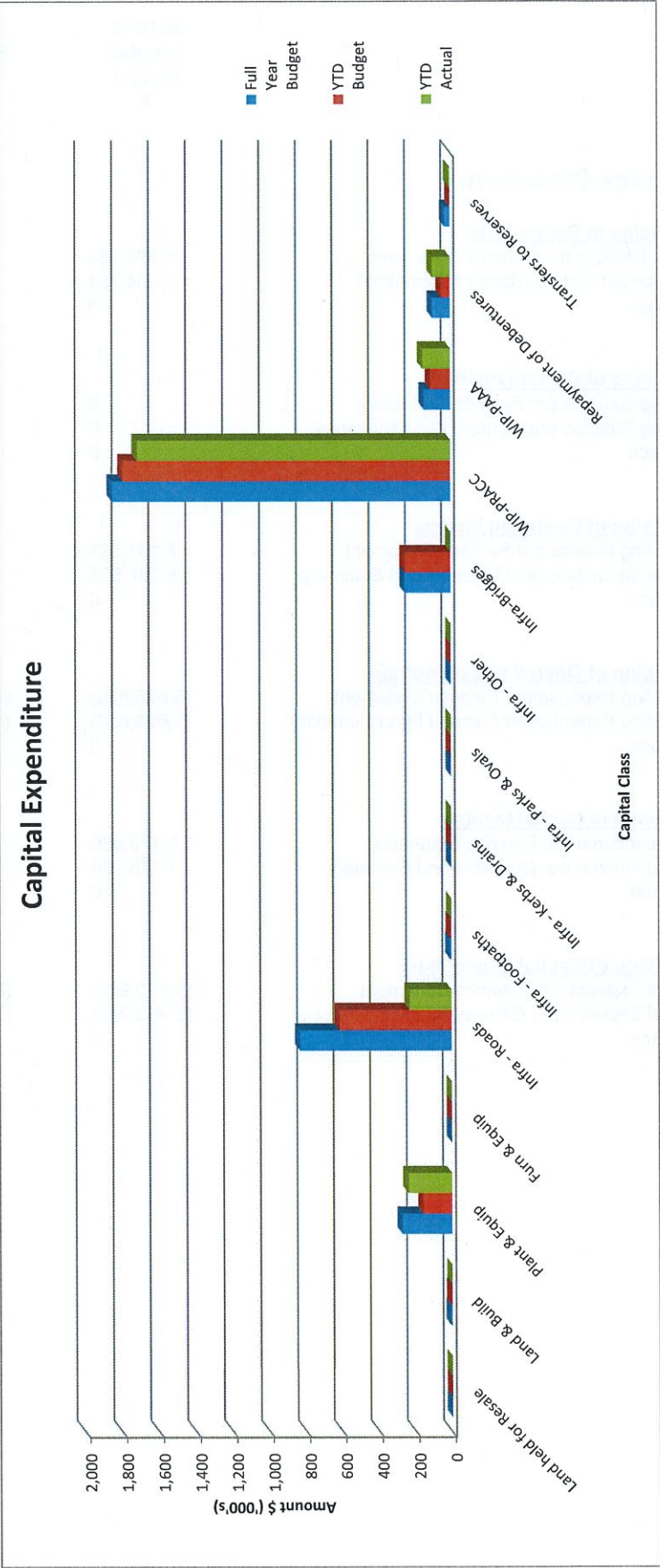
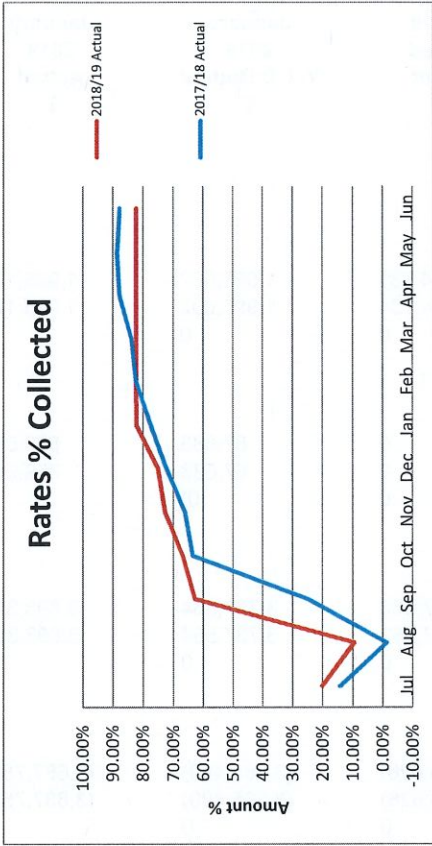
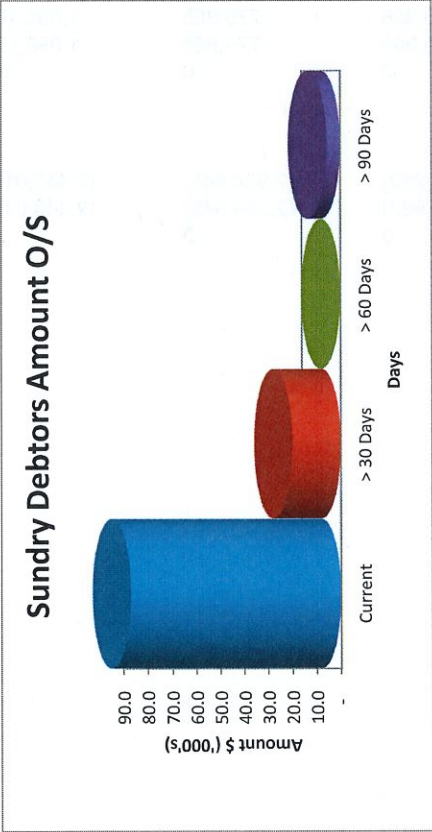
TABLE OF CONTENTS

Graphical Analysis	1 to 2
Report Balancing Integrity	3
Statement of Financial Activity	4
Report on Significant Variances	5
Notes to and Forming Part of the Statement	
1 Acquisition of Assets	6 to 7
2 Disposal of Assets	8
3 Information on Borrowings	9
4 Reserves	10 to 11
5 Net Current Assets	12
6 Rating Information	13
7 Trust Funds	14
8 Operating Statement	15
9 Statement of Financial Position	16
10 Financial Ratios	17
Restricted Funds Summary	18

Income and Expenditure Graphs to 31 January 2019



Other Graphs to 31 January 2019



SHIRE OF PINGELLY

Summary of Balancing Contained Within The Monthly Reports

	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	January 2019 Y-T-D Budget \$	January 2019 Actual \$
Finance Statement				
<u>Balancing to Rating Note</u>				
Rates Balance per Finance Statement	1,994,784	1,994,784	1,995,002	1,995,176
Balance per Note 6 (Rating Information)	1,994,784	1,994,784	1,995,002	1,995,176
Variance	0	0	0	0
<u>Balancing of Closing Position</u>				
Closing Balance per Finance Statement	0	0	67,683	869,566
Closing Balance per General Fund Summary	0	0	67,683	869,566
Variance	0	0	(0)	0
<u>Balancing of Operating Income</u>				
Operating Income per Finance Statement	5,137,563	5,137,563	3,737,554	3,893,320
Operating Income per General Fund Summary	5,137,563	5,137,563	3,737,554	3,893,321
Variance	0	0	0	(1)
<u>Balancing of Operating Expenditure</u>				
Operating Expense per Finance Statement	(5,626,626)	(5,626,626)	(3,565,499)	(3,687,752)
Operating Expense per General Fund Summary	(5,626,626)	(5,626,626)	(3,565,499)	(3,687,752)
Variance	0	0	0	0
<u>Balancing of Capital Income</u>				
Capital Income per Finance Statement	1,176,966	1,176,966	775,985	1,093,107
Capital Income per General Fund Summary	1,176,966	1,176,966	775,985	1,093,107
Variance	0	0	0	(0)
<u>Balancing of Capital Expenditure</u>				
Capital Expense per Finance Statement	(3,490,962)	(3,490,962)	(2,984,645)	(2,443,012)
Capital Expense per General Fund Summary	(3,490,962)	(3,490,962)	(2,984,645)	(2,443,012)
Variance	0	0	0	0

SHIRE OF PINGELLY

STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

	NOTE	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	January 2019 Y-T-D Budget \$	January 2019 Actual \$	Variances Actuals to Budget \$	Variances Actual Budget to Y-T-D %	
Operating								
Revenues/Sources								
Governance		85,669	85,669	49,791	46,519	(3,272)	(6.57%)	
General Purpose Funding		696,301	696,301	357,572	298,886	(60,686)	(16.97%)	▼
Law, Order, Public Safety		65,902	65,902	34,842	75,241	40,399	115.95%	▲
Health		6,936	6,936	4,032	1,476	(2,556)	(63.39%)	
Education and Welfare		11,175	11,175	6,402	8,675	2,273	35.50%	
Community Amenities		343,650	343,650	266,077	186,070	(80,007)	(30.07%)	▼
Recreation and Culture		712,454	712,454	358,278	692,176	333,898	93.20%	▲
Transport		1,118,892	1,118,892	606,219	553,880	(52,339)	(8.63%)	
Economic Services		24,050	24,050	14,014	10,799	(3,215)	(22.94%)	
Other Property and Services		77,750	77,750	45,325	26,422	(18,903)	(41.71%)	▼
		3,142,779	3,142,779	1,742,552	1,898,144	155,592	8.93%	
(Expenses)/(Applications)								
Governance		(677,507)	(677,507)	(577,969)	(339,763)	238,206	41.21%	▼
General Purpose Funding		(225,373)	(225,373)	(126,805)	(92,039)	34,766	27.42%	▼
Law, Order, Public Safety		(207,056)	(207,056)	(126,477)	(149,743)	(23,266)	(18.40%)	▲
Health		(121,072)	(121,072)	(71,219)	(61,121)	10,098	14.18%	▼
Education and Welfare		(119,003)	(119,003)	(70,925)	(35,974)	34,951	49.28%	▼
Community Amenities		(408,119)	(408,119)	(230,628)	(222,418)	8,210	3.56%	
Recreation & Culture		(1,338,540)	(1,338,540)	(837,747)	(741,277)	96,470	11.52%	▼
Transport		(2,225,141)	(2,225,141)	(1,311,417)	(1,762,160)	(450,743)	(34.37%)	▲
Economic Services		(264,077)	(264,077)	(152,653)	(135,158)	17,495	11.46%	▼
Other Property and Services		(40,738)	(40,738)	(59,659)	(148,099)	(88,440)	(148%)	▲
		(5,626,626)	(5,626,626)	(3,565,499)	(3,687,752)	(122,253)	3.43%	
Net Operating Result Excluding Rates		(2,483,847)	(2,483,847)	(1,822,947)	(1,789,608)	33,339	(1.83%)	
Adjustments for Non-Cash								
(Revenue) and Expenditure								
(Profit)/Loss on Asset Disposals	2	308,049	308,049	340,549	(73,572)	(414,121)	121.60%	▼
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0	0.00%	
Movement in Employee Benefit Provisions		0	0	0	0	0	0.00%	
Adjustments in Fixed Assets		0	0	0	0	0	0.00%	
Rounding		0	0	0	0	0	0.00%	
Depreciation on Assets		1,755,000	1,755,000	1,023,729	1,347,465	323,736	(31.62%)	▲
Capital Revenue and (Expenditure)								
Purchase Land Held for Resale	1	0	0	0	0	0	0.00%	
Purchase of Land and Buildings	1	(5,000)	(5,000)	(2,912)	0	2,912	100.00%	
Purchase of Furniture & Equipment	1	0	0	0	0	0	0.00%	
Purchase of Plant & Equipment	1	(273,000)	(273,000)	(159,250)	(240,840)	(81,590)	(51.23%)	▲
Purchase of WIP - PP & E	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Roads	1	(833,572)	(833,572)	(616,682)	(231,738)	384,944	62.42%	▼
Purchase of Infrastructure Assets - Footpaths	1	(6,000)	(6,000)	(3,493)	0	3,493	100.00%	
Purchase of Infrastructure Assets - Kerbs & Drains	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Parks & Ovals	1	0	0	0	0	0	0.00%	
Purchase of Infrastructure Assets - Bridges	1	(252,000)	(252,000)	(251,998)	0	251,998	100.00%	▼
Purchase of Infrastructure Assets - Other	1	0	0	0	0	0	0.00%	
Purchase of WIP Recreation and Culture	1	(1,849,533)	(1,849,533)	(1,790,981)	(1,712,917)	78,064	4.36%	
Purchase of WIP Aged Accommodation	1	(144,525)	(144,525)	(110,161)	(152,700)	(42,539)	(38.62%)	▲
Proceeds from Disposal of Assets	2	113,600	113,600	67,412	92,669	25,257	37.47%	▲
Repayment of Debentures	3	(98,336)	(98,336)	(49,168)	(98,336)	(49,168)	(100.00%)	▲
Proceeds from New Debentures	3	700,000	700,000	700,000	700,000	0	0.00%	
Self-Supporting Loan Principal Income		7,598	7,598	3,799	7,598	3,799	99.99%	
Transfer from Restricted Asset - Unspent Loans		0	0	0	0	0	0.00%	
Transfers to Restricted Assets (Reserves)	4	(28,996)	(28,996)	0	(6,481)	(6,481)	0.00%	
Transfers from Restricted Asset (Reserves)	4	355,768	355,768	4,774	292,840	288,066	6034.06%	▲
ADD Net Current Assets July 1 B/Fwd	5	740,010	740,010	740,010	740,010	(0)	0.00%	
LESS Net Current Assets Year to Date	5	0	0	67,683	869,566	801,884	(1184.77%)	▼
Amount Raised from Rates		(1,994,784)	(1,994,784)	(1,995,002)	(1,995,176)	(174)	0.01%	

This statement is to be read in conjunction with the accompanying notes.

Material Variances Symbol

Above Budget Expectations Greater than 10% and \$5,000 ▲

Below Budget Expectations Less than 10% and \$5,000 ▼

SHIRE OF PINGELLY
FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019
Report on Significant variances Greater than 10% and \$5,000

Purpose

The purpose of the Monthly Variance Report is to highlight circumstances where there is a major variance from the YTD Monthly Budget and YTD Actual figures. These variances can occur because of a change in timing of the activity, circumstances change (e.g. a grants were budgeted for but was not received) or changes to the original budget projections. The Report is designed to highlight these issues and explain the reason for the variance.

REPORTABLE OPERATING REVENUE VARIATIONS

General Purpose Funding - variance below budget expectations		(60,686)
Movement in Excess Rates - YTD Budget nil compared to YTD Actual (Permanent Difference) EOY non cash adjustment	(44,826)	
Law Order and Public Safety - variance above budget expectations		40,399
ESL SES grants - YTD Higher than budgeted (Timing difference) received early Q1 Instal in June 17/18	8,060	
ESL BFB grants - YTD Higher than budgeted (Timing difference) received early Q1 Instal in June 17/18	9,220	
Community Amenities		(80,007)
Waste Tipping Charges Pingelly Tip Site YTD Actuals less than YTD Budget (Old Hospital Waste timing Difference)	(90,610)	
Recreation and Culture - variance above budget expectations		333,898
PRACC Grants YTD Actual less than YTD Budget - NSRF (Timing Difference) claim 2 Raised in July 2017 \$1,466,579, claim 3 raised April \$1,291,008.00	179,427	
PRACC Grants YTD Actual less than YTD Budget - Dept of Sport & Rec (Timing Difference)	79,844	
PRACC Grants YTD Actual more than YTD Budget - Bendigo Bank (Timing Difference)	25,001	
Other Property and Services - variance below budget expectations		(18,903)
Private Works - more than anticipated - Income based on previous year (Timing Difference)	(37,292)	
Fuel Tax Credits Actual YTD less than Budget YTD	(1,829)	

REPORTABLE OPERATING EXPENSE VARIATIONS

Governance - variance above budget expectations		238,206
Audit fees YTD more than YTD Budget (Timing Difference)	(5,300)	
Administration Allocated more YTD actual than YTD budget (Timing Difference)	(189,734)	
Admin Membership Actual YTD less than budget YTD (Timing Difference)	3,279	
Depreciation YTD Actual less than YTD Budget (Timing Difference)	17,259	
General Purpose Funding - variance below budget expectations		34,766
Administration Allocated less YTD actual than YTD budget (Timing Difference)	15,174	
Education and Welfare - variances below budget expectations		34,951
Education - Depreciation YTD less than Budget YTD - Depreciation will be run/calculated and assets rolled over after auditor's final audit in December 2018 (Timing difference)	17,173	
Recreation and Culture - variance below budget expectations		96,470
PRACC Building Operations BO003 YTD Actuals less than YTD Budget	47,078	
Other Rec and Sport Admin Allocated YTD Actuals less than YTD Budget (Timing Difference)	7,583	
Other Culture - Depreciation YTD less than Budget YTD (Timing Difference)	27,707	
Transport - variance below budget expectations		(450,743)
Townsite Maintenance YTD Actual less than YTD Budget (Timing Difference)	19,433	
Depreciation YTD Actual more than Budget YTD - (Difference due to revaluations of Infra in 2017/18)	(376,197)	
Economic Services - variance below budget expectations		17,495
OES Depreciation YTD Actuals more than YTD Budget - (Timing difference)	(10,579)	
Boyagin Rock Development YTD Actual less than YTD Budget (Timing Difference)	4,156	
Admin Allocated YTD Actuals less than YTD Budget - (Timing Difference)	(7,583)	
Other Property and Services - variance below budget expectations		(88,440)
Private Works - YTD Actual less than YTD Budget (Timing Difference)	8,749	
Public Works O/heads - Allocated to Works & Svcs - YTD Actuals less than YTD Budget under allocated YTD (Timing Difference) Manual allocation required.	(113,058)	
Plant Op Costs - Allocated to Works & Services - YTD Actual less than YTD Budget under allocated (Timing Difference) Manual Allocation required.	(19,162)	
Plant Op Costs - Parts and Repairs YTD Actual more than YTD Budget-Grader Major repair early in year	41,335	
Plant Op Costs - Depreciation will be run/calculated and assets rolled over after auditor's final audit in November 2018 (Timing difference)	18,952	
Salaries & Wages - Gross Salaries and Wages - YTD Actual less than YTD Budget (Timing Difference)	(31,834)	

REPORTABLE NON-CASH VARIATIONS

(Profit)/Loss on Asset Disposals - below budget expectations		
DTS Holden captiva sold at auction (Timing Difference) loss on sale to book Written Down Value	3,666	
Webb St Block not sold/disposed YTD Actual less than YTD Budget (Timing Difference)	-	(414,121)
Handover of CRC and Joint Venture Housing not occurred yet (Timing Difference)	-	
CAT Front end loader changed over with new CASE loader (Timing Difference) profit on sale to book WDV	(77,238)	
Depreciation on Assets - below budget expectations		323,736
Depreciation YTD Actuals more than YTD Budget - Depn run and calculated with Infra assets revalued (Increase due to Infra Asset Increment increase in revaluations)		

REPORTABLE CAPITAL EXPENDITURE VARIATIONS

Purchase of Plant & Equipment - below budget expectations		
Purchase of Plant & Equipment YTD Actuals above YTD Budget (Timing difference)	(81,590)	(81,590)
Purchase of Road Infrastructure Assets - below budget expectations		384,944
Road Infrastructure YTD Actuals less than YTD Budget (Timing Difference)		
SBS01 Capex - Sbs Bodey Street And Harper Street YTD Actuals less than YTD Budget (Timing Difference)	44,912	
RRGA7 Capex - Rrg York Williams Rd Reseal & Regravel YTD Actuals less than YTD Budget (Timing Difference)	133,609	
RRG09 Yenellin Road Upgrade Rrg YTD Actuals less than YTD Budget (Timing Difference)	140,634	
RRG11 Capex - Rrg Review Street YTD Actuals less than YTD Budget (Timing Difference)	98,994	
RRG12 Capex - Rrg Bullaring Road YTD Actuals more than YTD Budget (Timing Difference)	(13,997)	
10 Shaddick Rd Realine & Regravel - Crsf Funding 2017/18 carry over funding - YTD Actuals more than YTD Budget (Timing Difference)	(19,207)	
BRR21 Capex - Bridge - Replace Box Culverts YTD Actuals less than YTD Budget (Timing Difference)	251,998	
Purchase of Works in Progress Assets - PAAA - above budget expectations		
PAAA Project Expenditure YTD Actuals more than YTD Budget - (Timing Difference)	(46,338)	(42,539)

REPORTABLE CAPITAL REVENUE VARIATIONS

Proceeds from Disposal of Assets - below budget expectations		
Proceeds from Disposal of assets YTD Actual above YTD Budget - (Timing Difference)	25,257	25,257

SHIRE OF PINGELLY
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	2018/19 YTD Budget \$	January 2019 YTD Actual \$
1. ACQUISITION OF ASSETS				
The following assets have been acquired during the period under review:				
<u>By Program</u>				
Education & Welfare				
<u>Other Aged & Disabled Services</u>				
Capex - Paaa Architects & Consultants	9,745	9,745	9,744	3,301.90
Capex - Paaa Building Construction	19,580	19,580	19,580	20,141.82
Capex - Paaa Utility Services	18,000	18,000	18,000	23,313.35
Capex - Paaa Construction Community	19,000	19,000	18,999	13,538.87
Capex - Paaa Landscaping Soft & Hard	7,000	7,000	6,998	7,112.37
Capex - Paaa Landscaping Sensory Garden	71,200	71,200	36,840	85,291.69
Recreation and Culture				
<u>Swimming Areas & Beaches</u>				
Swimming Pool Buildings Capital	5,000	5,000	2,912	0.00
<u>Works in Progress - Recreation Centre</u>				
Capex - Pracc Project Manager	76,900	76,900	41,455	40,228.01
Capex - Pracc Architects & Consultants	41,906	41,906	20,950	26,743.87
Capex - Pracc Building Construction	1,079,802	1,079,802	1,079,802	1,080,157.16
Capex - Pracc Utility Services	4,300	4,300	2,150	3,298.23
Capex - Pracc Carpark And Drainage	56,025	56,025	56,025	63,745.49
Capex - Pracc Landscaping Soft & Hard	19,000	19,000	19,000	17,856.92
Capex - Pracc Playground	35,000	35,000	35,000	34,438.00
Capex - Pracc Opening & Promotion	2,500	2,500	2,500	2,921.26
Capex - Pracc Fit Out Furniture	15,000	15,000	15,000	10,202.86
Capex - Pracc Bowling Green	503,100	503,100	503,099	415,637.90
Capex - Pracc Footpaths	16,000	16,000	16,000	17,655.46

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

	2018/19 Adopted Budget \$	2018/19 Revised Budget \$	2018/19 YTD Budget \$	January 2019 Actual \$
1. ACQUISITION OF ASSETS (Continued)				
Transport				
<i>Construction - Roads, Bridges, Depots</i>				
Bridges Purchase - Schedule 12				
Capex - Bridge - Replace Box Culverts	252,000	252,000	251,998	0.00
Roads Construction				
Capex - Sbs Bodey Street And Harper Street	77,000	77,000	44,912	0.00
Capex - Rrg York Williams Rd Reseal & Regravel	172,500	172,500	172,500	38,891.14
Capex - Rrg Yenellin Road Upgrade	140,635	140,635	140,634	0.00
Capex - Rrg Review Street	273,500	273,500	159,537	60,543.49
Capex - Rrg Bullaring Road	67,000	67,000	39,067	53,064.09
10 Shaddick Rd Realine & Regravel - Crsf	102,937	102,937	60,032	79,238.85
 Footpath - Upgrade Apex Hill	 6,000	 6,000	 3,493	 0.00
<i>Road Plant Purchases</i>				
Capex - Front End Loader	243,000	243,000	141,750	240,840.00
Capex - Flail Mower	30,000	30,000	17,500	0.00
	<u>3,363,630</u>	<u>3,363,630</u>	<u>2,935,477</u>	<u>2,338,194.95</u>
By Class				
Land	0	0	0	0.00
Buildings	5,000	5,000	2,912	0.00
Furniture & Equipment	0	0	0	0.00
Plant & Equipment	273,000	273,000	159,250	240,840.00
Work in Progress - PPE	0	0	0	0.00
Infrastructure - Roads	833,572	833,572	616,682	231,737.57
Infrastructure - Footpaths	6,000	6,000	3,493	0.00
Infrastructure - Kerbs & Drains	0	0	0	0.00
Infrastructure - Parks & Ovals	0	0	0	0.00
Infrastructure - Bridges	252,000	252,000	251,998	0.00
Infrastructure - Other	0	0	0	0.00
Works in Progress - Recreation Centre	1,849,533	1,849,533	1,790,981	1,712,917.38
Works in Progress - Aged Care Accommodation	144,525	144,525	110,161	152,700.00
	<u>3,363,630</u>	<u>3,363,630</u>	<u>2,935,477</u>	<u>2,338,194.95</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

2. DISPOSALS OF ASSETS

The following assets have been disposed of during the period under review:

By Program		Written Down Value		Sale Proceeds		Profit(Loss)	
		2018/19 Budget \$	January 2019 Actual \$	2018/19 Budget \$	January 2019 Actual \$	2018/19 Budget \$	January 2019 Actual \$
Asset No							
	Governance						
1037	5 Webb St (Land)	32,000	0.00	20,000	0.00	(12,000)	0.00
EMCCS02	EMEDS02 - DTS Vehicle PN725	10,500	10,335.22	7,600	6,669.09	(2,900)	(3,666.13)
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600.00	0.00	0	0.00	(230,600)	0.00
10191	CRC Lot 2 (18) Parade Street-Land	16,000.00	0.00	0	0.00	(16,000)	0.00
10173	Lot 602 (38) Sharow St Land	4,753	0.00	0	0.00	(4,753)	0.00
10174	Lot 603(36) Sharow St Land	4,753	0.00	0	0.00	(4,753)	0.00
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	0.00	0	0.00	(115,043)	0.00
	Transport						
PL5	2003 CAT Front End Loader-PN430	8,000	8,762.21	86,000	86,000.00	78,000	77,237.79
		421,649	19,097.43	113,600	92,669.09	(308,049)	73,571.66

By Class of Asset		Written Down Value		Sale Proceeds		Profit(Loss)	
		2018/19 Budget \$	January 2019 Actual \$	2018/19 Budget \$	January 2019 Actual \$	2018/19 Budget \$	January 2019 Actual \$
Asset No							
	Plant & Equipment						
EMCCS02	EMEDS02 - DTS Vehicle PN725	10,500	10,335.22	7,600	6,669	(2,900)	(3,666.13)
PL5	2003 CAT Front End Loader-PN430	8,000	8,762.21	86,000	86,000.00	78,000	77,237.79
	Land & Buildings						
10180	CRC Lot 2 (18) Parade Street-Spec Building	230,600	0.00	0	0	(230,600)	0.00
10191	CRC Lot 2 (18) Parade Street-Land	16,000	0.00	0	0	(16,000)	0.00
10173	Lot 602 (38) Sharow St Land	4,753	0.00	0	0	(4,753)	0.00
10174	Lot 603(36) Sharow St Land	4,753	0.00	0	0	(4,753)	0.00
10289A	Lot 602 (38) and Lot 603 (4 Units only)	115,043	0.00	0	0	(115,043)	0.00
1037	5 Webb St (Land)	32,000	0.00	20,000	0.00	(12,000)	0.00
		421,649	19,097.43	113,600	92,669.09	(308,049)	73,571.66

Summary

Profit on Asset Disposals
Loss on Asset Disposals

2018/19 Adopted Budget \$	January 2019 Actual \$
78,000	77,237.79
(386,049)	(3,666.13)
<u>(308,049)</u>	<u>73,571.66</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

3. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-18	New Loans		Principal Repayments			Principal Outstanding			Interest Repayments		
		2018/19 Budget \$	2018/19 Actual \$	2018/19 Budget \$	2017/18 Revised Budget	2018/19 Actual \$	2018/19 Budget \$	2017/18 Revised Budget	2018/19 Actual \$	2018/19 Budget \$	2017/18 Revised Budget	2018/19 Actual \$
Education & Welfare												
Loan 120 - SSL Pingelly Cottage Homes	181,717	0	0	7,598	7,598	7,598	174,119	174,119	174,119	5,879	5,879	5,814
Recreation & Culture												
Loan 123 - Recreation and Cultural Centre	2,289,025		0	90,738	90,738	90,738	2,198,287	2,198,287	2,198,287	95,423	95,423	46,982
Loan 124 - Recreation and Cultural Centre				0	0	0	0	0	0			
WATC Short Term Facility	500,000	700,000	700,000	0	0	0	1,200,000	1,200,000	1,200,000	28,320	28,320	4,335
	2,970,742	700,000	700,000	98,336	98,336	98,336	3,572,406	3,572,406	3,572,406	129,622	129,622	57,131

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

	2018/19 Adopted Budget \$	January 2019 Actual \$
4. RESERVES		
Cash Backed Reserves		
(a) Leave Reserve		
Opening Balance	113,223	113,223
Amount Set Aside / Transfer to Reserve	2,430	1,391
Amount Used / Transfer from Reserve	(80,000)	(80,000)
	<u>35,653</u>	<u>34,614</u>
(b) Plant Reserve		
Opening Balance	246,256	246,256
Amount Set Aside / Transfer to Reserve	5,285	3,025
Amount Used / Transfer from Reserve	(186,500)	(184,840)
	<u>65,041</u>	<u>64,441</u>
(c) Building and Recreation Reserve		
Opening Balance	31,202	31,202
Amount Set Aside / Transfer to Reserve	20,185	383
Amount Used / Transfer from Reserve	(28,000)	(28,000)
	<u>23,387</u>	<u>3,585</u>
(d) Electronic Equipment Reserve		
Opening Balance	6,280	6,280
Amount Set Aside / Transfer to Reserve	7	77
Amount Used / Transfer from Reserve	(3,200)	0
	<u>3,087</u>	<u>6,357</u>
(e) Community Bus Reserve		
Opening Balance	11,419	11,419
Amount Set Aside / Transfer to Reserve	25	140
Amount Used / Transfer from Reserve	0	0
	<u>11,444</u>	<u>11,559</u>
(f) Swimming Pool Reserve		
Opening Balance	51,095	51,095
Amount Set Aside / Transfer to Reserve	495	628
Amount Used / Transfer from Reserve	(5,000)	0
	<u>46,590</u>	<u>51,723</u>
(g) Joint Venture Housing Reserve		
Opening Balance	52,544	52,544
Amount Set Aside / Transfer to Reserve	523	645
Amount Used / Transfer from Reserve	(53,068)	0
	<u>(1)</u>	<u>53,189</u>
(h) Refuse Site Rehab/Closure Reserve		
Opening Balance	15,556	15,556
Amount Set Aside / Transfer to Reserve	46	191
Amount Used / Transfer from Reserve	0	0
	<u>15,602</u>	<u>15,747</u>
Total Cash Backed Reserves	<u><u>200,803</u></u>	<u><u>241,215</u></u>

All of the above reserve accounts are to be supported by money held in financial institutions.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

	2018/19 Adopted Budget \$	January 2019 Actual \$
4. RESERVES (Continued)		
Cash Backed Reserves (Continued)		
Summary of Transfers To Cash Backed Reserves		
Transfers to Reserves		
Leave Reserve	2,430	1,391
Plant Reserve	5,285	3,025
Building and Recreation Reserve	20,185	383
Electronic Equipment Reserve	7	77
Community Bus Reserve	25	140
Swimming Pool Reserve	495	628
Joint Venture Housing Reserve	523	645
Refuse Site Rehab/Closure Reserve	46	191
	<u>28,996</u>	<u>6,480</u>
Transfers from Reserves		
Leave Reserve	(80,000)	(80,000)
Plant Reserve	(186,500)	(184,840)
Building Reserve	(28,000)	(28,000)
Electronic Equipment Reserve	(3,200)	0
Community Bus Reserve	0	0
Swimming Pool Reserve	(5,000)	0
Joint Venture Housing Reserve	(53,068)	0
Refuse Site Rehab/Closure Reserve	0	0
	<u>(355,768)</u>	<u>(292,840)</u>
Total Transfer to/(from) Reserves	<u>(326,772)</u>	<u>(286,360)</u>

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Leave Reserve

- to be used to fund annual and long service leave requirements.

Plant Reserve

- to be used for the purchase of major plant.

Building and Recreation Reserve

- to be used to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.

Electronic Equipment Reserve

- to be used to fund the purchase of administration computer system equipment.

Community Bus Reserve

- to be used to fund the change-over of the community bus.

Swimming Pool Reserve

- to be used to fund the upgrading of the swimming pool complex

Joint Venture Housing Reserve

- to be used for the future maintenance of the Joint Venture units

Refuse Site Rehab/Closure Reserve

- to be used to facilitate the rehabilitation/closure of the town refuse site.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

	2017/18 B/Fwd Per 2018/19 Budget \$	2017/18 B/Fwd Per Financial Report \$	January 2019 Actual \$
5. NET CURRENT ASSETS			
Composition of Estimated Net Current Asset Position			
CURRENT ASSETS			
Cash - Unrestricted	631,596	631,595	230,373
Cash - Restricted Unspent Grants	229,139	229,139	168,000
Cash - Restricted Unspent Loans	(314,353)	(314,353)	(0)
Cash - Restricted Reserves	527,575	527,575	241,215
Receivables (Budget Purposes Only)	0	0	0
Rates Outstanding	220,559	220,559	381,701
Sundry Debtors	100,719	100,719	114,151
Provision for Doubtful Debts	(3,519)	(3,519)	(3,519)
Gst Receivable	151,014	151,014	14,781
Loans - clubs/institutions	7,598	7,598	0
Accrued Income/Payments In Advance	1,958	1,958	0
Investments	0	0	0
Inventories	8,380	8,380	12,258
	<u>1,560,666</u>	<u>1,560,666</u>	<u>1,158,961</u>
LESS: CURRENT LIABILITIES			
Payables and Provisions (Budget Purposes Only)	0	0	0
Sundry Creditors	(113,407)	(113,407)	0
Accrued Interest On Loans	(49,507)	(49,507)	0
Accrued Salaries & Wages	(19,658)	(19,658)	0
Income In Advance	0	0	0
Gst Payable	(50,973)	(50,973)	(10,362)
Payroll Creditors	0	0	0
Accrued Expenses	(15,733)	(15,733)	0
PAYG Liability	(32,720)	(32,720)	(33,481)
Other Payables	(3,487)	(3,487)	(4,335)
Current Employee Benefits Provision	(303,871)	(303,871)	(303,871)
Current Loan Liability	(598,336)	(98,336)	(500,000)
	<u>(1,187,692)</u>	<u>(687,691)</u>	<u>(852,050)</u>
NET CURRENT ASSET POSITION	372,974	872,976	306,911
Less: Cash - Reserves - Restricted	(527,575)	(527,575)	(241,215)
Less: Cash - Unspent Grants/Loans - Fully Restricted	0	0	0
Less: Current Loans - Clubs / Institutions	(7,598)	(7,598)	0
Less: Investments	0	0	0
Add Back : Component of Leave Liability not Required to be Funded	303,871	303,871	303,871
Add Back : Current Loan Liability	598,336	98,336	500,000
Adjustment for Trust Transactions Within Muni	0	0	0
ESTIMATED SURPLUS/(DEFICIENCY) C/FWD	<u>740,010</u>	<u>740,010</u>	<u>869,566</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

6. RATING INFORMATION

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	2018/19 Rate Revenue \$	2018/19 Interim Rates \$	2018/19 Back Rates \$	2018/19 Total Revenue \$	2018/19 Budget \$
General Rate								
GRV - Residential	0.130220	321	3,135,172	408,262	(63)	0	408,200	407,247
GRV - Rural Residential	0.130220	69	719,124	93,644	0	0	93,644	93,644
GRV - Commercial/Industrial	0.130220	33	463,424	60,249	0	0	60,249	60,249
GRV - Townsites	0.130220	12	128,440	16,725	0	0	16,725	16,725
UV - Broadacre Rural	0.010469	250	123,477,000	1,292,681	(524)	0	1,292,157	1,292,478
Sub-Totals		685	127,923,160	1,871,562	(586)	0	1,870,975	1,870,343
Minimum Rates	Minimum \$							
GRV - Residential	900	58	121,945	52,200	0	0	52,200	52,200
GRV - Rural Residential	900	20	69,600	18,000	0	0	18,000	18,000
GRV - Commercial/Industrial	900	8	28,385	7,200	0	0	7,200	7,200
GRV - Townsites	900	7	20,270	6,300	0	0	6,300	6,300
UV - Broadacre Rural	900	45	2,709,500	40,500	0	0	40,500	40,500
Sub-Totals		138	2,949,700	124,200	0	0	124,200	124,200
Ex Gratia Rates							1,995,176	1,994,543
Movement in Excess Rates							233	241
							(44,826)	0
Total Amount of General Rates Specified Area Rates							1,950,583	1,994,784
							0	0
Total Rates							1,950,583	1,994,784

All land except exempt land in the Shire of Pingelly is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire.

The general rates detailed above for the 2018/19 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also bearing considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of the Local Government services/facilities.

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

7. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in this statement are as follows:

Detail	Balance 01-Jul-18 \$	Amounts Received \$	Amounts Paid (\$)	Balance \$
Transport Licensing	0	223,649	(223,649)	0
BCITF Levy	0	0	0	0
Rates	0	0	0	0
Funds Held on Behalf of Groups	40	0	0	40
Unclaimed Monies	100	0	0	100
Builders Registration Board	0	0	0	0
Social Club	0	0	0	0
Nomination Deposits	80	0	(80)	0
Bond Monies (Including Key Deposits)	4,040	6,960	(3,250)	7,750
	<u>4,260</u>	<u>230,609</u>	<u>(226,979)</u>	<u>7,890</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

8. OPERATING STATEMENT

	January 2019 Actual \$	2018/19 Revised Budget \$	2018/19 Adopted Budget \$	2017/18 Actual \$
OPERATING REVENUES				
Governance	46,519	85,669	85,669	105,617
General Purpose Funding	2,292,062	2,691,085	2,691,085	3,174,924
Law, Order, Public Safety	75,241	65,902	65,902	454,910
Health	1,476	6,936	6,936	8,283
Education and Welfare	8,675	11,175	11,175	635,719
Housing	0	0	0	0
Community Amenities	186,070	343,650	343,650	174,268
Recreation and Culture	692,176	712,454	712,454	4,055,949
Transport	553,880	1,118,892	1,118,892	1,188,399
Economic Services	10,799	24,050	24,050	43,885
Other Property and Services	26,422	77,750	77,750	108,329
TOTAL OPERATING REVENUE	3,893,320	5,137,563	5,137,563	9,950,283
OPERATING EXPENSES				
Governance	339,763	677,507	677,507	556,517
General Purpose Funding	92,039	225,373	225,373	176,753
Law, Order, Public Safety	149,743	207,056	207,056	200,344
Health	61,121	121,072	121,072	109,345
Education and Welfare	35,974	119,003	119,003	42,882
Housing	0	0	0	0
Community Amenities	222,418	408,119	408,119	370,813
Recreation & Culture	741,277	1,338,540	1,338,540	949,218
Transport	1,762,160	2,225,141	2,225,141	1,796,546
Economic Services	135,158	264,077	264,077	231,661
Other Property and Services	148,099	40,738	40,738	87,172
TOTAL OPERATING EXPENSE	3,687,752	5,626,626	5,626,626	4,521,251
CHANGE IN NET ASSETS - RESULTING FROM OPERATIONS	205,568	(489,063)	(489,063)	5,429,032

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

9. STATEMENT OF FINANCIAL POSITION

	January 2019 Actual \$	2017/18 Actual \$
CURRENT ASSETS		
Cash and Cash Equivalents	639,588	1,073,956
Investments Current	5,000	5,000
Trade and Other Receivables	507,115	478,330
Inventories	12,258	8,380
Trust at Bank	7,890	4,260
TOTAL CURRENT ASSETS	<u>1,171,851</u>	<u>1,569,926</u>
NON-CURRENT ASSETS		
Other Receivables	231,478	231,478
Inventories	0	0
Property, Plant and Equipment	20,323,321	18,436,371
Infrastructure	67,510,158	68,425,477
Investments Non Current	46,400	46,400
TOTAL NON-CURRENT ASSETS	<u>88,111,357</u>	<u>87,139,726</u>
TOTAL ASSETS	<u>89,283,208</u>	<u>88,709,652</u>
CURRENT LIABILITIES		
Trade and Other Payables	48,179	285,484
Long Term Borrowings	500,000	98,336
Provisions	303,871	303,871
Trust Liability	7,890	4,260
TOTAL CURRENT LIABILITIES	<u>859,940</u>	<u>691,951</u>
NON-CURRENT LIABILITIES		
Trade and Other Payables	0	0
Long Term Borrowings	3,072,406	2,872,406
Provisions	53,186	53,186
TOTAL NON-CURRENT LIABILITIES	<u>3,125,592</u>	<u>2,925,592</u>
TOTAL LIABILITIES	<u>3,985,532</u>	<u>3,617,543</u>
NET ASSETS	<u>85,297,676</u>	<u>85,092,109</u>
EQUITY		
Retained Surplus	33,432,655	32,940,728
Reserves - Cash Backed	241,215	527,575
Revaluation Surplus	51,623,806	51,623,806
TOTAL EQUITY	<u>85,297,676</u>	<u>85,092,109</u>

SHIRE OF PINGELLY

NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2018 TO 31 JANUARY 2019

10. FINANCIAL RATIOS

	2019 YTD	2018	2017	2016
Current Ratio	1.37	4.05	2.03	1.05
Operating Surplus Ratio	(0.31)	(0.26)	(0.60)	(0.72)

The above ratios are calculated as follows:

Current Ratio

$$\frac{(\text{Current Assets MINUS Restricted Assets})}{(\text{Current Liabilities MINUS Liabilities Associated with Restricted Assets})}$$

Purpose:

This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions.

Standards:

The standard is not met if the ratio is lower than 1:1 (less than 100%)

Below Std

The standard is met if the ratio is greater than 1:1 (100% or greater)

Std met

A ratio less than 1:1 means that a local government does not have sufficient assets that can be quickly converted into cash to meet its immediate cash commitments. This may arise from a budget deficit from the past year, a Council decision to operate an overdraft or a decision to fund leave entitlements from next year's revenues.

Operating Surplus Ratio

$$\frac{(\text{Operating Revenue MINUS Operating Expense})}{(\text{Own Source Operating Revenue})}$$

Purpose:

This ratio is a measure of a local government's ability to cover its operational costs and have revenues available for capital funding or other purposes.

Standards:

Basic Standard is not met less than < 1% (< 0.01)

Below Std

Basic Standard between 1% and 15% (0.01 and 0.15)

Basic Std

Advanced Standard greater than > 15% (>0.15).

Adv Std

SHIRE OF PINGELLY RESTRICTED CASH RECONCILIATION 31 January 2019								
Restricted Grants/Funds Received	Projects	GL/Job Account	Total Restricted Funds	Actual Expenditure previous year 2015/16	Actual Expenditure previous year 2016/17	Actual Expenditure current year 2017/18	Actual Expenditure current year 2018/19	Restricted Funds Remaining
WDC Community Chest Funding-Sensory Garden	Aged Approp Accom Units	0861	10,000.00	0.00	0.00	0.00	10,000.00	0.00
Lotterywest Grant-Aged Sensory Space	Aged Approp Accom Units	PAA02	50,000.00	0.00	0.00	8,861.32	41,138.68	0.00
National Stronger Regions Funds - final claim 4	Recreation & Cultural Centre	11PR/PR01	353,289.00	0.00	0.00	0.00	353,289.00	0.00
Dept of Sport & Rec \$350,000 - final claim 3 25%	Recreation & Cultural Centre	11PR/PR03	87,500.00	0.00	0.00	0.00	87,500.00	0.00
Bendigo Bank-Pingelly Community Financial Services	Recreation & Cultural Centre	11PR/PR04	150,000.00	0.00	0.00	100,000.00	50,000.00	0.00
Focus Group Grain contribution to PRACC	Recreation & Cultural Centre	11PR/PR07	4,323.00	0.00	0.00	0.00	4,323.00	0.00
CBH Contribution Grass Roots Fund -playground	Recreation & Cultural Centre	11PR/PR11	10,000.00	0.00	0.00	0.00	10,000.00	0.00
DSR CSRFF Grant Bowling Rink	Recreation & Cultural Centre	11PR/PR03	108,275.50	0.00	0.00	0.00	108,275.50	0.00
Pingelly Bowling Club contribution Bowling Rink	Recreation & Cultural Centre	11PR/PR10	50,000.00	0.00	0.00	0.00	50,000.00	0.00
WATC S/T Loan Facility PRACC claim 2-Bowls	Recreation & Cultural Centre	1704	200,000.00	0.00	0.00	0.00	200,000.00	0.00
WATC S/T Loan Facility PRACC claim 2-PRACC	Recreation & Cultural Centre	1704	500,000.00	0.00	0.00	314,353.36	185,646.64	0.00
Main Roads Bullaring rd Bridge Funding 18/19 cfwd	Transport	1250	168,000.00	0.00	0.00	0.00	0.00	168,000.00
Sub Total								168,000.00
Total Restricted Grant Funds								
Available Cash								Balance
Municipal Bank	Muni Fund Bank	0111		Term	Maturing			397,622.70
Municipal Bank	Till Float SES	0112		Ongoing	N.A.			50.00
Municipal Bank	Till Float	0113						200.00
Municipal Bank	Petty Cash on hand	0114						500.00
Total Cash								398,372.70
Less Restricted Cash								(168,000.00)
Total Unrestricted Cash								230,372.70

Attachment 9

Shire of Pingelly



Incident Management and Business Continuity Plan (IMBCP)

Table of Contents

Distribution List	3
Amendment Record	4
Introduction/Background.....	5
Incident Management and Business Continuity Plan (BCP).....	6
Executive Summary	6
Objectives.....	6
Section 1 - Administration and Governance Processes	7
Maximum Acceptable Outage Timeframe	7
Trigger Points	7
Response	7
Loss of access to Building, Infrastructure or Machinery or part there of	7
Loss of access to ICT inclusive of hardware or software or part there of	11
Significant number of Staff unavailable	12
Section Two - Road/Infrastructure related Maintenance and Construction	13
MAO Timeframe.....	13
Trigger Points	13
Response	13
Loss of access to Building, Infrastructure or Machinery or part there of	13
Loss of access to ICT inclusive of hardware or software or part there of.....	17
Significant number of Staff unavailable	18
Section Three – Regulatory Services	19
MAO Timeframe.....	19
Trigger Points	19
Response	19
Section Four – Rehearse, Maintain and Review.....	20
Appendices	21
Appendix One - Event Log	21
Appendix Two - Immediate Response Checklist	21
Appendix Three - Incident Recovery Checklist.....	21
Appendix Four - Insurance List.....	21
Appendix Five - Contacts List (Internal)	21
Appendix Six - Contacts List (External)	21
Appendix Seven - Emergency Kit.....	21
Appendix Eight – Evacuation Plans	21

Distribution List

Organisation	Number of Copies
Shire President (Shire of Pingelly)	1
Chief Executive Officer (Shire of Pingelly)	1
Director Corporate & Community Services (Shire of Pingelly)	1
Director Technical Services (Shire of Pingelly)	1
Shire Councillors (Shire of Pingelly)	8
LEMC Members (Shire of Pingelly)	14
OIC (Pingelly WAPOL)	1
St John Ambulance	1
Pingelly Primary School	1
Pingelly Community Resource Centre	1
Pingelly Medical Centre	1

Amendment Record

Number	Date	Amendment Details	By
1	19 th December 2018	First Draft	SB
2		Adopted by Council	
3			
4			
5			
6			
7			

Introduction/Background

The Shire of Pingelly recognises that some events may exceed the capacity of routine management methods and structure. The Business Continuity Management Framework works to produce the Business Continuity Plan in order to provide a mechanism for the development of contingent capacity and plans that will enable management to focus on maintaining and resuming the Shire's most critical functions. The framework underpins and provides all extenuating data for the creation of the Business Continuity Plan and the following document is an integral part of the process prescribed within the framework.

Business Continuity Planning (BCP) is the creation of a strategy through the recognition of threats and risks facing an organisation with a specific aim to ensure that personnel and assets are protected and able to function in the event of a disaster. Business Continuity Planning involves defining potential risks, determining how those risks will affect operations, implementing treatment options designed to mitigate those risks, testing those procedures to ensure that they work, and periodically reviewing the process to make sure that it is up to date.

The purpose of developing a Business Continuity Plan is to ensure the continuation of the business during and following any critical incident that results in disruption to normal operational capability. This Business Continuity Plan is the outcome of a rigorous Risk Assessment Process completed using the AS/NZS ISO 31000:2009 standardisation. It is specifically designed for the Shire of Pingelly's Core Business Areas, each business area designated is affected by various Risks and Hazards that are unavoidable within the Shire; it is noted that while treatment options are available there is never a 'Sure Fire' or 'Quick Fix' for these risks and that contingency and continuity planning will be required at stages defined by an incident.

Incident Management and Business Continuity Plan (BCP)

Executive Summary

This plan was designed and produced using a robust Business Continuity Management Framework and contains information pertinent to the Shire of Pingelly's ability to maintain business continuity. The primary aim of this document is to prepare the Shire of Pingelly in the case of a catastrophic business failure due a variety of reasons. The plan outlays response and recovery options as well as the responsibilities of the activating parties.

The initial permutation of this document consisted of the Business Continuity Management Framework only without the additional plans and procedures; this document proved both difficult to read and unusable in context to the layman.

After initial testing and feedback this version of the Business Continuity Plan was established. It contains a broad outline of the core areas of business within the Shire of Pingelly and applies trigger points to plans established by the Risk Assessments conducted within the Framework.

This plan is designed to be read in conjunction with the framework and as mentioned above details plans for response and recovery after a failure in terms of business. It has been designed to be used by the Staff within the Shire and has been accordingly written.

Objectives

The aim of this plan is to provide and effective procedure that equips Council to:

- Ensure services that are critical to our strategic objectives continue despite the occurrence of a potentially disruptive event.
- Stabilise the effects of a disruptive event and return to normal operations as quickly as possible.
- Minimise financial effects and impacts on service delivery targets in the event of a disruption.
- Protect Council's assets and reputation through the development of organisational resilience.
- Capitalise on opportunities created by the disruptive event.

Section 1 - Administration and Governance Processes

Administration Processes can be described as the underpinning authority in the management and production capability of the Local Government. It consists of processes and items that are intrinsic to the successful management of the Shire. Governance is the ability to both create and maintain a system of laws, policies and procedures directly affecting constituents of the Local Government in particular the Shire of Pingelly.

Maximum Acceptable Outage Timeframe

This service has been assessed using the criteria found in the document '*Shire of Pingelly, Business Continuity Management Framework*' and designated as **MAO Timeframe Critical 1 Business Day or Less**.

(Maximum Acceptable Outage or MAO is the time frame during which a recovery must become effective before an outage compromises the ability of an Organisation to achieve its business objectives and/or survival)

Trigger Points

The trigger points for the activation of this plan is based in the Risk Assessment Process and described in the Framework as 'All Hazard or Worst Case Scenario' these consist of:

- Loss of access to Building, Infrastructure or Machinery or part there of
- Loss of access to ICT inclusive of hardware or software or part there of
- Significant number of Staff unavailable
- Combination of the above events

Response

The following incident response plans present detailed plans to address the each of these risk areas as identified in the risk management assessment outlined in the BCM Framework.

The plans are not exhaustive, as any major incident will require more detailed and potential long term considerations; however the plans below provide a structured response to major incidents that are of the highest threat to service provision and Council operations.

Loss of access to Building, Infrastructure or Machinery or part there of

Causes include natural or man-made disasters, threats or criminal activity. This task provides the necessary steps to assess and recover from a loss of the Shire of Pingelly Administration Facilities

Task One - Immediate Response

This task provides the necessary command and control to enable the Shire of Pingelly's Incident Response Team to conduct an initial assessment of the disaster and to co-ordinate the Shire's initial response to the disaster.

Incident Response Team:

- Chief Executive Officer
- Director Technical Services
- Director Corporate & Community Services

Recovery Procedure:

Incident Response Team to undertake the following steps:

- Ensure site has been evacuated and all personnel are accounted for
- Secure site and prevent access
- Contact Emergency Services and Police
- Identify any injuries and render assistance

- Undertake an initial assessment of damage and risks
- Arrange diversion of phone lines to existing Shire mobiles
- Determine time frame to switch to Recovery Location

Recovery Time Objective

Timeframe for this activity is within 3 hours of the incident

Recovery Location

- Primary Site -Town Hall
- Secondary site – Pingelly Recreation and Cultural Centre

Resource requirements

- Information and Communication Technology (ICT)

Other Considerations:

- Liaise with Emergency Services and Police
- Inform Council and employees
- Inform Local Community where possible
- Inform Local Government Insurance Services

Task Two - Commence operations from Recovery Location

This task provides the necessary steps to commence core Shire operations from the Recovery Location and commence the planning for restoration of services in the short and longer term.

Recovery Procedure

Undertake the following steps:

- Establish the Recovery Location
- Layout workspace utilising tables and chairs from the Town Hall
- Source telephones and establish communications and redirect calls to Mobile Telephones
- Allocate staff as applicable
- Liaise with other Incident Response Team members to determine items to be immediately replaced and what is recoverable.
- Contact ICT supplier
- Recover backups
- Recover software where appropriate
- Assess damage and undertaken salvage operations
 - Undertake initial assessment of salvageable materials, items and records if applicable
 - Contact staff to remove items to a salvage site
- Co-ordinate all communications, media and elected members, Local Government insurers and general co-ordination of recovery process
 - Liaise with Shire President to issue a media statement

Recovery Time Objective

Timeframe to achieve this task within 8 hours of the incident.

Resource Requirements

- Office furniture and stationery
- Administration and Works staff
- IT hardware and software
- Communications (land line and internet)

Task Three - Assess damage and prepare Long Term Recovery Plans

This task provides the necessary steps to commence planning for Long Term Operations from the Disaster Recovery Site.

Recovery Procedure

Undertake the following steps:

- Establish the disaster recovery site for full operations use in the long term
- Recover data to pre disaster state
- Bring all records up to date
- Contact all necessary persons to inform of incident, expected delays and seek documentation where necessary including demountable buildings and other office accommodation.
- Establish necessary equipment and infrastructure requirements to provide full operations from recovery site Finalise damage assessment and commence planning for re-establishing services through full or partial rebuild of Administration Centre
- Co-ordinate all communications, media and elected members, Local Government insurers and general co-ordination of recovery process
- Oversee assessment and recovery

Recovery Time Objective

Timeframe for this activity is within 24 hours of the incident

Resource Requirements

- IT contractors
- Additional infrastructure as identified
- Contractors to clean up disaster site (if applicable)

Loss of access to ICT inclusive of hardware or software or part there of

This task provides the necessary steps to recover the Shire's IT system as a result of complete failure resulting in replacement of the IT system

Incident Response Team

- Chief Executive Officer
- Director Corporate & Community Services
- IT Consultant

Recovery Procedure

Undertake the following steps:

- Assess severity of outage through the shire's IT provider and determine likely outage time
- Seek quotations and place orders for replacement components
- Contact Shire's insurers and Police if necessary
- Inform Council, community and business contacts (i.e. banks, creditors and contractors) of potential delays in providing services
- Set up and install new hardware. Install all software and restore from backups
- Reconcile and rebuild all data.

Recovery Time Objective

Timeframe for this activity is within 24 hours of the incident

Resource requirements

IT suppliers (hardware/software, Synergy, Licensing, etc.)

Significant number of Staff unavailable

This task provides necessary steps to recover in the case of a significant number of staff being unavailable to work due to a variety of reasons

Incident Response Team

- Chief Executive Officer
- Director Corporate & Community Services
- Director Technical Services

Recovery Procedure

Undertake the following steps:

- Assess the severity of staff shortage
- Rearrange existing staff to cover the shortage areas
- Inform Council, community and business contacts (i.e. banks, creditors and contractors) of potential delays
- Request trained personnel from surrounding Shires if appropriate
- Source staff through recruitment agencies as appropriate

Recovery Time Objective

Timeframe for this activity is within 24 hours of the incident

Resource Requirements

Nil

Section Two - Road/Infrastructure related Maintenance and Construction

This refers to the maintenance, replacement or construction of designated Shire Roads, Streets, Gardens and Parklands.

MAO Timeframe

This service has been assessed using the criteria found in the document '*Shire of Pingelly, Business Continuity Management Framework*' and designated as **MAO Timeframe Major 1 – 3 Business Days**

Trigger Points

The trigger points for the activation of this plan is based in the Risk Assessment Process and described in the Framework as 'All Hazard or Worst Case Scenario' these consist of:

- Loss of access to Building, Infrastructure or Machinery or part there of
- Loss of access to ICT inclusive of hardware or software or part there of
- Significant number of Staff unavailable
- Combination of the above events

Response

The following incident response plans present detailed plans to address the each of these risk areas as identified in the risk management assessment outlined in the BCM Framework.

The plans are not exhaustive, as any major incident will require more detailed and potential long term considerations; however the plans below provide a structured response to major incidents that are of the highest threat to service provision and Council operations.

Loss of access to Building, Infrastructure or Machinery or part there of

Causes include natural or man-made disasters, threats or criminal activity. This task provides the necessary steps to assess and recover from a loss of Depot facilities or essential machinery.

Task One – Depot Loss

This task provides a procedure to follow in regards to the loss of the Shire Depot

Incident Response Team:

- Chief Executive Officer
- Director Technical Services
- Director Corporate & Community Services
- Works Supervisor

Recovery Procedure:

Incident Response Team to undertake the following steps:

- Ensure site has been evacuated and all personnel are accounted for
- Secure site and prevent access
- Contact Emergency Services and Police
- Identify any injuries and render assistance
- Undertake an initial assessment of damage and risks
- Arrange diversion of phone lines to existing Shire mobiles
- Determine time frame to switch to Recovery Location
- Prioritise Works Services
- Liaise with other Incident Response Team members to determine items to be immediately replaced and what is recoverable.

- Redirection of Works phone numbers from hard line to mobile

Recovery Time Objective

Timeframe for this activity is within 24 hours of the incident

Recovery Location

- Primary Location - Shire Administration Offices
- Secondary Location - Town Hall

Resource requirements

- Consideration of space for extra staff

Other Considerations:

- Liaise with Emergency Services and Police
- Inform Council and employees
- Inform Local Community where possible
- Inform Local Government Insurance Services

Task Two – Loss of Essential Machinery

This task provides a procedure to follow in regards to the loss of essential machinery for the purposes of Road and Infrastructure related Maintenance and Construction

Incident Response Team:

- Chief Executive Officer
- Director Technical Services
- Works Supervisor

Recovery Procedure:

Incident Response Team to undertake the following steps:

- Prioritisation of works services
- Hire of appropriate equipment to maintain services
- Request machinery from surrounding Shires as appropriate
- Contact all necessary persons to inform of incident, expected delays and seek documentation where necessary

Recovery Time Objective

Timeframe for this activity is within 72 hours of the incident

Other Considerations:

- Backlog of Works Services
- Priority of Works Services
- Staffing Requirements
- Wait time on new, hired or borrowed Machinery

Task Three – Loss of Essential Road Network and Bridge Infrastructure

This task provides a procedure to follow in regards to the loss of access to Shire essential Road Network or Bridge Infrastructure.

Incident Response Team:

- Chief Executive Officer
- Director Technical Services
- Director Corporate & Community Services
- Works Supervisor

Recovery Procedure:

Incident Response Team to undertake the following steps:

- Ensure affected site has been evacuated and all personnel/public are accounted for
- Secure site and prevent access
- Contact Main Roads, Emergency Services and Police
- Identify any injuries and render assistance
- Undertake an initial assessment of damage and risks
- Arrange diversion/detour of road users to existing Shire roads
- Determine time frame to switch to Detour
- Prioritise Works Services
- Liaise with other Incident Response Team members to determine items to be immediately replaced and what is recoverable. Look at WANDRRA and NDRRA claims and emergency opening up works approval.

Recovery Time Objective

Timeframe for this activity is within 7 days of the incident

Recovery Location

- Primary Location - Shire Road Detour Site
- Secondary Location – Alternative Detour Route

Resource requirements

- Consideration of using Contractor and putting on extra casual staff

Other Considerations:

- Liaise with Main Roads, Emergency Services and Police
- Inform Council and employees
- Inform Local Community where possible
- Inform Local Government Insurance Services

Loss of access to ICT inclusive of hardware or software or part there of

This task provides the necessary steps to recover a loss of all Works related IT systems as a result of complete failure resulting in replacement of the IT system

Incident Response Team

- Chief Executive Officer
- Director Corporate & Community Services
- Director Technical Services
- IT Consultant

Recovery Procedure

Undertake the following steps:

- Assess severity of outage through the shire's IT provider and determine likely outage time
- Seek quotations and place orders for replacement components
- Contact Shire's insurers and Police if necessary
- Inform Council and Community of potential delays in providing services
- Set up and install new hardware. Install all software and restore from backups
- Reconcile and rebuild all data.

Recovery Time Objective

Timeframe for this activity is within 72 hours of the incident

Resource requirements

IT suppliers (hardware/software, Synergy, Licensing, etc.)

Significant number of Staff unavailable

This task provides necessary steps to recover in the case of a significant number of staff being unavailable to work due to a variety of reasons

Incident Response Team

- Chief Executive Officer
- Director Corporate & Community Services
- Director Technical Services
- Works Supervisor (If Depot Staff)

Recovery Procedure

Undertake the following steps:

- Assess the severity of staff shortage
- Rearrange existing staff to cover the shortage areas
- Inform Council and Community of potential delays in providing services
- Request trained personnel from surrounding Shires if appropriate
- Source staff through recruitment agencies as appropriate
- Prioritise Works Services

Recovery Time Objective

Timeframe for this activity is within 72 hours of the incident

Resource Requirements

Nil

Section Three – Regulatory Services

This refers to all regulatory services within the Shire Community including but not limited to:

- Health Services
- Building Services
- Ranger Services – Inclusive of animal and reptile control
- Surveying Services

MAO Timeframe

This service has been assessed using the criteria found in the document '*Shire of Pingelly, Business Continuity Management Framework*' and designated as **MAO Timeframe Major 1 – 3 Business Days**

Trigger Points

The trigger points for the activation of this plan is based in the Risk Assessment Process and described in the Framework as 'All Hazard or Worst Case Scenario' these consist of:

- Loss of access to Building, Infrastructure or Machinery or part there of
- Loss of access to ICT inclusive of hardware or software or part there of
- Significant number of Staff unavailable
- Combination of the above events

Response

As Regulatory Services are based out of the Shire Administration Offices Response plans for this service are noted within Section One - Administration and Governance Processes.

Section Four – Rehearse, Maintain and Review

It is critical that the plan is rehearsed to ensure that it remains relevant and useful. This may be done as part of a training exercise and is a key factor in the successful implementation of the plan during an emergency.

The Shire must also ensure that they regularly review and update the plan to maintain accuracy and reflect any changes inside or outside the business.

This plan is to be reviewed on a quinquennial (5 year) basis, as needed or after an activation.

Appendices

Appendix One - Event Log

Appendix Two - Immediate Response Checklist

Appendix Three - Incident Recovery Checklist

Appendix Four - Insurance List

Appendix Five - Contacts List (Internal)

Appendix Six - Contacts List (External)

Appendix Seven - Emergency Kit

Appendix Eight – Evacuation Plans

Appendix One – Event Log

Event	Time	Date

(Please note the event log is to include all rehearsals, tests and actual activations of the BCP)

Appendix Two – Immediate Response Checklist

Incident Response	✓	Actions Taken
Severity of Incident assessed?		
Site evacuated? (As applicable)		
All staff accounted for?		
Injuries identified?		
Emergency Services contacted?		
Implemented Response Plan?		
Implemented Event Log?		
Activated Staff and Resources?		
Briefed Incident Response Team?		
Allocated roles and responsibilities?		
Identified damages?		
Identified critical disruptions?		
Staff Informed?		
Stakeholders Contacted?		
Initiated community information?		

Appendix Three – Incident Recovery Checklist

Incident Response	✓	Actions Taken
Severity of Incident assessed?		
Site evacuated? (As applicable)		
All staff accounted for?		
Injuries identified?		
Emergency Services contacted?		
Implemented Response Plan?		
Implemented Event Log?		
Activated Staff and Resources?		
Briefed Incident Response Team?		
Allocated roles and responsibilities?		
Identified damages?		
Identified critical disruptions?		
Staff Informed?		
Stakeholders Contacted?		
Initiated community information?		

Appendix Three – Insurance List

Insurance Type	Policy Coverage	Policy Exclusions	Insurance Company	Last Review Date	Payments Due
Motor Vehicle and Plant	Up to \$30,000,000	Nil Basic Excess - \$300.00	Zurich Australia Insurance Limited	June 2018	Annually
Local Government Special Risks-Property	Up to \$600,000,000	Nil Standard Excess - \$1,000	LGIS - Property	June 2018	Annually
Crime	Up to \$250,000	Any One Person Standard Excess - \$1,000	LGIS - Liability	June 2018	Annually
Bushfire	Pooled Cover in the aggregate of all claims \$500,000		LGIS - Bushfire	June 2018	Annually
Public Liability	Public Liability \$50,000,000 any one occurrence Products Liability \$50,000,000 any one occurrence and in the aggregate any one period of protection		LGIS - Liability	June 2018	Annually
Workers Compensation	Death and Capital Benefits \$300,000 Weekly Benefits 100% of weekly earnings (as defined) to a maximum of \$2,500 (payable for up to 104 weeks from the date of injury)		LGIS - Workcare	June 2018	Annually
Enviro Impairment Liability			AIG Aust Ltd	June 2018	Annually
Management Liability			Chubb Insurance Aust Ltd	June 2018	Annually
Marine Cargo			QBE Insurance	June 2018	Annually
Personal Accident			Chubb Insurance Aust Ltd	June 2018	Annually
Journey Injury			Chubb Insurance Aust Ltd	June 2018	Annually
Travel			Chubb Insurance Aust Ltd	June 2018	Annually
Salary Continuance			Zurich Australia Insurance Limited	June 2018	Annually
LGIS Account Manager Contact Details for all Insurances: Leo Pezzotta (08) 9483 8866					

Appendix Five– Contact Lists (Internal)

Name	Position	Telephone	Email
Gavin Pollock	Chief Executive Officer	0428 871 453	ceo@pingelly.wa.gov.au
Stuart Billingham	Director Corporate & Community Services	0497 046 250	dccs@pingelly.wa.gov.au
Barry Gibbs	Director Technical Services	0427 852 426	dts@pingelly.wa.gov.au
Lisa Boddy	Executive Assistant	0414 754 974	ea@pingelly.wa.gov.au
Tim Jurmann	Health and Building Surveyor	0448 014 022	
Sheryl Squiers	Admin Officer Technical	0458 879 057	aot@pingelly.wa.gov.au
Rebecca Billingham	Senior Finance Officer	0419 194 972	sfo@pingelly.wa.gov.au
Morgan Rapana	Finance Officer	0474 384 125	fo@pingelly.wa.gov.au
Kristel Steel	Community Development Officer	0439 520 826	cdo@pingelly.wa.gov.au
Vacant	Customer Service Officer	9887 1066	admin@pingelly.wa.gov.au
Russell Dyer	Works Supervisor	0429 887 106	ws@pingelly.wa.gov.au
Melissa Pollock	Engineering Technical Officer	9887 1500	eto@pingelly.wa.gov.au
Allan Bell	Shire Mechanic	0437 437 499	sm@pingelly.wa.gov.au
Tony Kirk	Building Maintenance Officer	0419 045 171	
Cameron Jetta	Team Leader-Maint	0472 582 228	
Andy Marshall	Team Leader-Const	0459 930 902	
Hope Wood	Team Leader Parks & Gardens	0481 544 640	
Cr Bill Mulroney	Shire President	0427 871 191	william.mulroney@bigpond.com
Cr David Freebairn	Dep Shire President	0427 877 011	queen53@bigpond.com

Appendix Six – Contact List (External)

Name	Telephone
WA Police	000
Pingelly Police	9887 1008
Department of Fire and Emergency Services - DFES	000
Ambulance	000
Water Authority	13 13 75
Western Power	13 13 51
Pingelly Medical Centre	9887 2222
Insurance Company - LGIS	9483 8839
Software Support – IT Vision	9315 7000
IT Support – Wallis Computers	9661 1803
Main Roads-Narrogin	9881 0566

Appendix Seven – Emergency Kit

Emergency Kit is designed to be taken and transported easily the following items should be included:

Building site plans including location of gas, electricity and water shut off points. (Hard Copy)	1
Local Emergency Management Arrangements (Hard Copy)	1
Business Continuity Plan	1
Copy of Templates (including templates of printed forms specific to each Unit)	1
Two reams of Council Letterhead	1
Box of envelopes	1
Basic stationery items	1
Spare keys/security codes	1
Shire Maps	1
First Aid Kit	1

The emergency pack also contains a thumb drive with copies of the above documents saved on it.

Emergency Packs must be collected and updated annually with the plan to ensure contents are current and accurate (e.g. Staff list, contact details, phone numbers, and updated templates on thumb drives)

The Kit is located in the Chief Executive Officers Office

Appendix Eight – Evacuation Plans

(To be added to hard copy document only)

Attachment 10



INTEGRATED RISK MANAGEMENT FRAMEWORK

1. INTRODUCTION: WHY DO RISK MANAGEMENT?

The *Local Government (Audit) Regulations 1996 Regulation 17* requires that the CEO review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal controls and legislative compliance. The review is to be reported to the Shire's Audit & Risk Management Committee every two years. As such, the Shire seeks to implement an effective risk management system that identifies risks relating to its strategic and operational plans, mitigates risk through internal controls, and ensures that its legislative compliance requirements are continually met. This will be achieved by adopting an Integrated Risk Management Framework (IRMF) that will dually serve as a crucial informing strategy for its wider Integrated Planning Framework and meet requirements as specified within the Regulations. It is anticipated that the IRMF will add value to the Shire's decision-making processes by guiding prioritisation and allocation of resources, improving ability to achieve the objectives of the organisation, and by promoting forward planning.

What is "Risk"?

The International Risk Management Standard AS/NZS ISO 31000: 2009 ("**AS/NZS ISO 31000: 2009**") defines risk as "*the effect of uncertainty on objectives*", measured in terms of likelihood and consequence. Risk Management is the process of applying a logical and systematic method of identifying, evaluating, treating, monitoring and communicating risks associated with any activity, function or process. In the context of the Shire of Pingelly, risk can be categorised into three broad types:

- **Strategic Risks** are those risks which are generally entity wide, may impact on the ability of Council to achieve its objectives set out in the Strategic Community Plan and / or the delivery of critical services;
- **Operational Risks** are those risks which may impact on the achievement of directorate, business unit or service unit plan objectives; and
- **Special Risks** are risks specific to an area of operation within the business unit (i.e. Aquatic Centre, CCH, Library, etc.), or risks for special events (i.e. Christmas in Pingelly, Terrace Nights, etc.) held by, and within, the Shire.

Risk Management Objectives

In adopting this Integrated Risk Management Framework ("IRMF"), the Shire aims to:

- Ensure that the Shire achieves its strategic objectives as set out in the Strategic Community Plan, 'Pingelly 2023' by integrating risk management into strategic and business planning;
- Highlight which areas of the Shire's risk profile have the capacity to deliver the maximum benefit or maximum harm, and to identify those areas which should receive priority action;
- Establish a reliable basis for decision making and ensure that risk is included as a fundamental component in the planning process, and is applied to contractual arrangements and projects;
- Ensure the effective allocation of resources;
- Determine how risk should be reported to Council, the Audit Committee and Risk Management Committee, and external auditors;
- Foster an organisational culture which promotes proactive behaviour regarding the identification and treatment of risk;
- Identify and prepare for emerging risks, future events and change; and
- Address uncertainty and improve stakeholder confidence and trust.

2. OUR RISK STATEMENT

To provide clear guidance on the Shire's approach to risk, it's 'Risk Appetite' and 'Risk Tolerances' are conveyed through an overarching 'Risk Statement', where –

- Risk Appetite refers to the amount and type of risk that the Shire is willing to pursue or retain in pursuit of value; and
- Risk Tolerance refers to the Shire's readiness to bear risk in order to achieve its objectives.

The purpose of taking this approach is to create a sound foundation for risk management. Setting the risk appetite explicitly articulates the attitudes (*appetite*) to and boundaries (*tolerance*) of risk that the Council expects senior management to take. Without this, risk management will be carried out with unclear boundaries and expectations, resulting in an organisational culture where decisions are made without consideration of risk.

The Shire's 'Risk Statement' in relation to identified key risk categories are listed below:

Ethical Leadership – Low Risk

Without a strong emphasis on ethics, the Shire cannot be successful in achieving the objectives of its Strategic Community Plan and fulfil its responsibilities to the community. Ethics, integrity and critical thinking will be expected of all Elected Members, Committee Members, and employees.

As the Shire is **risk averse** in issues of ethical leadership, the Shire is not willing to intentionally accept risks in any situation that compromises the Shire's position of showing leadership in ethical decision-making and integrity to the community. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Having a perceived bias in decision-making both internally and externally
- Formal allegations of corruption, misconduct or other improper practices
- Unfair disadvantage or advantage of people or groups of people

Strategic Direction – Moderate Risk

The Shire cannot be successful in achieving the objectives of its Strategic Community Plan without clear goal setting, and forward planning. Understanding that unanticipated issues may arise from time to time, the Shire will make every effort to achieve, or significantly progress, its key deliverables.

Taking a **balanced risk approach**, the Shire is only willing to accept a balanced risk of potential disruption in its capacity to progress in its strategic direction. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- A significant change in a strategic objective
- A delay in project delivery of over 12 months
- Exceeds the capacity of the Long-Term Financial Plan

Reputation – Low Risk

The Shire's Elected Members, Committee Members, and employees are expected to uphold values within the Shire's Code of Conduct at all times, whilst ensuring to employ ethical decision-making, and a customer-centric approach when dealing with its constituents.

As the Shire has a **low risk approach** to reputation, the Shire is not willing to accept risks in most circumstances that may result in reputation damage. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Negative publicity in statewide publications and media
- A formal inquiry by the State or other integrity agencies
- Loss of public confidence in the Shire's Elected Members, Committee Members and employees

Governance – Low Risk

The Shire will put in place a strong governance framework with a focus on principles of good governance, informed and consistent decision-making, and compliance with all legislative, regulatory and reporting requirements whilst promoting continuous improvement.

As the Shire is **risk averse** in its approach to governance, the Shire is not willing to intentionally accept risks in most circumstances that may result in non-compliance with its governance processes. For example, the Shire will only tolerate risks in this category as long as it does not result in the following:

- Legislative non-compliance
- Non-compliance with the Shire's Governance Framework

Community and Stakeholder Management – Moderate Risk

Every effort will be made to ensure that the Shire develops strong and positive relationships with the community and with other key stakeholders. The Shire will ensure that all community and individual considerations are taken into account in its decision-making through a 'big-picture' or 'community-wide' approach.

Taking a **balanced risk approach**, the Shire is only willing to accept a balanced risk of potential disruption to how Shire manages its relationship with key stakeholders, whilst continuing to make decisions for the greater public good. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Non-compliance with public consultation requirements
- Non-compliance with the Shire's Public Consultation Policy

Financial Resources – Low Risk

The Shire will carefully manage expenses, plans and financial commitments to remain within its approved annual and long term budgets. In order to ensure that the Shire is well equipped for financial uncertainty, the Shire considers its budget with a long-term outlook through effective long term financial planning, and a long term asset management plan.

As the Shire has a **low risk approach** to its financial resources, the Shire is not willing to accept risks in most circumstances that may result in the disruption of its long-term financial plan and its financial position. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Individual projects doesn't exceed 15% over budget
- Annual budget doesn't go into deficit
- Initiatives are within the capacity of the long-term financial plan

Environmental Responsibility – Low Risk

The Shire will act responsibly in adopting environmentally sustainable practices within the resources it has available for this purpose. To provide amenity for the community, the Shire is committed to preserving its natural environment.

Taking a **balanced risk approach**, the Shire is only willing to accept a balanced risk of potential disruption in its environmental responsibility. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Loss of canopy cover within property controlled by the Shire
- Increased overall carbon footprint of the Shire
- Intentional harm to flora and fauna

Capacity to Deliver Services – Low Risk

The Shire will ensure that its capacity to delivery statutory and discretionary services to the community are not disrupted.

As the Shire has a **low risk approach** to its capacity to deliver services, the Shire is not willing to accept risks in most circumstances that may result in loss of services. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Loss of statutory services
- Loss of discretionary services already offered (without alternatives presented)
- Delay or non-completion of new or renewal infrastructure project beyond financial year (or scheduled completion period if project runs across multiple years).

Organisational Health and Safety– Low Risk

The Shire places a high priority on providing a safe workplace for staff, volunteers and contractors. This includes fostering a work place that focuses on a healthy work/life balance and promotes a positive working environment.

As the Shire has a **low risk approach** to its management of OHS and well-being within the workplace, the Shire is not willing to accept risks in most circumstances that may result in detriment in both areas. For example, the Shire will only **tolerate** risks in this category as long as it does not result in the following:

- Injury or death to an employee (including contractors)
- Injury or death to a member of the public
- Breach of the Shire's policies and procedures relating to organisational and individual well-being (i.e. People Management; Elimination of Violence, Harassment & Bullying in the Workplace; Equal Opportunity)

Business Continuity – Low Risk

The Shire is committed to being a resilient organisation that operates efficiently, with minimal disruption. As such, the Shire places importance on programs that enable that Shire to better anticipate disruption, adapt to events, and respond and recover from potential business disruptions.

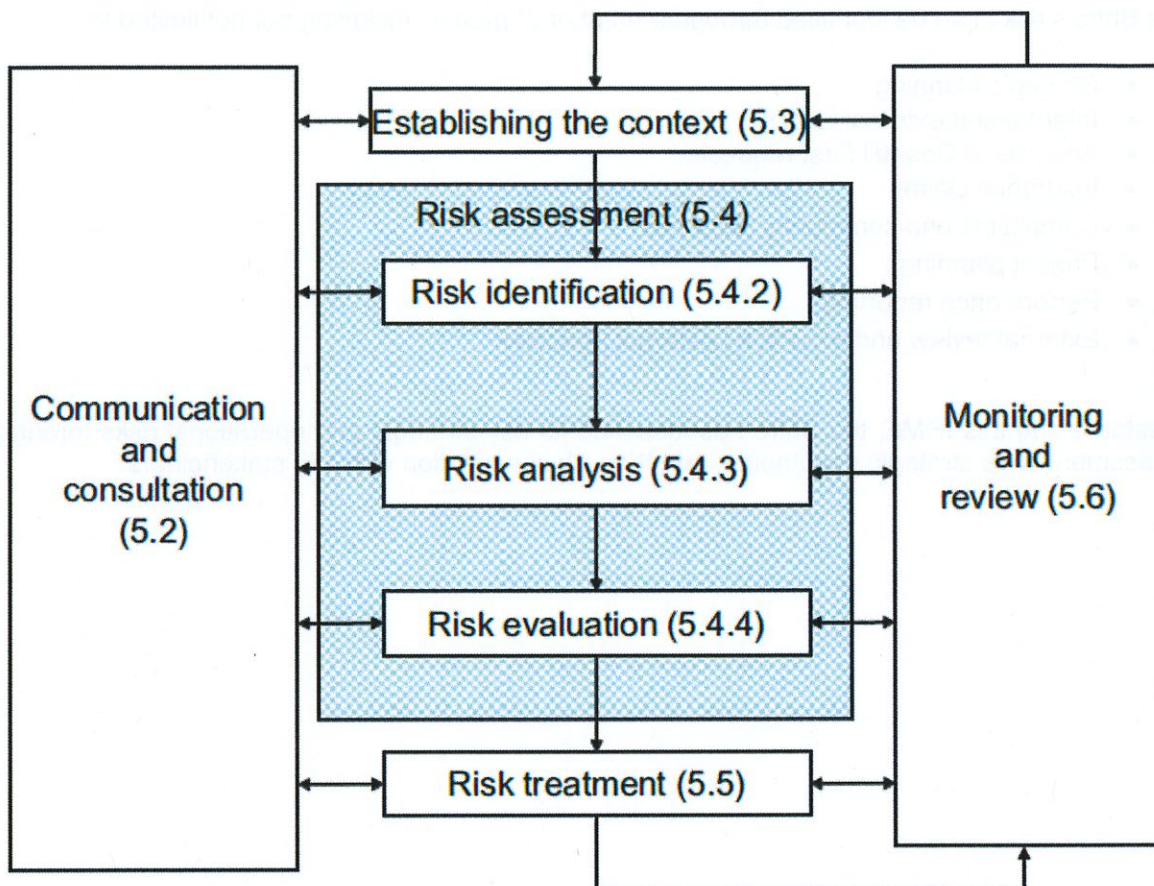
As the Shire is **risk averse** in its approach to business continuity, the Shire is not willing to intentionally accept risks in most circumstances that may result in disruption to the operation of the business. The Shire will **tolerate** risks in this category as long as it does not result in the following:

- Non-compliance with the Shire's Business Continuity Plan
- Loss of any statutory service for more than 48 hours outside of normal scheduled services.
- Loss of operational continuity (excessive staff turnover, etc.)
- Any loss of corporate knowledge (records systems, backups)
- Undocumented corporate knowledge (processes and procedures,)

2. OUR RISK MANAGEMENT FRAMEWORK

2.1 Purpose

The purpose of this IRMF is to set out Council's risk management processes and procedures and the rationale behind them. It follows the recommendations set out in *AS/NZS ISO 31000:2009* which include:



- Roles and responsibilities for managing risk;
- How we identify, assess and rate risks (including effectiveness of controls);
- How we monitor, review and report risks; and
- How we measure our Risk Management performance.

It should be noted that the above processes and procedures will not eliminate Council's risk but will help to manage it in a way that is transparent and in accordance with best practice and good governance principles.

2.2 Risk Identification Process

The Shire's risk management process is about understanding its risk appetite in the context of identifying potential risk in delivering its key objectives, and in implementing internal controls to bring its residual risk as close as possible to its accepted risk appetite for that identified risk. This process involved consultation of key stakeholders, monitoring, evaluating, and reporting on its progress.

The Shire's risks can be identified through a number of means, including but not limited to:

- Strategic planning
- Internal and external audits
- Analysis of Council First requests
- Insurance claims
- Complaints and community feedback
- Project planning
- Performance reporting
- External review and reports by external agencies

In establishing this IRMF, the Shire has identified its key strategic and operational risks through assessment of its strategic documents, and through consultation with key stakeholders.

2.3 Risk Management Process

The risk management process is a series of steps that enable risks to be identified, analysed and treated in the context of the environment in which the Shire operates. The main elements of the risk management process are as follows:

Communication and consultation	Effective communication and consultation should take place throughout the risk management process to ensure that those accountable for implementing risk management and stakeholders understand the basis on which decisions are made.
Establish the context	This identifies the Shire's objectives and defines the internal and external environment in which it operates. Understanding the external context is important in order to ensure that the objectives and concerns of external stakeholders are considered. Understanding the internal context will enable risk management to be aligned with the Shire's culture, structure, strategies and processes.
Risk identification	Sources of risk, areas of impact, their causes and potential consequences should be identified. This will generate a comprehensive list of risks based on events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives. Comprehensive identification is crucial as a risk not identified will not be included in any analysis.
Risk analysis	This involves the consideration of the causes and sources of risk, their consequences and the likelihood that those consequences can occur. Existing controls and their effectiveness should be taken into account. Risk analysis provides an input to risk evaluation and decisions on the most appropriate risk treatment strategies.
Risk evaluation	Risk evaluation assists in making decisions, based on the outcomes of the risk analysis, about risk treatment and priorities. Risk evaluation involves comparing the level of risk found during the analysis process with pre-established risk criteria. The risk criteria and the Shire's risk appetite will help influence the decisions on risk treatment.
Risk treatment	Selecting the most appropriate risk treatment option involves balancing the cost and efforts of implementation against the benefits derived. A number of treatment options may be considered and can be applied individually or in combination. Risk treatment plans should be prepared which document how the chosen treatment options will be implemented.
Monitor and review	The Risk Management process should be continually monitored and reviewed to ensure that controls are effective, new information is gathered, latest changes and trends are identified, successes and failures are recorded, lessons are learned, changes in internal and external context are detected and emerging risks are captured.

2.4 Risk Assessment Process

Once risks have been identified, the Shire will conduct a periodic risk assessment of all new and existing risks. Risk assessment criteria has been established for analysing and evaluating risks. The criteria is based on the likelihood of the risk occurring (Risk Likelihood Matrix) and its consequences (Risk Consequence Matrix) – a combination of which establishes the overall level of risk (as per the Risk Level Matrix).

2.4.1 Risk Likelihood

First, the risk is assessed quantitatively by the likelihood of its occurrence/ frequency using the table below:

Risk Score	Risk Rating	Frequency	Probability of Occurrence
5	Almost certain	Once per annum	95% chance
4	Likely to occur	Once every 3 yrs.	71%-94% chance
3	Possibly will occur	Once every 5 yrs.	31%-70% chance
2	Unlikely to occur	Once every 10 yrs.	6%-30% chance
1	Occurrence is rare	< Once every 10 yrs.	< 5% chance

2.4.2 Risk Consequence

Next, the risk is measured qualitatively against the severity of consequences should it occur as per the table below:

Risk Score	Risk Rating	Revenue, Cost or Liability (Third Party or Business Loss)	People (Health & Safety)	Environment	Corporate Image (Probity/Political/Economic)
5	Catastrophic	<ul style="list-style-type: none"> Liability cost or business loss to Council > \$1M Council officer or Councillor jailed 	<ul style="list-style-type: none"> Loss of life Shire-wide epidemic 	<ul style="list-style-type: none"> Serious damage of state-wide significance Prosecution (cost as per revenue impact) Impact not fully reversible 	<ul style="list-style-type: none"> CCC or WA Police investigation Public/media outrage Statewide/National media coverage Public pressure to stop operations of the Council Management changes demanded
4	Major	<ul style="list-style-type: none"> Liability cost or business loss to Council of between \$250K to \$1M Council officer and/or Councillor with significant fine 	<ul style="list-style-type: none"> Serious health impact on multiple members of public or staff 	<ul style="list-style-type: none"> Serious damage of state-wide significance Prosecution likely (cost as per revenue impact) Impact reversible within 10 years 	<ul style="list-style-type: none"> PSC, DLGC or WA Ombudsman Investigation Loss of community confidence in Council Public/media concern Statewide coverage Damage to Council's reputation Formal inquiry/sanctioned
3	Moderate	<ul style="list-style-type: none"> Liability cost or business loss to Council of \$30K to \$250K Council personnel fined 	<ul style="list-style-type: none"> Moderate health impact on a member of the public or staff Medical attention required 	<ul style="list-style-type: none"> Moderate damage of local significance Prosecution probable (cost as per revenue impact) Impact reversible within 1 year 	<ul style="list-style-type: none"> Community discussion and concern Community Petition or Special OCM convene Local media adverse report
2	Minor	<ul style="list-style-type: none"> Liability cost or business loss to Council of \$10K to \$30K 	<ul style="list-style-type: none"> Minor injury/health impact on a member of the public or staff 	<ul style="list-style-type: none"> Minor damage of local significance Prosecution possible (cost as per revenue impact) Impact reversible within 3 months 	<ul style="list-style-type: none"> Minor/isolated concerns raised by groups of members of public, customers, suppliers
1	Insignificant	<ul style="list-style-type: none"> Minimal liability cost or business loss to Council < \$10K 	<ul style="list-style-type: none"> Minimal First Aid required Temporary, minor health impact on a member of the public or staff 	<ul style="list-style-type: none"> Minimal release of pollutants which does not require notification to third parties Brief, non-hazardous temporary pollution, reversible within a week 	<ul style="list-style-type: none"> Event only of interest to individuals No impact on community Marginal impact on Council operations Resolved in day to day management

2.4.3 Overall Risk Rating

The 'Risk Scores' of from both the 'Risk Likelihood' and 'Risk Consequences' are then multiplied to get the 'Overall Risk Rating' (RL x RX = OR).

Likelihood (L)	Almost Certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Rare	1	1	2	3	4	5
			Insignificant - 1	Minor - 2	Major - 3	Critical - 4	Catastrophic - 5
			Consequences (C)				

Score	Description
1-5	Low
6-12	Moderate
13-19	High
20-25	Extreme

2.5 RISK EVALUATION PROCESS

2.5.1 Effectiveness of Controls

In order to assess the significance of each risk, Council rates the effectiveness of the relevant “controls”. A control can include any process, policy, device, practice or other action which impacts on the consequence or likelihood of a particular risk occurring.

Effectiveness	Description
Highly Effective	<p>Controls are well designed to minimise downside risk and are clearly documented and embedded into the culture. Accountabilities are understood.</p> <p>There is no clear need to improve the controls within the organisation’s present appetite for risk except in a dynamic environment or as part of a commitment to continuous improvement.</p>
Moderately Effective	<p>Controls address majority of root causes of downside risk but are not yet fully documented or embedded into the culture. Recent changes in accountabilities are not yet fully understood. To ensure that the risk is managed in accordance with Council’s appetite for risk, controls should be tightened. This may be a matter of ensuring that treatment plans are progressing and/or completed.</p>
Less than Effective	<p>Controls do not satisfactorily address several of the root causes of downside risk. Council is exposed to a higher level of risk than it would normally tolerate and remedial action is required.</p>
Not Effective	<p>Council does have in place any procedures designed to mitigate against this risk. Council must take steps to understand this risk as a matter of priority in order to design and implement appropriate controls as soon as possible.</p>

2.5.2 Risk Treatment

By assessing the risk's initial rating, along with the effectiveness of its existing controls, the Shire is then able to assign a Residual Risk rating to each particular risk. The Residual Risk rating will then determine Council's response (i.e. how the risk should be treated) to bring the Residual Risk as close as possible to the Shire's predetermined Risk Tolerance ('Acceptable Risk') for that Risk Category.

Residual Risk Rating	Risk Treatment
Extreme	Immediate action required, including urgent interim actions e.g. cessation of activity is necessary to ensure safety. ACCOUNTABILITY: CEO, relevant Executive Manager, Supervisor and Governance Team must be advised.
High	Prompt action required to reduce risk to as 'low as reasonably practicable' is required. ACCOUNTABILITY: Relevant Executive Manager, Supervisor and Governance Team must be advised if risk owners are unable to fix promptly or if additional resources are required.
Moderate	If the Shire's risk tolerance is exceeded, actions should be taken to reduce risk to as 'low as reasonably practicable' in a timely manner. ACCOUNTABILITY: Supervisor and risk owner (if applicable). Advise Governance Team of action taken for recording.
Low	Risk is likely to be acceptable. Implement treatment plan. ACCOUNTABILITY: Risk owner. Advise Governance Team of action taken for recording, if applicable.

2.5 Integrated Risk Register

An Integrated Risk Register (IRR) will be used to capture the Shire's strategic, operational and special risks. The IRR will be reported to the Executive Management Team monthly, and the Audit and Risk Management Committee on an annual basis. While the IRR will be managed and monitored by the Governance business unit, further actions to be completed to reduce risks is the responsibility of the Manager for that relevant area.

Reference ID	Last Reviewed	Description of Strategic Risk	Operational Impact of Strategic Risk	Risk Types	Likelihood	Seriousness	Risk Rating	Existing Controls	Further Action	Accountability	Acceptable Risk	Complete	Target Date	Progress Comments
PRINCIPLE ONE: LEADERSHIP AND GOVERNANCE St. Our stakeholders are well informed and we provide opportunities for community engagement														
		Failure to consult with community regarding the Town's programs and initiatives		Reputational Legal										
		► Non-compliance with public notices/ consultation requirements as the Local Government Act 1995												
		► Dissatisfaction from community regarding the Town's major projects												
		► Poor public perception of the Town's administration												

Reference ID – This corresponds with the reference number as allocated with the Corporate Business plan.

Last Review – This is the last review date (i.e. risks to be reviewed in accordance with its risk profile, further actions, etc.)

Description of Strategic Risk – The 'high level' risk description as it relates to the Shire's specific strategic objective.

Operational Impact of Strategic Risk – The 'operational level' risk description as it relates to the Shire's Corporate Business Plan deliverables.

Risk Type – As defined in Section 2.4.3 Risk Type.

Likelihood – As defined in Section 2.4.1 Risk Rating.

Seriousness – As defined in Section 2.4.1 Risk Rating.

Risk Rating – As defined in s2.4 Risk Assessment Criteria. This is a result of an assessment of the likelihood and seriousness of the risk as a whole.

Existing Controls – The internal controls the Shire current has in place to mitigate this risk.

Residual Risk – The remaining risk after the internal controls have been considered. This requires the modified risk (the original risk taking into consideration the existing internal controls) being reassessed under Section 2.4 Risk Assessment Criteria.

Further Action – These are a 'Recommended Actions' required in order to bring the 'risk profile' down to the Shire's accepted risk appetite.

Accountability – This is the relevant officer responsible for ensuring that this risk is appropriate mitigations. This will either be the Executive Manager or Manager for the business unit.

Acceptable Risk – This is the Shire's 'Risk Tolerance' and predetermined risk appetite for that risk area.

% Complete – The percentage of completion for the 'Further Action' as it related to reducing the risk down from the Residual Risk rating to the Shire's accepted risk tolerance (/ risk appetite).

Target Date – This is the target date of completion for the 'Further Action' assigned to that risk.

Progress Comments – This is the most recent progress update relating to the risk's 'Further Action'.

3. OUR ROLES AND RESPONSIBILITIES

Audit & Risk Management Committee

The Audit & Risk Management Committee are responsible for reviewing reports from the Chief Executive Officer on the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance. The Audit & Risk Management Committee will report to Council the results of that review including a copy of the Chief Executive Officer's report.

Chief Executive Officer

The Chief Executive Officer is the overall sponsor of the risk management process and will set the tone and promote a positive risk management culture by providing firm and visible support for risk management. The CEO will review the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal controls and legislative compliance at least once every two calendar years and report the results of that review to the Audit Committee.

Executive Management Team (EMT)

EMT are responsible for the oversight of the Risk Management Framework, including the review of risk management procedures and policies on an annual basis. It is responsible for setting the tone and promoting a positive risk management culture within the Shire. EMT maintains oversight of the highest level risks and takes responsibility for ensuring mitigation strategies are being implemented.

Senior Governance & Risk Advisor (SGRA)

The SGRA will drive the risk management process for the organisation by liaising with key stakeholders in both identifying risks, and in the recommendation of further actions to be implemented as guided by the Shire's set risk appetite. Further to this, the SGRA is responsible for the overall reporting on the Shire's IRMF, and in the evaluation of the Shire's internal controls through the development and implementation of a risk-based internal audit (based on the information gathered in the IRR) from which further recommendations, advice and risk management strategies will be proposed to the EMT for approval. This will provide assurance on the efficiency and effectiveness of risk management processes.

Occupational Health & Safety Officer (OHSO)

The OHSO is responsible for identifying, monitoring and reporting on OHS risks for inclusion into the IRMF reporting process. The OHSO is further responsible in ensuring that risk mitigation actions are completed and implemented accordingly.

Operational Management Team (OMT)

Members of the OMT are responsible for completing risk management actions for risks identified within their areas. This will be done through liaising and communication of requirements to their relevant staff members and overseeing the action to completion.

Employees

All employees within the Shire are expected to develop an understanding and awareness of their risks and how they can contribute to the risk management process. It is the responsibility of every employee within the Shire to manage risks for which they are accountable. All employees are responsible for escalating/communicating risks to their immediate supervisor. Employees are also required to act in a manner that does not place at risk the health and safety of themselves, other employees, residents and visitors to the Shire.

4. OUR COMMITMENT TO RISK MANAGEMENT

This Integrated Risk Management Framework, the Integrated Risk Register and any subsequent risk-based audits will be reviewed by both the Executive Management Team, and the Audit & Risk Management Committee at least on an annual basis. However, a full and thorough review of all processes relating the Shire's risk management system is to be formally reviewed every three years, with the next full review due in February 2021.

This framework is to remain in force unless otherwise determined by Council.

