

MINUTES

ORDINARY COUNCIL MEETING

26 FEBRUARY 2013

COMMENCING AT 8PM

COUNCIL CHAMBERS
THE TOWN OF NARROGIN
89 EARL STREET
NARROGIN, WA 6312

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that: (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.

Disclaimer:

"Warning - Verbal Information & Advice: Given the inherent unreliability and uncertainty that surrounds verbal communication, the Town strongly recommends that, if a matter is of importance to you, then you should NOT act upon or otherwise rely upon any VERBAL information or advice you receive from the Town unless it is first confirmed in writing."

ORDINARY COUNCIL MEETING MINUTES 26 FEBRUARY 2013

1. OFFICIAL OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 08:00 pm and welcomed the visitors to the Gallery.

Visitors: Mrs Toni Beaton
 Mr Niel Mitchell

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

Mayor D Ennis – Presiding Member
Deputy Mayor, Cr R Madson
Cr L Ballard
Cr D Russell
Cr J Muller
Cr M Kain
Cr A Paternoster
Mr A Cook - Chief Executive Officer
Mr C Bastow - Director of Corporate and Community Services
Ms T Columb – Corporate Services (Minutes)

Apologies:

Cr Archibald
Cr McKenzie

Approved leave:

Nil

3. DECLARATION OF INTEREST BY ELECTED MEMBERS AND COUNCIL EMPLOYEES IN MATTERS INCLUDED IN THE MEETING AGENDA

Nil

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Mrs Toni Beaton introduced herself as representing the Residents & Rate payers' association and asked the following questions:

- Mrs Beaton requested an update on the SEAC committee – when does Council expect to restart committee to address issues. Mr Cook had previously provided a response that he is unaware of any actions to reinstate this committee at this time.
- Mrs Beaton stated that council appointed three councillors to find a way to restart the RAP committee. I am wondering if there is a report on their findings yet? Has a date been set to restart the committee? Mr Cook had responded that the Councillors had met regarding the RAP Committee; however, no further meeting have been held at this point. All decisions like these would have to be questioned until we know what is occurring in regards to the Amalgamation. With the Poll date being the 13th

April this outcome is not far away. Should Council be amalgamating, due to the Poll not being successful the new entity will need to assess what Committee's it will wish to implement.

- Regarding Lot 123: what is the current position of the sunset clause? In regards to Lot 123 what sunset clause are you referring to? There is no real sunset clause that I am aware of that can be enacted at this time due to the lack of development. The Time lines have not been met as per the contract and this is being dealt with at the lawyer level; however there are clauses in the contract negating responsibility and these are the issue.
- Mrs Beaton asked if a date had been set Annual Electors Meeting. Mr Cook had responded that this matter is contained within the Agenda; however, the proposed date is the 14th March 2013 at 7pm in the Council chambers.
- Mrs Beaton asked if a feedback page could be added to the Website. Mr Cook previously responded that there will be feedback areas installed on certain pages of the Website, for example the Library and Home Care pages, but at this point a general feedback page will not be introduced until further works have been performed on the page and that Mr Cook will remain as the contact for persons wishing to make comment on the website.

5. PUBLIC QUESTION TIME

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

Council Resolution: 0213.016

Moved: Cr Ballard

Seconded: Cr Madson

That:

Don Ennis, Mayor will apply for a leave of absence from the Council meeting on the 26 March 2013

Cr Kain will be an apology for Council meeting on the 12 March, 2013

CARRIED: 7/0

7. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Council Resolution: 0213.017

Moved: Cr Muller

Seconded: Cr Kain

That the minutes of the Ordinary Council Meeting held on 12 February 2013, be confirmed as an accurate record of proceedings.

CARRIED: 7/0

8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

Don Ennis, Mayor advised he completed his AICD (Australian Institute of Company Directors) course at no cost to Council; the documentation is available for viewing at the library. It was interesting to note that there is significant liability and culpability in being a Board Member.

9. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil

10. MATTERS WHICH REQUIRE DECISIONS

Nil

10.1 DEVELOPMENT AND TECHNICAL SERVICES

Nil

10.2 CORPORATE AND COMMUNITY SERVICES

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10.2.952 Arts Narrogin Contribution Request

File Reference: 2.10.1
Disclosure of Interest: Nil
Applicant: Mrs Hughes-Owen
Previous Item Nos:
Date: 20th February 2013
Author: Mr Aaron Cook - Chief Executive Officer

Attachments: Letter of request attached.

Summary:

It is requested that Council support the Art Wine Food Trail proposed on the Mother's Day Weekend on May 11th and 12th through the contribution of \$200.00 towards printing brochures.

Background:

The Art Wine Food Trail is a new event to the area and it is hoped that this will turn into an annual event if successful. Attached is the letter of request from Arts Narrogin.

Comment:

The contribution is requested to assist in paying for the brochures to be printed to advertise and market the event and as this is a new event there is limited funds available for this purpose. It should be noted that each of the Councils that are benefiting from the event are also being requested to contribute.

This event has the potential to be significant for Narrogin and the surrounding area if it is successful and as such it is proposed to support Arts Narrogin.

Consultation:

- Ms Susan Guy Manager Leisure and Culture
- Mrs Hughes-Owen Arts Narrogin

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications:

A contribution of \$200.00 would not affect Council adversely.

Strategic Implications:

The contribution to this event potentially will assist in the economic development of small businesses within the tourism industry and may encourage additional events to be formed.

Voting Requirements: Absolute Majority

Council Resolution: 0213.018

Moved: Cr Russell

Seconded: Cr Muller

That Council:

Authorise a contribution to Arts Narrogin, for the printing of brochures, of \$200.00 for the Art Wine Food Trail on Mother's Day Weekend on the 11th and 12th May 2013.

CARRIED: 7/0



ARTS Narrogin Inc.

PO Box 1168, Narrogin, WA 6312

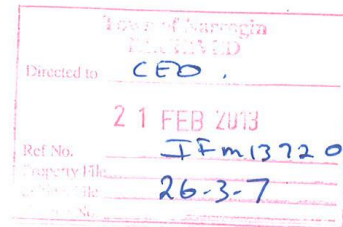
Phone: 0448 490 409

Email: debonair@westnet.com.au

ABN 45 198 182 290

20 February 2013

Mr Aaron Cook
CEO
Town of Narrogin
89 Earl Street
Narrogin
WA 6312



Dear Aaron

Dryandra Country Art, Food & Wine Trail

Further to our discussion about this exciting new regional event, we now request that Council approve the contribution of \$200 toward the promotion of the Town of Narrogin and the official venues that will be open in Narrogin over the Mother's Day weekend of 11th and 12th May.

The Town of Narrogin's logo will be placed at the top of the panel that will list these venues in the official Map and Guide to be given to visitors.

We believe that this regional event, organised by ARTS Narrogin with support from the Dryandra Country Visitor Centre and the Small Business Centre – Wheatbelt South, will create considerable interest in the region and serve to highlight the quality of art, food and wine that is available here.

We look forward to your participation in and enjoyment of the entertainment to be provided by this annual event and thank the Town of Narrogin for its support.

Kind regards

Deborah Hughes-Owen
Chair

10.2.953 AVON YOUTH BLUE LIGHT DISCO

File Reference: 12.15.3
Disclosure of Interest: Nil
Applicant: Mr Shane Malek - Avon Youth
Previous Item Nos:
Date: 19th February 2013
Author: Mr Aaron Cook - Chief Executive Officer

Attachments: - Nil

Summary:

It is proposed to allow Avon Youth to host a Blue Light Disco in the Narrogin Regional Leisure Centre on the 22nd March from 6pm until 10pm at a reduced rate of hire.

Background:

Mr Shane Malek approached Mr Susan Guy and the author on separate occasions to seek Councils support regarding this event as it coincides with other events for youth on that weekend.

Comment:

It is requested that Council waive the fees of the Court Hire for the evening of the 22nd March for Avon Youth to host a Blue Light Disco. Mr Malek has requested the use of courts 1 and 2 from 6pm until 10pm for the disco.

Mr Waters the Leisure Centre Manager has stated that it would be difficult to have the kids removed by this time as per pervious Disco's. Mr Malek has also stated that he will do the clean up the following morning if possible so that staff does not have to stay later whilst this occurs.

There are several charges that would normally be issued to a person booking the Courts for a similar function. However, Avon Youth cannot afford to pay these fees as the event is being charged to the youth as a Gold Coin Donation to entre so that cost is not a limitation to the Narrogin Youth.

With the Centre already open and the only booking for the courts is Badminton on Court 3 this disco would greatly increase the use of the facility for the evening. It has also been advised to Avon Youth that no drinks and food is to be sold other than at the reception and as such, this will allow Council to turn over these products and make additional monies. At the last Disco the author has been advised that the Reception basically sold out of all drinks and chips and the Manager will stock up for this event to ensure that these sales can be taken advantage of.

The actual Hire Rate Charge for the Courts would be \$80.00 per hour (Concessional Rate) plus an additional charge of \$300.00 for out of hours use, this would make the charge rate of \$700.00 and no function like this could be held with this level of charges. It is proposed that Council discount the hire rate of the two courts to a \$100.00 charge, which will cover the additional staff time and wages due to the event being for Narrogin Youth.

Consultation:

Mr Shane Malek - Narrogin Youth

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications:

Although Council is reducing the fees set for hiring the indoor courts, this event has the potential to turn over substantial funds at the reception counter through sales of drinks and food. It is expected that Council will not lose money through the hosting of the event as the additional hours are covered by the \$100.00 fee.

Strategic Implications:

The support of Youth events and activities in Narrogin has been raised on many occasions and has been previously supported due to the positive impacts that occur.

Voting Requirements: Absolute Majority

OFFICERS RECOMMENDATION

Council Resolution: 0213.019

Moved: Cr Kain

Seconded: Cr Ballard

That Council:

Support the Blue Light Disco being held at the Narrogin Leisure Centre, run by Avon Youth, on Friday March 22nd through discounting the hire rate and fees to \$100.00 for the event, on the condition that no other food or dinks are to be sold during the event other than from the Leisure Centre reception and that the Courts are to be cleaned and all rubbish is to be removed.

CARRIED: 7/0

10.2.954 WHEATBELT SOUTH SMALL BUSINESS AWARDS

File Reference: 3.5.19
Disclosure of Interest: Nil
Applicant: Mr Neil Butterworth
Previous Item Nos:
Date: 20th February 2013
Author: Mr Aaron Cook - Chief Executive Officer

Attachments: Letter of request attached.

Summary:

It is requested that Council support the 2013 Wheatbelt South Small Business Awards through contributing a donation of \$200.00 towards the Regional Local Government Authority Award.

Background:

The Small Business Centre has hosted awards previously on a yearly basis to acknowledge and raise the profile small businesses within the community. As such, a request has been received from Mr Neil Butterworth regarding this matter to assist in funding one of the awards. The request has been made to all of the Small Business Centre supporting Local Governments and as far as the author is aware relies on all contributing.

Comment:

The author is unaware if in previous years a contribution to one of the awards has been made. As such, it is requested that Council consider this request as per the attachment.

Consultation:

- Mr Neil Butterworth - Small Business Centre Wheatbelt South

Statutory Environment: - Nil

Policy Implications: - Nil

Financial Implications:

A contribution of \$200.00 would not affect Council adversely.

Strategic Implications:

Supporting and promoting small business in Narrogin and the surrounding area contributes to the economic development of the area.

Voting Requirements: Absolute Majority

Council Resolution: 0213.020

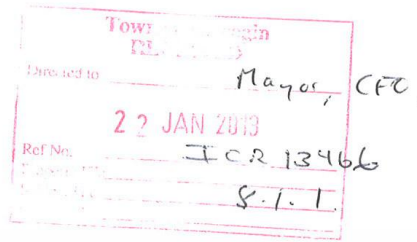
Moved: Cr Ballard

Seconded: Cr Russell

That Council:

Authorise a contribution to the Wheatbelt Small Business for the 2013 Wheatbelt South Small Business Awards of \$200.00 towards the Local Government Authority Award.

CARRIED: 7/0



21 January 2013

Mayor Don Ennis,
Town of Narrogin,
PO Box 188,
NARROGIN WA 6312

2013 Wheatbelt South Small Business Awards

Dear Mayor Don,

As a joint coordinator of the 2013 Wheatbelt South Small Business Awards with the Narrogin Chamber of Commerce we are seeking your financial support as a sponsor and presenter of an award category.

The 2013 Awards are scheduled to be held in May 2013 with applications from small businesses in the Wheatbelt South region closing on 19 April 2013. We are offering the LGA's within our region (8 in particular) to finance the "Regional Local Government Authority Award" for the Community Business category. This category includes any community business that is not-for-profit and incorporated and we believe there are many within the region that qualify for this award and would be deserving of appropriate recognition.

We are seeking a \$200 donation from each of the Regional LGA's and your support in this regard would be appreciated.

Once we have received the above support from the regional LGA's, the award category can be confirmed and arrangements made for a representative to present the award on the evening of the 19 May 2013.

In an effort to attract a good number of applications from local businesses within the region, we will be conducting workshops to assist potential applicants on how to prepare their submission and relieve any stress in doing so.

We are happy to discuss this further if required and would appreciate your earliest advice to enable us to lock-in this category.

Yours sincerely,


Neil Butterworth

cc. Shire of Narrogin, Wagin Shire, Dumbleyung Shire, Lake Grace Shire, Shire of West Arthur, Shire of Williams, Shire of Wickepin.

Neil Butterworth – Manager
P/F: 08 98813000 M: 0437 048 615
Cnr Park & Fairway Sts Narrogin WA 6312



10.2.955 AUDITORS – MANAGEMENT LETTER & AUDIT REPORT

File Reference: 4.1.1
Disclosure of Interest: Nil
Applicant: N/A
Previous Item Nos: Nil
Date: 18 February 2013
Author: Colin Bastow – Director Corporate and community Services

Attachments: Audit Report
Management Letter

Summary:

The Town's response to the Auditor's (Mr Billy-Jo Thomas) Management Letter and Audit Report.

Background:

The Audit Committee is tasked with the responsibility of advising the Council on matters relating to financial management and the appointment of an Auditor/s. Therefore this report has been prepared to discuss the issues raised in the Auditors Management Letter and Audit Report.

Comment:

The Auditor has issued the Town with a non-qualified audit report for its 2011/2012 annual financial statements. Which is an improvement over previous Audit Reports as no significant issue were discovered during the 2011/2012 audit of the Towns accounts and financial statements.

Below is the response to the points raised in the Auditors Management Letter.

1. Financial Statement and General Ledger Not Finalised For Audit

The Town had taken on a number of ambitious projects in 2012/2013 to improve its financial reporting and regulatory compliance and develop a better understanding of its annual budget by elected members and staff. Included in these projects was the replacement of the previous chart of accounts with a more user friendly and industry standard (program bases) version. To achieve this outcome the Finance Team needed to review each old general ledger account and allocate all transactions to the new general ledger codes. The Towns Asset register needed to be reviewed as not all assets had been loaded into the Authority Asset Register. This required the Town to keep separate lists of assets and required manual calculation and entry of depreciation.

When prepare the financial statement it was clear that a number of unnecessary accounts had been used by the Town. These accounts contained balances which were confusing and no supporting documentation could be found. Any transactions of this nature had been removed from the Town's financial systems to allow for more accurate financial reporting. The Town had previous used liability accounts to record unspent grants but this practice is in contravention of the Australian Accounting Standards (AAS).

The Town had prepared a full balanced set of financial statements for audit but a review of the general ledgers had highlighted a small number of issues that were corrected. The Town was not required by the Auditor to make any further adjustments which indicate that the minor amendments were required and appropriate.

The Town has experienced a high level of staff turnover in its Corporate Services section in recent years, although the rate of turnover has greatly reduced in recent months and this positive trend is expected into the foreseeable future. Unfortunately, the Town has lost its Accountant to another local government which may indicate in part current workload of this position as the Town undertakes to improve its financial performance and compliance.

Many of the projects the Town had undertaken in the 2012/2013 year have either been completed or close to completion, which will allow for more time to be spent on the preparation of this year's financial statements. The only known issue at this stage, with the preparation of the 2012/2013 financial statements will be the location of the detailed transactions being located in two separate accounting systems (Authority and SynergySoft).

2. Unrecorded Liabilities

The Town will accrue its salary and wages in the 2012/2013 financial year as per the Auditors recommendation.

3. Employment Contracts/Agreements

The Town had experienced a high level of staff turnover with its payroll position which has resulted in the need to review and improve some procedure and practices. A request was made to the previous Payroll Officer to provide information about all employees' wages rates but due to a change over in staff this task was not completed. The Town was required to allocate resource to the setting up of the new Synergy Soft payroll system, which included a general review of its payroll practices and wage rates.

A letter will be sent out to all current staff stating their current salary/wage rates to ensure this issue is resolved.

4. Authorised Leave Forms

The Finance Officer (Payroll) will be monitoring all future leave forms to ensure they are correct and accurate. If any discrepancies are discovered then the appropriate supervisor/manager will be notified and the staff member will be required to submit an amended leave form.

The Town still needs to continue the development and improvement of its financial systems and procedures but the improvement in items listed in the Auditors Management Letter is encouraged to see as there is a substantial reduction in the issues raised by the Town's Auditor's from previous years. Credit should be given to the Town Finance Department as they have shown their commitment to resolving these issues over the past twelve months.

Consultation:

Billy-Jo Thomas (Auditor)
Michael St John (Anderson Munro & Wylie)
Ashleigh Nuttall – Accountant
Aaron Cook - CEO

Statutory Environment:

Local Government Act 1995
Local Government (Audit) Regulations 1996

Policy Implications: Nil

Financial Implications: Nil

Strategic Implications: Nil

Voting Requirements: Simple Majority

Recommendation:

Audit Committee's recommendation will be tabled at the meeting.

Council Resolution: 0213.021

Moved: Cr Russell

Seconded: Cr Madson

That Council:

Accept the recommendation from audit committee:

1. Acknowledges the receipt of the Audit Report and management letter.
2. Endorse the actions to be taken by the Town to resolve the matters raised in the Management Report.

CARRIED: 7/0

Note Reason For Change: To bring the resolution from the Audit Committee into the Council agenda.

Note: Council informally endorsed to alter the order of Items so that Items 10.2.957 and 10.2.968 will now be addressed so that the Confidential Item will appear last.



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDIT REPORT TO THE ELECTORS OF THE TOWN OF NARROGIN

Scope

We have audited the financial report of Town of Narrogin for the year ended 30 June 2012. The financial report comprises the Statement by Chief Executive Officer, Statements of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement and accompanying notes to the financial statements.

The Council is responsible for the preparation of a financial report which provides a true and fair view of the financial performance and position of the council in accordance with the Local Government Act 1995, and Regulations. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for accounting policies and estimates inherent to the financial report.

Audit Approach

We conducted an independent audit of the financial report in order to express an opinion on it to the electors of the Town of Narrogin. Our audit was conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all misstatements have been detected.

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

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

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

Whilst we considered the effectiveness of managements' internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions were accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the executive and management of the Town of Narrogin.



Independence

Anderson Munro & Wyllie are independent of the Town of Narrogin, and have met the independence requirements of Australian professional ethical pronouncements and the Local Government Act 1995.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the financial statements of the Town of Narrogin are properly drawn up:

- a) So as to give a true and fair view of the state of affairs of the Town as at 30 June 2012 and the results of its operations and cash flows for the year then ended;
- b) In accordance with the requirements of the Local Government Act 1995; and
- c) In Accordance with Applicable Australian Accounting Standards.

Statutory Compliance

- a) We did not during the course of the audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.
- b) There were no material or significant adverse trends in financial position or financial management practices revealed during the course of our audit.
- c) We have obtained all necessary information and explanations in relation to our audit.
- d) Our audit procedures were all satisfactorily completed.

Dated the 21st day of December 2012 in Perth, Western Australia

Anderson Munro & Wyllie
ANDERSON MUNRO & WYLLIE
Chartered Accountants

Billy-Joe Thomas
BILLY-JOE THOMAS
Director

1 March 2013

Mr Aaron Cook
Chief Executive Officer
Town of Narrogin
89 Earl Street
Narrogin WA 6312

Dear Aaron

MANAGEMENT LETTER

We have completed our final audit for the year ending 30 June 2012 and report on matters which came to our notice during the audit.

It must be appreciated that the matters dealt with in this letter came to our notice during the conduct of our normal audit procedures which are designed primarily with a view to the expression of our opinion on the accounts of the company. Our comments cannot be expected to include all possible improvements in internal control which a more extensive special examination might develop. Please note that improving practices, procedures and record keeping over the last two years have led to more being achieved as a result of our audit visits.

During this audit, we noted the following matters which we believe need to be brought to your attention.

Financial Statements and General Ledger Not Finalised For Audit

We note that the financial statements and the general ledger had not been finalised before we arrived to conduct our audit. The general ledger was subject to further amendments which had to flow through to the financial statements and the necessary supporting schedules and reconciliations for the general ledger had not all been prepared.

We acknowledge that amendments are often necessary due to various reasons in the normal course of operations; however, in future we strongly recommend that the Town balances the accounts for the financial year and prepare draft financial statements in accordance with the Act and before the scheduled date of our final audit visit. The general ledger and its supporting schedules and reconciliations should all be finalised before starting to prepare the financial statements, otherwise it results in a lot of duplication of work for us as auditors and the Town's finance staff.

In addition, the forwarding of the accounts to our offices before our final audit visit would enable us to undertake a preliminary review of the accounts bringing any potential issues to your attention early, and, enable a more efficient audit by our auditors while at the Towns' premises.

Unrecorded Liabilities

We noted during the audit that salaries and wages payable from 21 June 2012 to 30 June 2012 was not accrued and recorded as a liability at 30 June 2012. Although the accrual amount of \$75,201 is material to the accounts, we acknowledge that a full twenty six (26) pay periods were expensed and have not required adjustment to the accounts.

We recommend that in the future appropriate adjustments are made to your accrued expenses to ensure all such payables are correctly accounted for at balance date.

Employment Contracts/Agreements

We noted during our audit that employment contracts or agreements for all employees did not appear to be maintained in the employee's personal files. This issue was raised in our interim management letter dated 27 July 2012, but appears to not have been addressed.

An employment contract is a vital element of the payroll system as it sets out in writing the employee's rates of pay and is crucial in determining the correct balance of employee entitlements to provide for. If there is a future dispute, this document will be crucial in the speedy resolution of any issues.

We strongly recommend that you prepare and maintain employment contracts or agreements for all employees and you ensure that all new staff sign their employment contract in acceptance of the conditions of employment, responsibilities and remuneration.

Authorised Leave Forms

We noted during our audit that the authorised and approved amount of leave in employee leave forms often did not always agree to the actual amounts of leave paid to the employee. Since leave taken directly impacts on the amount of leave accrued the risk of errors arising in recording the leave taken and providing for entitlements is greatly increased.

We recommend that where the actual leave taken by an employee varies to what was originally approved, the leave forms be adjusted, signed by both the employee and supervisor for the correct amount to ensure an accurate record of leave taken is maintained.

We would like to take this opportunity to thank Colin and your staff for the assistance provided during the course of the audit.

Should you have any queries regarding any of the above, please do not hesitate to contact our office.

Yours faithfully

ANDERSON MUNRO & WYLLIE

BILLY-JOE THOMAS
Director

10.2.958 NARROGIN CARAVAN PARK – AUTHORISE EXPENDITURE

File Reference: 5.4.36
Disclosure of Interest: Nil
Applicant: N/A
Previous Item Nos: Nil
Date: 20 February 2013
Author: Colin Bastow – Director Corporate and Community Services

Attachments:

Summary:

Authorise expenditure for the operation of the Narrogin Caravan Park and building valuations.

Background:

The Town had terminated the caravan park lease agreement with Desmond and Dustin Culbertson due to a significant breach on the 22 October 2012. Since that time the Town has managed the caravan park directly with assistance of an afterhours onsite Caretaker.

At budget time the caravan park was not managed by the Town, therefore the only allocation made in the budget was the annual rent income of \$10,000. This budget allocation will not be achieved as the lease has been terminated and the annual rental had been apportioned up until the 21 October 2012. However the previous lessees have not paid the Town any of its outstanding accounts and it's not likely the Town will receive this rent unless further legal action is taken or the outstanding monies is off set against the value of the transportable building.

The Town has been required to undertake works as follows:

- Diesel for Hot Water System
- Property Insurance
- Cleaners Wages
- Utility Costs
- Garden Maintenance Wages
- Servicing of Washing Machines and Driers
- Legal Fees
- Replace Disabled Female Toilet
- Plumbing Maintenance and Servicing
- Locksmith to Secure Residential Houses
- Signage
- Small Equipment Purchases
- Refuse/Rubbish Removal
- Site Clean-up
- Other Expenditure

The Town had considered there would be three phases in the recovery of the caravan park. Phase 1 involved putting in place a short term arrangement which involved the Town taking on the day to day management of the caravan park with the appointment of an afterhours onsite Caretaker. Phase 2 was a medium term arrangement and would involve the appointment of a

fix term permanent onsite Caretaker who would be responsible for basic garden maintenance and cleaning. This would allow the Town time to better assess its options with regards to a longer term arrangements being considered by Council. The Caretakers would be offered free accommodation and a small monthly payment maybe required. Phase 3 is the longer term arrangement which may include the leasing of the caravan park to a suitable qualified and re-sourced person or the Town managing the caravan park with the assistance of a permanent onsite Caretaker.

Council will be presented with a future report discussing its options with regards to Phase 2 and 3.

Comment:

The Town has endeavoured to keep the cost of operating the caravan park to a minimum, while gradually improving the appearance and operations as well as comply with its obligations under the caravan and camping regulations. It had been unfortunate that the Town was left with a very run down facility. This issue has highlighted the need to ensure specific standards of operation must be included into any future agreements to protect the Town from a repeat of ever happening again. Also the selection process of lessees needs to be improved so that the right type of person is engaged by the Town.

It has been communicated to the Town on a number of occasions that the reputation of the Narrogin Caravan Park is very poor in the local caravan park community. The reason for the poor reputation appears to the lack of maintenance and peoples skills the previous lessee's and his family have. The lesson the Town should take away from this is the Town should never have awarded a long term lease to a persons that has no previous experience in operating a caravan park and limited financial resources.

It was clear that the previous lessee considered the caravan park more as a residential property in which some income can be generated. The view that they should have taken was the caravan park is a business and needs to be operated in a professional and businesslike manner. No business can survive without the ongoing support of their customers.

The Town has advised by one of the lessee's that when John Holland stayed at the caravan park they paid around forty thousand dollars in site fees. There is little evidence that any of this money had been spend on maintaining or improving the caravan park.

On a more positive note last weekend the residents of the caravan park had taken upon themselves to undertake a 'busy bee' which has greatly improved the appearance of the caravan park. As a sign of appreciation the Town will be providing a free BBQ to the residents to encourage this type of behaviour.

The number of caravan park residents has slowly increased over the months the Town has taken over management of the facility. It is expected that this trend will continue now the previous lessee and his family has vacated the property. The more people that stay at the caravan park the less the annual operating deficit will be.

It was planned that during the review of the Town's budget a specific allocation will be set aside for the daily operation of its caravan park. The focus of the Town has been in identifying

the various maintain and ongoing operational issues including the removal of the previous lessee and his family from the caravan park.

The previous lessee still has a significant amount of his property still being stored onsite at the caravan park, most of which is likely to remain. Although it is the previous lessee's responsibility to remove all of his property the Town will be left with this task. The Town has given until the 4th March 2013 for all property to be removed from the caravan park's barn shed or it will be considered abandoned.

To move for the Town does need to have a more permanent onsite Caretaker. Unfortunately at this time the Town does not have much to offer any persons who are wishing to take on this role. As both the residential houses require works and the future of the transportable building needs to be resolved.

To further progress the appointment of an onsite Caretaker/s the Town needs to have a professional valuation of the transportable building. A quote from AVP Valuers (LGIS preferred supplier) has quoted \$2,700 (Ex GST) to undertake this work. This valuation is needed to determine if the previous lessee have any equity in the building that the Town needs to reimburse if it is retained. As the valuation may be subject to a legal challenge it is extremely important that a professional valuer is used by the Town.

Consultation:

Aaron Cook – Chief Executive Officer

Statutory Environment:

Local Government Act 1995

Policy Implications: Nil

Financial Implications:

As part of the budget review potential funding sources will be identified to ensure there is no negative financial impact from the Town managing its caravan park.

AVP Valuers to value the caravan park's transportable building \$2,700.

Strategic Implications: Nil

Voting Requirements: Absolute Majority

Council Resolution: 0213.022

Moved: Cr Russell

Seconded: Cr Kain

That Council:

1. Authorise the ongoing operational expenditure for the Narrogin Caravan Park,
2. That the costs of operating the Narrogin Caravan Park be offset from either saving or additional income in the budget review, and
3. AVP Valuers be engaged to provide a professional valuation of the transportable building and other structures.

CARRIED: 7/0

10.2.957 NARROGIN CARAVAN PARK – SALE OF CARAVANS

File Reference: 5.4.26
Disclosure of Interest: Nil
Applicant: N/A
Previous Item Nos: Nil
Date: 18 February 2013
Author: Colin Bastow – Director Corporate and community Services

Attachments:

Summary:

It is recommended that Council revoke its previous resolution which granted a rent reduction for capital improvements at the Narrogin Caravan Park as those improvements have been removed without the Town's permission. Also the Town should sell its onsite caravans to fund the purchase of needed plant, property and equipment required for the effective management of the Narrogin Caravan Park.

Background:

The Town currently owns two (2) onsite caravans at the Narrogin Caravan Park due to the previous decision of Council to offset annual rent as the purchase of the caravans was accepted to be capital improvements.

However there should be five (5) onsite caravans as Council had resolved in August 2005 to accept a waiving of annual rent from the Lessees of around \$6,500 for the purchase of four (4) caravans. Unfortunately only one (1) of these caravans remains at the Narrogin Caravan Park as it appears the Lessee or his family have sold the missing caravans. There was other caravan located at the caravan park when the Town cancelled the lease. But an inspection of the caravan highlighted it had been gutted by the lessee or his family and would have cost more than it was worth to repair it. The caravan was allegedly sold by the previous lessee's daughter for \$350.

The four (4) original caravans that the Town had allowed a rent concession for was as follows:

Type	Serial No	Value	Status
Caravan 24 ft Modern	T22939	\$2,500	
Caravan 24 ft Millard	79797	\$2,000	Missing
Caravan 26 ft Roma	R339	\$1,200	Missing
Caravan 16 ft Millard	M18522	\$ 800	Missing

		\$6,500	
		=====	

An inspection of the remaining onsite caravan has shown it has a different serial number than what shown above. The above information was extracted from a Council Report (August 2005).

In June 2007 Council has resolved to allow a further rent concession of for the purchase of a Millard's caravan and hard annexe and boiler upgrade for \$10,000. An inspection of the Millard caravan had indicated that additional works would be required to bring it up to an acceptable

standard. Discussion with the person who sold the caravan to the lessee had indicated further works will be required to the electrical wiring.

Comment:

It would be extremely probable that Council of the day would not have allowed any rent concession for capital improvements, if it had known the caravan would be sold or otherwise remove from site without permission and the proceeds from the sale have been retained by the lessee or his family. Therefore I would recommend to Council that its decision to allow a rent concession be reserved and that the value of the missing caravan be invoices to Desmond and Dustin Culbertson (lessees).

The Management of any onsite caravans will likely cause a number of practical issues to the operating of the caravan park by the Town as they will need to be regularly checked, cleaned and repair. The current caravans were both old when the Town purchased them via a rent concession. Thus repair and maintenance works are required if the Town was to keep the caravans. Unfortunately there is no funding currently available to undertake these works.

The Town should be focusing on establishing a clean, friendly, low maintenance caravan park that encourages people to stay. Therefore it would be better for the Town to expend funds in areas that have the greatest impact to most caravan park users. The provision of onsite caravan only benefits those person who actual use them.

If Council wishes to provide onsite accommodation they it should consider using either the Caretakers Cottage or transportable building as they building can be more easily maintained and managed then aging caravans. Another approach could be the Town sources alternative grant funding to construct accommodation onsite. Although the Town currently does not have the resources to undertake this type of activity at this time and this would likely add to the on-going operational cost of the caravan park.

There is a need for the Town to purchase equipment such as a sweeper and ride on mower to ensure regular basic maintenance is undertaken. It is recommended that the proceeds of the sale of the two remaining caravans be used to purchase this type of equipment. As a general rule, an asset should only be sold to purchase another asset.

The caravan park has issues with its fire hose cabinets which also need repair and replacement. It was commented by one of the previous lessee's family member that a caravan reversed into a fire hose cabinet which destroyed it. No action appeared to have been taken by the previous lessee at the time to either replace or repair the damage, which has now resulted in the Town having to pay for a new cabinet.

The Town also need to install a waste dump at the caravan park as well as replace the plumbing in the ablution blocks. It would also be beneficial to replace the two (2) diesel hot water system with a gas or solar systems to save operational costs.

Until recently the caravan park had not been maintained the level required for a public facility as items such as disabled toilets, washing machines, driers, fire hoses cabinets, caretakers cottage, garden and lawn areas were all in need of basic maintenance. Maintenance has been undertaken by the Town in most areas but more work is required and a regular maintenance program is needed.

Consultation:

Aaron Cook – Chief Executive officer
Don Ennis – Mayor

Statutory Environment:

Local government Act 1995

Local Government (Functions and General) Regulations 1996

Section 31 (3) A disposal of property other than land is exempt disposal if –
(a) Its market Value is less than \$20,000

Local Government (Administration) Regulations 1996

Section 10 Revoking or changing decisions (Act s. 5.25(1) (e)

(1) If a decision has been made at a council or a committee meeting then any motion to revoke or change the decision must be supported –

- a. In the case where an attempt to revoke or change the decision has been made within the previous 3 months but failed, by an absolute majority; or
- b. In any case, by at least 1/3 of the number of officers (weather vacant or not) of members of the council or committee, Inclusive of the mover.

(1a) Notice of a motion to revoke or change a decision referred to in sub regulation (1) is to be signed by members of the council or committee numbering at least 1/3 of the number of offices (whether vacant or not) of members of the council or committee, inclusive of the mover.

(2) If a decision has been made at a council or a committee meeting then any decision to revoke or change the first-mentioned decision must be made —

- (a) in the case where the decision to be revoked or changed was required to be made by an absolute majority or by a special majority, by that kind of majority; or
- (b) in any other case, by an absolute majority.

(3) This regulation does not apply to the change of a decision unless the effect of the change would be that the decision would be revoked or would become substantially different.

Policy Implications: Nil

Financial Implications:

The Town will recoup an additional \$4,000 for rent from the previously lessee's as they had sold or otherwise disposed of Town property without approval.

The sale of the onsite caravan's is expected to generate around \$8,000.

Strategic Implications: Nil

Voting Requirements: Absolute Majority

Council Resolution: 0213.023

Moved: Cr Madson

Seconded: Cr Ballard

That Council

1. Revoke its previous resolution 10.2.374 (August 2005) because the three of the caravans have been removed from the Narrogin Caravan Park by the lessee or his family without the Town's permission.

Resolution 10.2.374

1. *That Council approves that the capital works costs of \$6458 expended by the lessee of the Narrogin Caravan Park in the 2004/05 financial year be credited towards the 2004/05 lease fees.*
2. *That the Lessee of the Narrogin Caravan Park be directed to permanently fix the four caravans, listed as 2004/05 capital works expenditure, to the ground in a manner approved by the Director of Technical Services.*

2. Allow in the 2004/05 financial year annual rent reduction of only \$2,458 for the one (1) remain caravan (24 ft Modern caravan serial number T22939) as it was considered to be a capital improvement.
3. Advertise for interested persons to purchase the following caravans:
 - 24 ft Modern Caravan (Serial Number DH1433) with soft cover annexe, and
 - Millard caravan (Serial Number M41729) with hard cover annexe.
4. Any proceeds received by the Town from the sale of the above caravans be authorised for use to purchase additional plant property and equipment which is needed at the Narrogin Caravan Park.

CARRIED: 7/0

Note: An item will be prepared for Council's further consideration, following the close of advertising.

Note: Mrs Toni Beaton and Mr Niel Mitchell left Chambers at 8:20pm, due to the Confidential nature of Item 10.2 956

10.2.956 AUDITOR APPOINTMENT - CONFIDENTIAL

AUDITOR APPOINTMENT

File Reference:

Disclosure of Interest: Nil

Applicant: N/A

Previous Item Nos: Nil

Date: 18 February 2013

Author: Colin Bastow – Director Corporate and Community Services

Attachments: Nil

Due to the confidential nature of this item, it has been omitted.

11. ELECTED MEMBER'S MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12. NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE PERSON PRESIDING OR BY DECISION OF THE MEETING

Council Resolution: 0213.027

Moved: Cr Russell

Seconded: Cr Madson

From the meeting held, and the agreement formed with the Basketball Association, regarding the anti-social behaviour that occurred at the Narrogin Regional Leisure Centre; that a spectator fee of \$2 be implemented on senior basketball nights; and to handle this extra work load that an additional staff member be engaged to work a minimum shift to assist in the processing of the fee and that a basketball representative assist with the reception during the first two weeks.

CARRIED: 7/0

13. CLOSURE OF MEETING

The meeting closed at 8:40pm