



AGENDA
of the
SCHEDULED MEETING OF COUNCIL
Wednesday 22 September 2021
at
Murrindindi Shire Council
Zoom
Virtual Meeting
Videoconference
6:00 PM

This Scheduled Meeting of Council will be conducted virtually
(as per *COVID-19 Omnibus (Emergency Measures) Act 2020*,
passed by Victorian Parliament on 23 April 2020)

Audio recordings of all Council meetings are taken by Council's Governance Officers
and published on Council's website (Resolution of Council 23 January 2019)

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- 1 PLEDGE AND RECONCILIATION STATEMENT**
- 2 APOLOGIES AND REQUEST FOR LEAVE OF ABSENCE**
- 3 COMMUNITY RECOGNITION**
- 4 DISCLOSURES OF INTEREST OR CONFLICT OF INTEREST**
- 5 CONFIRMATION OF MINUTES**

Minutes of the Scheduled Meeting of Council held on 25 August 2021.

Officer Recommendation

That Council confirm the minutes of the 25 August 2021 Scheduled Meeting of Council.

- 6 PETITIONS**
- 7 PUBLIC PARTICIPATION**
 - 7.1 Open Forum**
 - 7.2 Questions of Council**
- 8 OUR PLACE**
- 9 OUR PEOPLE**
 - 9.1 Refugee Welcome Scroll**

Attachment(s): Nil

Purpose

This report provides information about the request for Council to sign the Refugee Welcome Zone Scroll.

Officer Recommendation

That Council sign the declaration to become a Refugee Welcome Zone with the Refugee Council of Australia.

Background

Murrindindi Shire Council has a strong culture of inclusion and the community is welcoming to newcomers of all backgrounds. To bolster this sentiment, Council has been invited to join the Refugee Council of Australia's 'Refugee Welcome Zone'.

The proposal for a Refugee Welcome Zone and the Scroll is sponsored by the Refugee Council of Australia, which is supported by Rural Australians for Refugees. Rural Australians for Refugees is an association of about 90 local groups around Rural Australia which are dedicated to improving the conditions of asylum seekers and refugees, as well as changing government policy on boat arrivals, offshore processing and mandatory detention.

Discussion

Victoria's Charter of Human Rights and Responsibilities contains 20 basic rights that promote and protect the values of freedom, respect, equality and dignity. Public authorities, including local government, must act in ways that are compatible with human rights and take relevant human rights into account when making decisions

In some areas, Local Government has played a role in assisting refugee settlement and promoting community harmony. Becoming a Refugee Welcome Zone is a way to show support for the settlement of refugees and uphold the responsibilities of local government as laid out in the *Charter of Human Rights and Responsibilities Act 2006*.

This declaration recognises the cultural and religious diversity already within our community and embraces the opportunity to acknowledge the relationship of Council with our refugee communities and their support services.

The signing of the declaration to become a 'Refugee Welcome Zone' is at no cost to Council and it does not obligate Council to undertake any particular activities or events, the signing of the Declaration is simply a public affirmation by Murrindindi Shire Council to continue to support the values stated within the Declaration.

Signing the Declaration can also promote harmony, social cohesion and respect for human rights in your local community. It is a great way to demonstrate support for refugees and take a strong stand against racism and discrimination. It can help to raise awareness about the issues affecting refugees, foster a culture of mutual respect and promote an appreciation of cultural diversity. In this way, signing the scroll takes immediate steps towards the Murrindindi Shire 10 Year Vision, particularly that we:

- are inclusive, embrace diversity and encourage the participation of all
- welcome new residents and visitors to enjoy and contribute to our shire.

Council may decide to hold a public signing ceremony to bring together the community, local groups and services that support refugees and a member of the Rural Australians for Refugees will attend the ceremony. This will be further investigated and delivered in line with COVID-19 restrictions.

There are 161 Refugee Welcome Zone councils across Australia. The Zone declaration is a public commitment to:

- welcome refugees in to our community
- uphold the human rights of refugees
- demonstrate compassion for refugees
- enhance the cultural and religious diversity in our community.

By signing the Declaration, Murrindindi Shire Council would join 52 other [Victorian Councils](#), and be listed on the Refugee Council website as a Refugee Welcome Zone.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our People* strategic objective to "encourage activities and events that celebrate our vibrant, diverse and creative people and communities". This report supports the *Council Plan 2017-2021 Our People* strategy to "promote opportunities for people of all ages to connect with and be involved in their community".

Relevant Legislation

Charter of Human Rights and responsibilities Act 2006.

Financial Implications and Risk

Nil.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

Dr. D. Paul Dalzell, member of the Alexandra Rural Australians for Refugees attended the Councillor briefing session on Wednesday 7 July 2021 to speak to the invitation.

9.2 Municipal Public Health and Wellbeing Plan 2021-2025

Attachment(s):

1. Murrindindi Shire Municipal Public Health and Wellbeing Plan [9.2.1 - 25 pages]

Purpose

This report provides Council with the Municipal Public Health and Wellbeing Plan 2021-2025 (Attachment 9.2.1) for adoption.

Officer Recommendation

That Council adopt the Municipal Public Health and Wellbeing Plan 2021-2025 and presents a copy to the Secretary of the Department of Health for endorsement.

Background

Section 26 of the *Public Health and Wellbeing Act 2008* (the Act) stipulates that all local governments in Victoria are required to take responsibility for public health and wellbeing planning on behalf of their community. Every four years, Victorian Councils must develop a Municipal Public Health and Wellbeing Plan (MPHWP), following the election of a new Council.

Discussion

The MPHWP identifies strategies to help create a community in which people can achieve maximum health and wellbeing. These strategies are strength based, building on what we do well and acknowledging where improvements need to be made. The strategies have been co-designed with our Health and Wellbeing Consortium partners and are intentionally broad to encompass the changing focus of our partner organisations over the life of the plan.

The strategies of the MPHWP are presented under four key themes

- Our Connected Communities
- Our Active Environments
- Our Healthy People
- Our Strong Partnerships.

These themes have been designed to capture and respond to the health and wellbeing challenges that are unique to Murrindindi Shire, making the most of the community, organisational and environmental assets that can support future initiatives. The strategies presented in the MPHWP address prevalent health and wellbeing issues that contribute to the burden of disease, such as mental health, social isolation, access to healthy food, physical activity and access to appropriate and inclusive services and programs. They have been designed to complement the direction of both state and local priorities.

The MPHWP brings together the key objectives of existing Council policies, plans, strategies and those of the organisations in the Health and Wellbeing Consortium, which contribute to improving the health and wellbeing of our Shire.

The Health and Wellbeing Consortium brings a partnership approach to the MPHWP, and includes the following members

- Department of Families, Fairness and Housing
- Alexandra District Health
- Yea and District Memorial Hospital
- Nexus Primary Health
- Lower Hume Primary Care Partnership
- Menzies Support Services
- Family Care
- Alexandra HUB
- Yea Community House
- Flowerdale Community House
- Kinglake Ranges Neighbourhood House
- Toolangi Castella Community House
- Primary Care Connect
- Valley Sport
- Victoria Police
- Central Ranges Local Learning Employment Network
- AFL – Eastern Division.

The draft MPHWP was made available for public comment between 20 August to 5 September. The opportunity to participate was advertised in traditional and social media and emailed to previous participants of Shaping Our Future, with the Loop (Council's online community engagement platform) being used to capture feedback.

Fifteen responses were received from community and Consortium members, including the 2 September online community engagement forum. Overall, 75% of respondents stated that they do support the direction of the draft MPHWP, while 25% had mixed support.

Councillors have received all submissions as part of their earlier briefing.

Some minor changes have been made to the draft MPHWP in line with the feedback which was largely positive and is summarised in the following table:

Summarised feedback	Officer comments
Addition of language in strategy to reflect care for country	Changes made to reflect care for country (page 18)
Recommended changes to language and formatting of strategies	Changes made to reflect feedback (page 5, 18,19)
Questions and comments from online community session	Questions answered in the session. No change to draft plan necessary

Based on these responses a revised MPHWP has been provided with recommendation above for Council's consideration.

Further detail on the co-design process delivered with Health and Wellbeing Consortium members in preparing the draft MPHWP is referenced below in the Community and Stakeholder Consultation section.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our People* strategy to "work with our partner agencies to ensure people of all ages can access the health and community services they need".

Relevant Legislation*The Public Health and Wellbeing Act 2008**The Local Government Act 2020**Gender Equality Act 2020**Climate Change Act 2017**Environment Protection Act 2017**Tobacco Act 1987 & Tobacco Regulations 2017**Planning and Environment Act 1987.***Financial Implications and Risk**

Actions in the final 2021- 2025 MPHWP that require funding will be considered as part of the normal annual budget preparation process.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

Data from 'Shaping our Future' community engagement in March and April has supported the development of 2021- 2025 MPHWP. Significant contribution has also been obtained from the Department of Family Fairness and Housing, internal Council departments and external partner agencies. Consultation has included

- Four workshops held with the Murrindindi Health and Wellbeing Consortium
- Seven DFFH MPHWP planning information sessions
- Four planning sessions with internal Council departments
- 20 August to 5 September public consultation period
- 2 September online community engagement session.

10 OUR PROSPERITY**10.1 Grants and Contributions Program - September Allocations**

Attachment(s): Nil

Purpose

The purpose of this report is to present Council with the August Grants and Contribution applications for noting and endorsement.

Officer Recommendation

That Council note the following allocations and variations awarded by Officers under Delegation:

Application	Amount
Yea Primary School – Annual Musical Event - Fee waiver – Hall hire	\$1000
Alexandra Secondary College - Sponsorship of 2021 College Dux Student	\$600
Application	Variation
Lions Club of Marysville and District Inc - Marysville Music Weekend	Date change due to COVID19

Background

The Grants and Contributions Program provides the opportunity for not-for-profit community groups and organisations, social enterprises and businesses to seek funding from Council to support events, activities and projects that align with the *Murrindindi Shire Council 2017-2021 Council Plan*.

The funding streams provided under the program are:

- Fee Reductions (and waivers by exception)
- Quick Response
- Governance, Skills and Capacity Building
- Sponsorships (including eligible individuals)
- Community Projects and Events
- Small and New Tourism Events
- Events of State Significance
- Business Plan Support.

Each stream has its own objectives, eligibility and assessment criteria and can be found in the Program Guidelines on Council's website.

Assessment occurs monthly for Fee Reductions, Quick Response and Governance, Skills and Capacity Building grant streams and in March, July and October for all other streams. Because of the recent Program review, assessment of all streams occurred in September.

Councillors have previously received all application and supporting documents in preparation for this meeting.

Discussion

Council officers have assessed the following grant applications and variation requests under delegation and have made the following allocations and variation request.

Community Sponsorships

1. Alexandra Secondary College - Sponsorship of 2021 College Dux Student

This sponsorship will support the annual award for the Dux of the College which is the College's most prestigious award. The sponsorship is an opportunity to recognise the importance of supporting the achievements of our Shire's youth. **Supported with grant of \$600.**

Fee Reductions

1. Yea Primary School – Yea Primary School Annual Musical – hall hire fee reduction

The annual Yea Primary School Musical sees all 135 students at the school participate in a musical production. Grade 6 students are involved in performing as the main characters and the students in Prep - Grade 5 are involved in singing and dancing. The musical takes place in the Yea Shire Hall and the school is seeking a fee reduction of the hall hire fees. The event is an important activity on the Yea Primary School calendar and engages school families and community. **Supported with grant of \$1,000.**

Grant Variation Request – Event Support

1. Lions Club of Marysville and District Inc - Marysville Music Weekend

The Marysville Music Weekend (formerly Marysville Jazz and Blues Weekend) is a contemporary music festival now in its 6th year. The event presents some of the best Australian touring acts as well as local musicians and emerging performers. The Marysville Music Weekend supports, and is supported by local businesses, adds substantially to the local economy and builds community spirit. Due to COVID-19 restrictions the event organisers plan to postpone the event from its original dates in October, to take place from 11-13 March 2022. The event organisers are requesting a variation to the timing of the grant to support delivery of the event in 2022.

The variation will ensure that the event delivers it's full economic and community benefit by occurring in a period where restrictions are more likely to allow greater event attendance. **Grant variation supported.**

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Prosperity* strategic objective to "in partnership with the community we will promote an environment in which business and community can thrive".

Relevant Legislation

There are no legislative considerations to this report.

Financial Implications and Risk

The below financial table shows grant funds allocated for September and those allocated to date in this Financial Year:

Grant Stream	September allocations	Previous allocations	Total 21/22
Fee Reductions	\$1,000.00	\$632.10	\$1,632.10
Governance, Skills and Capacity Building		0	
Quick Response		0	
Community Sponsorship, Projects and Events	\$600.00	\$7,500.00	\$8,100.00
Tourism Events		0	
Business Plan Support		0	
TOTAL	\$1,600.00	\$8,132.10	\$9,732.10

The indicative total budget of the Grants and Contributions Program for the 21/22 financial year is \$180,000.

Conflict of Interest

A conflict of interest (COI) was declared by an officer in relation to the assessment of the application received from Alexandra Secondary College. The officer completed a COI declaration and removed themselves from any discussion or assessment of the application.

Community and Stakeholder Consultation

No external community or stakeholder consultation was required for this matter.

11 OUR PROMISE

11.1 Approval of Annual Financial Statements 2020/21

Attachment(s):

1. Financial Statements 2020-21 [11.1.1 - 48 pages]
2. Performance Statement 2020-21 [11.1.2 - 11 pages]

Purpose

This report is to approve 'in principle' the draft audited Financial Report and Performance Statement for the 2020/21 financial year.

Officer Recommendation**That Council:**

1. **approve 'in principle' the Murrindindi Shire Council Financial Statements and Performance Statement for the year ended 30 June 2021 as attached to this report**
2. **authorise the Principal Accounting Officer to make minor amendments to the Financial Statements and Performance Statement for the year ended 30 June 2021 to meet the Victorian Auditor General's (VAGO) requirements**
3. **authorise Cr Sandice McAulay (Mayor), Cr John Walsh and the Chief Executive Officer to certify the Financial Report and Performance Statement in its final form after any changes recommended, or agreed to, by the auditor have been made.**

Background

As part of the requirements of Section 131 of the *Local Government Act 1989* and *Local Government (Finance and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*), Council must pass a resolution giving its approval 'in principle' to the Annual Financial Statements, which must comprise of the Financial Statements and Performance Statement, prior to submitting the report to the Auditor General.

Audit work has been completed by Council's external auditors and Council officers have prepared a draft 2020/21 Financial Report and Performance Statement for submission to the Victorian Auditor General's Office (VAGO). A copy of the draft report and statements, forming the 'in principle' statements, are attached (refer to Attachments 11.1.1 and 11.1.2).

The following process is required to ensure that Council's Financial Statements and Performance Statement are submitted to VAGO in a timely manner, enabling the Auditor General to officially express an opinion prior to the statutory deadline of 31 October 2021.

The initial step in the approval process is for Council's Audit and Risk Committee to review the draft statements and to recommend 'in principle' approval to Council.

It is a requirement for Council to formally review the draft statements and to authorise two Councillors and the Chief Executive Officer to sign the final statements on behalf of, and with the full authority of Council. The 'in principle' approved statements and the Council resolution are provided to the external auditor.

The external auditor checks the 'in principle' approved statements. The statements, Council's resolution, and the external auditor's recommended Audit Report is then forwarded to VAGO for review.

The Auditor General reviews the statements and may request changes where appropriate. Council's Principal Accounting Officer (Manager Business Services) then incorporates any requested changes by the Auditor General into the 'in principle' approved statements, where appropriate.

The Auditor General's Audit Report will then be issued to Council once the final signed statements have been received and checked by VAGO.

Council's Annual Report 2020/21, which incorporates the audited Financial Statements and Performance Statement and Auditor General's Report, must be forwarded to the Minister for Local Government by the due date of 31 October 2021.

Discussion

The draft financial statements that are attached to this report detail Council's financial position as at 30 June 2021, and a record of all financial activity that occurred during the 2020/21 financial year. It should be noted that these statements were prepared in accordance with Australian Accounting Standards and the Model Accounts for Victorian Councils which are developed by Local Government Victoria and VAGO.

It should also be noted that these draft statements have been signed off by Council's external auditor RSD Audit, acting as agent for VAGO.

The financial and performance statements were presented to Council's Audit and Risk Committee on 9 September 2021 where they were endorsed for adoption by Council at this meeting.

A summary of the draft financial results for the year ending 30 June 2020 is provided as follows.

Operating performance – income statement results against budget

	2020/21 Adopted Budget	2020/21 Actual	Variance
Income	\$35,267,000	\$37,846,455	\$2,579,455
Expenses	\$35,322,000	\$40,610,311	(\$5,288,311)
Surplus/(Deficit)	(\$55,000)	(\$2,763,856)	(\$2,708,856)

The income statement accounts for all Council revenue, including grants and contributions associated with capital works and all operating expenditure.

The operating deficit posted for the financial year of \$2.76 million was largely the result of increased revenue of \$2.58 million and increased expenses of \$5.28 million. Major contributing factors to this result include:

Line Item	Variance (\$)	Variance explanation
Income		
Grants - operating	1,549,378	The following grants were received but not budgeted: Working for Victoria \$787,221, Releasing the Floating City \$300,000, COVID-19 Community Activation and Social Isolation, \$123,860, Outdoor Eating and Entertainment Package \$230,848 and Local Government Business Concierge and Hospitality Program \$60,000.
Grants - capital	637,824	Unbudgeted grant received for the Local Road and Community Infrastructure Program \$641,719
Contributions - non monetary	619,962	Council receives contributions in the form of infrastructure as a result of subdivisions and developments. The timing and amount of such contributions is largely outside Council's control.
Expenses		
Employee costs	(1,267,155)	Variance due to extra staff engaged under the Working for Victoria program \$1,264,401. This program was full grant funded with funds being received in 2019/20 and balance in 2020/21.
Materials and services	(1,460,987)	Variance is predominately due to expenditure relating to unbudgeted grants and contributions. These include materials and equipment to support staff under the Working for Victoria program \$239,892, Outdoor Eating and Entertainment Package \$239,892, Releasing the Floating City Project \$686,661. Council also incurred expenditure of \$346,436 on unbudgeted COVID-19 related items including tourism and industry support, vehicle hire, materials, supplies and advertising.
Net loss on disposal of property, infrastructure, plant and equipment	(730,274)	When assets are replaced, renewed or upgraded, the underlying book value of the assets must be written out of the asset register, this value is recorded as an expense. The amount of this expense depends on the size, nature and timing of the completion of the capital works program.
Increase in provision for landfill Liability	(1,561,454)	Landfill provision increased following the annual review and alignment with EPA assurance requirements. A recent tender for cell capping costs has indicated the previous rates used in the provision calculation were lower than the market price. In addition the annual monitoring and after care cost estimate has increased from \$50,000 to \$80,000 per year for a period of 30 years.

A detailed analysis of all variances greater than \$500,000 or 10% is outlined in note 1.1 of the Financial Statements in Attachment 11.1.1.

Key financial ratios

An analysis of the key financial ratios reviewed by Council's auditors is provided below. This is a subset of all of the indicators which Council is required to report on as a part of its obligations under the Local Government Performance Reporting Framework (LGPRF).

Ratio	2017/18	2018/19	2019/20	2020/21	Comment
Working capital					
Current assets compared to current liabilities	471.11%	590.22%	520.81%	382.18%	Assesses Council's ability to meet current commitments. A percentage greater than 100% is favourable. The decrease from 2019/20 is due to the recognition of unearned grants as a liability (\$4.7 million). These are grants Council has received, however the matching expenditure will be incurred in future periods.
Rates concentration					
Rates compared to adjusted underlying revenue	58.66%	55.94%	59.89%	61.91%	Indicates Council's dependence on rates income. The higher the percentage, the higher the dependence.
Loans and borrowings					
Loans and borrowings compared to rates	4.98%	3.25%	2.24%	0.00%	Indicates the level of long term debt being appropriate to Council's rating capacity. Low or decreasing level suggests an improvement in the capacity to meet long term obligations. Council extinguished all loan debt in 2021/22.

Further financial performance indicators can be found on page 6 and 7 of the Performance Statement in Attachment 11.1.2.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Promise* strategy to "maintain Council's financial sustainability through sound financial and asset management".

Relevant Legislation

Council is required to produce audited Annual Financial Report and Performance Statement pursuant to the requirements and process outlined in the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2014* (as per the transitional provisions of the *Local Government Act 2020*).

Financial Implications and Risk

The review by the Audit and Risk Committee and the audit by VAGO's agent reduces the risk to the Council of inaccurate accounts.

The preparation of the annual financial statements is a statutory procedural matter and all associated costs are contained within Council's adopted budget.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

The development of the draft Financial Statements and Performance Statement have been undertaken in consultation with Council's external auditors (RSD Audit) and Council's Audit and Risk Committee.

11.2 Fraud and Corruption Control Policy

Attachment(s):

1. Fraud and Corruption Control Policy - 22 September 2021 [**11.2.1** - 6 pages]

Purpose

The purpose of this report is to seek Council's endorsement of the revised Fraud and Corruption Control Policy.

Officer Recommendation

That Council adopt the reviewed Fraud and Corruption Control Policy as contained in Attachment 11.2.1.

Background

Fraud in Australia has continued to rise over the last six decades. The latest figures from the Australian Institute of Criminology estimated that in 2018-19 fraud-related offences were estimated to reach \$8.2 billion in losses to organisations. In terms of perceptions of corruption, Australia currently ranks 11 out of 180 countries in 2020.

The Fraud and Corruption Control Policy was extensively reviewed in 2019 following the recommendations of an internal audit in 2016, *VAGO Fraud and Corruption Control in Local Government 2019* and *IBAC Local Government Integrity Framework Review 2019*. The Policy was reviewed by the Audit and Risk Committee and Council's current internal auditor HLB Mann Judd before its adoption by Council on 18 December 2019.

In June 2021 Standards Australia updated their Fraud and Corruption Control Standard AS-8001:2021, which informs the development of this policy. Compliance with the Standard is not mandatory at present, however it is best practice to maintain this policy aligned to the latest changes in this field, as fraud and corruption risks are constantly changing.

Discussion

The Policy is due for review by the end of September 2021, the changes made to the Policy have been minimal following a thorough review. The updated policy continues to reinforce Council's zero-tolerance towards fraudulent and corrupt behaviour with the policy structured by Prevention, Detection and Investigation stages according to the Australian Standards AS-8001:2021.

The recent changes to the Standards align with what has been considered best practice for a few years, therefore the elements had already been implemented in Council's Policy in 2019. These include:

- Clear management responsibilities
- External reporting of suspected events of fraud or corruption
- Specialist fraud and corruption control resourcing
- Ongoing awareness programs
- "Pressure testing" for cyber-security, an increasing risk of fraud in organisations globally
- Whistle-blower protection.

In addition to that, there are two new major elements:

1. Develop an Information Security Management System (ISMS):

Council already has in place a Protective Data Security Plan (PDSP) which is a statutory requirement for public sector agencies. This PDSP meets the same requirements of an ISMS and therefore Council is already complying with this responsibility.

2. Develop a fraud and corruption control system (FCCS)

The FCCS takes a step further from its predecessor the Fraud and Corruption Control Plan which used to support the 2019 Fraud and Corruption Control Policy. The FCCS aims to take a holistic risk management approach to fraud and corruption prevention, including:

- Code of Conduct
- Disciplinary Procedures
- Operational Procedures.

Over the next 12-months the Fraud and Corruption Control Plan will be updated in line with the new Standards to ensure it meets the specific requirements of a Fraud and Corruption Control System.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to “we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do”.

Relevant Legislation

The *Local Government Act 2020* requires Councils to develop and maintain internal control systems. The Fraud and Corruption Control Policy and processes enable Council to meet these obligations.

Financial Implications and Risk

The Fraud and Corruption Control Policy and internal processes are in place to significantly reduce risk to the organisation. Fraud based risk assessments are conducted with each department area to assess the probability of fraud in Council’s day to day operation and then put in place controls to mitigate the risk. The Policy and subsequent support is implemented within current budget and resources.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

No external community or stakeholder consultation was required for this matter.

The Audit and Risk Committee at its 9 September 2021 meeting reviewed and endorsed the Policy for adoption by Council.

11.3 Procurement Policy - Local Government Act 2020

Attachment(s):

1. Procurement Policy 2021 [11.3.1 - 21 pages]

Purpose

The purpose of this report is to seek Council's endorsement of the revised Procurement Policy in accordance with the requirements of the *Local Government Act 2020*.

Officer Recommendation**That Council:**

- 1. adopt the Procurement Policy as contained in Attachment 11.3.1 effective 1 November 2021**
- 2. request the Policy and its implementation be reviewed by 31 October 2022.**

Background

Council's current Procurement Policy was reviewed annually in accordance with the *Local Government Act 1989*. The *Local Government Act 2020* sections 108 and 109 came into effect on 1 July 2021, requiring councils to develop and adopt a Procurement Policy by 1 January 2022.

Under the new legislation, Council must prepare and adopt a Procurement Policy which specifies the principles, processes and procedures applying in respect of the purchase of goods and services by the Council, including for the carrying out of works. The Procurement Policy must seek to promote open and fair competition and provide value for money.

The Procurement Policy must, as a minimum, include the following:

1. The contract value above which the Council must invite a tender or seek an expression of interest
2. A description of the criteria to be used by the Council to evaluate whether a proposed contract provides value for money
3. A description of how the Council will seek collaboration with other councils and public bodies in the procurement of goods or services
4. The conditions under which the Council may purchase goods or services without inviting a public tender or expression of interest
5. A description of the process to be undertaken in inviting a public tender or expression of interest.

Council's Procurement and Probity Coordinator has been working with the Hume Regional Procurement Network and Local Government Victoria in drafting key principles that are being presented to all councils within the Hume Region and across the State.

Discussion

The 1989 *Act* was quite prescriptive in regards to procurement. It set the thresholds for going out to public tender (\$150,000 for goods and services and \$200,000 for works) and it provided a list of exemptions from the requirement to adhere to the procurement requirements. The *Local Government Act 2020 (the Act)* allows councils to set their own thresholds. It no longer sets specific exemptions and does not provide for the ability to seek a Ministerial exemption. All of these areas of decision making now sit with individual councils and are required to be included in Council's Procurement Policy, which has led to a more comprehensive Policy than what Council had previously.

The Procurement Policy (Policy)(attachment) has been written in collaboration with the Hume Regional Procurement Network and Local Government Victoria, and it has taken into consideration Council's current Policy and state-wide industry best practice under the new *Act*.

One of the key changes to the Policy is that it can be adopted for a period of up to four years, previously an annual review was required.

It is the officer's recommendation that Council review the new Procurement Policy in 12 months time as the Policy is introducing several new areas of focus and 12 months will allow time to review the effectiveness of these changes and revise the Policy if needed. It is proposed that at the 12 month review the Policy be adopted for a period of up to four years.

It is noted that Council can elect to review the Policy at any time if it so chooses.

Council's existing Procurement Policy includes supporting local economic outcomes, which remains in the Draft Policy. The Sustainable procurement section has brought in two new focus areas for Council in the procurement process, supporting both environmental and social outcomes.

The *Local Government Act 2020* allows Council to set the threshold as part of the new Policy. The proposed amount is \$300,000 excluding GST for works, goods and services.

It is proposed that the financial delegation to the Chief Executive Officer be amended to align with the \$300,000 threshold, therefore all required open market opportunities would continue to be presented to Council for resolution.

The *1989 Act* had a specific list of cases where purchasing was exempt from needing to follow procurement policy and legislated requirements. The *1989 Act* also allowed for exemptions to be proposed for Ministerial approval. The absence of these legislated exemptions means that the Policy must address the particular areas where open market processes may not be applicable or practical or where there is a need to meet a specific regulatory requirement. These exemptions are listed in an appendix to the Policy and where applied to procurement processes valued \$300,000 plus GST and above they will be presented to Council for noting.

The officer recommendation is for the Policy to be effective from the 1 November 2021 to provide sufficient time for the necessary internal preparations to occur (updating documentation, staff training, system updates) to ensure its effective implementation.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to "we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do".

This report supports the *Council Plan 2017-2021 Our Promise* strategy to "maintain Council's financial sustainability through sound financial and asset management".

Relevant Legislation

The *Local Government Act 2020* sections 108 and 109 came into effect on 1 July 2021, requiring councils to develop and adopt a Procurement Policy by 1 January 2022.

Financial Implications and Risk

Council's Procurement Policy is a critical policy in mitigating financial risk and ensuring that Council's purchasing process is open, transparent, equitable and socially responsible.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

No external community or stakeholder consultation was required for this matter.

The Audit and Risk Committee reviewed and endorsed the Policy for Council's adoption at its 9 September 2021 meeting.

11.4 Delegation to the Chief Executive Officer

Attachment(s):

1. S 5 Instrument of Delegation to the Chief Executive Officer (September 2021) [11.4.1 - 4 pages]

Purpose

The purpose of this report is to seek Council's adoption of the Delegation to the Chief Executive Officer which includes an increased financial delegation following the adoption of the Procurement Policy.

Officer Recommendation

In the exercise of the power conferred by s 11(1)(b) of the *Local Government Act 2020* (the Act) Murrindindi Shire Council (Council) RESOLVES THAT –

1. there be delegated to the person holding the position, or acting in or performing the duties, of Chief Executive Officer the powers, duties and functions set out in the attached *Instrument of Delegation to the Chief Executive Officer*, subject to the conditions and limitations specified in that Instrument
2. the instrument comes into force immediately the common seal of Council is affixed to the instrument
3. on the coming into force of the instrument all previous delegations to the Chief Executive Officer are revoked
4. the duties and functions set out in the instrument must be performed, and the powers set out in the instruments must be executed, in accordance with any guidelines or policies of Council that it may from time to time adopt
5. the changes to the instrument increase the financial delegation of the Chief Executive Officer to match the procurement thresholds as outlined in the newly adopted Procurement Policy.

Background

Council reviewed the Delegation to the Chief Executive Officer (S5) at its 25 August 2021 Scheduled Meeting. The financial delegation to the Chief Executive Officer has traditionally matched the threshold in the Procurement Policy for going to open market via tender.

Discussion

Under Section 11 of the *Local Government Act 2020* (the Act) Council can delegate its powers to members of a Delegated Committee or the Chief Executive Officer. This is documented using the following delegation:

- S5. Delegation from Council to the Chief Executive Officer.

The new Procurement Policy has increased the threshold for going to open market to \$300,000 plus GST. The CEO financial delegation has traditionally matched this threshold, effectively meaning any contract award following an open market tender process above the threshold is presented to Council for consideration.

Following the adoption of the new Procurement Policy in item 11.3, the CEO delegation has been revised to reflect the change in financial delegation.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to “we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do”.

Relevant Legislation

The *Local Government Act 2020* section 11 provides for Council to delegate its powers to the Chief Executive Officer.

Financial Implications and Risk

Effective and efficient functioning of Local Government would not be possible without formal delegations to Council officers. Instruments of Delegation enable Council to minimise risk in exercising authorised and delegated powers.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

No external community or stakeholder consultation was required for this matter.

11.5 Audit and Risk Committee Confirmation of Minutes

Attachment(s):

1. 2021-09-09 Audit and Risk Committee Minutes [11.5.1 - 38 pages]

Purpose

The purpose of this report is to present the minutes of the 9 September 2021 Audit and Risk Committee Meeting to Council for noting.

Officer Recommendation

That Council receive and note the minutes of the 9 September 2021 Audit and Risk Committee Meeting as enclosed in Attachment 11.5.1.

11.6 Endorsement of the Audit and Risk Committee Chair

Attachment(s): Nil

Purpose

The purpose of this report is to formally appoint the Chairperson of the Audit and Risk Committee.

Officer Recommendation

That Council formally appoint Mr Claude Baxter as Chairperson of the Audit and Risk Committee for the 2021/22 financial year.

Background

The Audit and Risk Committee (the Committee) is an independent advisory committee of Council, established under section 53 of the *Local Government Act 2020* (the Act) to provide oversight, guidance and assurance to Council regarding the adequacy and effectiveness of management's internal control, governance, ethical, risk management and financial practices and potential improvements to these practices.

The Committee consists of three independent external members and two councillors, and in accordance with the Act, the Chairperson of the Committee must not be a Council representative.

Under the Committee Charter adopted by Council at its July 2020 Meeting the Chairperson shall be appointed by Council, upon recommendation of a nominee from the Committee. The term of the Chairperson is 12 months, with a maximum of three consecutive years. The term of the Chairperson is to commence in the first quarter of each financial year.

Discussion

At the 9 September 2021 Meeting of the Audit and Risk Committee, Mr Claude Baxter was nominated by the Committee for appointment by Council as Committee Chairperson for the 2021/22 financial year. Mr Baxter has served as Chairperson for the last two financial years.

Council Plan/Strategies/Policies

This report supports the *Council Plan 2017-2021 Our Promise* strategic objective to “we will all work in collaboration with our communities to deliver the best possible outcomes in all that we do”.

Relevant Legislation

The requirements for Council Audit and Risk Committees are prescribed under Sections 53 and 54 of the *Local Government Act 2020*.

Financial Implications and Risk

There are no financial implications or risks associated with this appointment.

Conflict of Interest

There are no declared conflicts of interest by Council officers in relation to this report.

Community and Stakeholder Consultation

Community consultation was not required for this matter.

12 NOTICES OF MOTIONS**13 MATTERS DEFERRED FROM PREVIOUS MEETING****14 URGENT BUSINESS****15 COUNCILLOR REPORTS****15.1 Cr Karine Haslam****15.2 Cr Ilona Gerencser****15.3 Cr Eric Lording****15.4 Cr John Walsh****15.5 Cr Damien Gallagher****15.6 Cr Sue Carpenter****15.7 Cr Sandice McAulay - Mayoral Report**

16 CHIEF EXECUTIVE OFFICER REPORT**17 ASSEMBLIES OF COUNCILLORS****Purpose**

This report presents the records of assemblies of Councillors for 25 August 2021 to 15 September 2021, for Council to note in accordance with Section 80A of the *Local Government Act 1989* (the Act).

Officer Recommendation

That Council receive and note the records of assembly of Councillors for 23 August 2021 to 17 September 2021.

Background

In accordance with Section 80A of the Act, written assemblies of Councillors are to be reported at an Scheduled Meeting of Council.

An assembly of Councillors includes advisory committees, where one or more Councillors were present, along with planned or scheduled meetings involving at least half of the Councillors and a Council officer.

A Councillor who has a conflict of interest at an assembly of Councillors, must disclose the conflict of interest, and leave the meeting while the matter is being discussed.

Discussion

A written record is required to be kept of every assembly of Councillors, including the names of all Councillors and staff at the meeting, a list of the matters considered, any conflict of interest disclosed by a Councillor, and whether a Councillor who disclosed a conflict left the meeting.

The following summary details are for 25 August 2021 to 15 September 2021:

Meeting Name/Type	Council Pre-Meet
Meeting Date:	25 August 2021
Matters Discussed:	<ol style="list-style-type: none"> 1. 15 Lot Subdivision – 15 Hull Road, Marysville 2. Rethink: Reduce: Reuse: Recycle – Council's Waste and Resource Recovery Strategy 3. Grants and Contributions Program – August Allocations 4. Delegation to the Chief Executive Officer and Staff – Review 5. Chief Executive Officer Employment and Remuneration Policy 6. Audit and Risk Committee Member Appointment 7. Workers Compensation Premium 8. Quarterly Finance Report – June 2021 9. End of Year Report – Capital Works Program 2020/21 10. CONT21/13 – Landfill Leachate Carting and Disposal – Tender Evaluation
Councillor Attendees:	Cr S Carpenter, Cr D Gallagher, Cr I Gerencser, Cr K Haslam, Cr E Lording, Cr S McAulay, Cr J Walsh

Council Officer Attendees:	L Bonazzi, M Chesworth, V Albicini, S Brown, T Carter, J Russell, N Stewart, C Gartland, C Fraser, G Haylock, S Russell, B Scott
Conflict of Interest Disclosures: Nil	

Meeting Name/Type	Briefing Session
Meeting Date:	1 September 2021
Matters Discussed:	<ol style="list-style-type: none"> 1. Guest Speaker – Bess Nolan-Cook (Tourism North East – 6 monthly Council update) 2. Guest Speaker – Michael Robinson (Currawong Resources) – Minerals Exploration 3. Fraud and Corruption Control Policy Review 4. Procurement Policy Draft Review 5. Visitor Information Services Review
Councillor Attendees:	Cr S Carpenter, Cr D Gallagher, Cr I Gerencser, Cr K Haslam, Cr E Lording, Cr S McAulay, Cr J Walsh
Council Officer Attendees:	L Bonazzi, M Chesworth, V Albicini, S Brown, T Carter, M Thomas, N Stewart, D Echeverry, C Allingham
Conflict of Interest Disclosures: Nil	

Meeting Name/Type	Briefing Session
Meeting Date:	8 September 2021
Matters Discussed:	<ol style="list-style-type: none"> 1. Draft Annual Report Review 2. Tourism & Events Strategy Implementation Update
Councillor Attendees:	Cr D Gallagher, Cr K Haslam, Cr E Lording, Cr S McAulay, Cr J Walsh
Council Officer Attendees:	L Bonazzi, M Chesworth, V Albicini, S Brown, T Carter, M Thomas, D Echeverry
Conflict of Interest Disclosures: Nil	

Meeting Name/Type	Workshop Session
Meeting Date:	15 September 2021
Matters Discussed:	<ol style="list-style-type: none"> 1. Monthly Capital Works Report 2. Procurement Policy Final Draft Review 3. Refugee Welcome Scroll 4. Grants and Contributions Program – Monthly Allocations 5. Draft Municipal Public Health and Wellbeing Plan – Community feedback 6. Lodging Customer Requests and Complaints – Refresher 7. Performance Reporting – Customer Requests and Complaints 8. Council Plan – Design Concepts
Councillor Attendees:	Cr S Carpenter, Cr D Gallagher, Cr I Gerencser, Cr K Haslam, Cr E Lording, Cr S McAulay, Cr J Walsh
Council Officer Attendees:	L Bonazzi, M Chesworth, V Albicini, S Brown, T Carter, C Allingham, S Russell, B Scott, T Elkington, R Kane, J Rabel, M Ravary, S Collier, N Carter
Conflict of Interest Disclosures: Nil	

Council Plan/Strategies/Policies

This matter is consistent with the *Council Plan 2017-2021 Our Promise* strategy to 'expand our communication'.

Relevant Legislation

For full details of Council's requirement for assemblies of Councillors, refer to Section 80A of the *Local Government Act 1989*.

Financial Implications and Risk

There are no financial or risk implications.

Conflict of Interest

Any conflicts of interest are noted in the assembly of Councillors tables listed above.

18 SEALING REGISTER

File Reference	Date Seal Affixed	Description of Documents	Signatures of Persons Sealing
SF/123	1 September 2021	S5. Instrument of Delegation to the CEO (August 2021)	Cr Sandice McAulay Cr Sue Carpenter
SF/123	1 September 2021	S6 – Instrument of Delegation – Council to Members of Council Staff (August 2021)	Livia Bonazzi Cr Sandice McAulay

Officer Recommendation

That the list of items to which the Council seal has been affixed be noted.