



Please be advised that a **Finance and Audit Committee** Meeting was held at 5.00pm on **14 November 2016** in Meeting Room 1 at the Administration Building, 99 Shepperton Road, Victoria Park.

A handwritten signature in black ink, appearing to read "A Vuleta".

ANTHONY VULETA
CHIEF EXECUTIVE OFFICER

18 November 2016

TABLE OF CONTENTS

ITEM	TITLE	PAGE NO
1	OPENING	3
2	ATTENDANCE	3
	2.1 Apologies	3
	2.2 Approved Leave of Absence	3
3	DECLARATIONS OF INTEREST	3
4	TERMS OF REFERENCE	4
5	CONFIRMATION OF MINUTES	5
6	METHOD OF DEALING WITH AGENDA BUSINESS	5
7	PRESENTATIONS	6
	7.1 Deputations	6
8	REPORTS	6
	8.1 Independent Audit Report and Annual Financial Report 2015-2016	6
	8.2 Chief Executive Officer's Report on Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i> .	9
	8.3 Council Policies – Format and Design	15
	8.4 Referral of the Five Year Consolidated Implementation Plan for the Lathlain Local Area Traffic Management Pilot Study	19
9	WORKSHOP TOPICS AND PRESENTATIONS	26
10	MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN	26
11	NEW BUSINESS OF AN URGENT NATURE	26
12	REQUEST FOR REPORTS FOR FUTURE CONSIDERATION	27
13	CLOSURE	27

1 OPENING

Cr Keith Hayes opened the meeting at 5.00pm.

2 ATTENDANCE

Members:

Banksia Ward:

Cr K (Keith) Hayes

Jarraah Ward:

Cr V (Vince) Maxwell

Cr J (Jennifer) Ammons Noble

Deputy Member

Cr B (Brian) Oliver

Director Business Life

Mr N (Nathan) Cain

Director Future Life/Built Life

Mr W (Warren) Bow

Secretary:

Ms G (Gaye) Last

Guests:

Manager Finance

Ms (A) Ann Thampoe

Manager Information and

Mr (M) Mark Dunne

Communications Technology

Auditor

Mr (A) Anthony Macri (Macri Partners)

Auditor

Mr (M) Mit Gudka (Macri Partners)

2.1 Apologies

Banksia Ward

Cr M (Mark) Windram (Presiding Member)

2.2 Approved Leave of Absence

Nil

3 DECLARATIONS OF INTEREST

Declarations of interest are to be made in writing prior to the commencement of the Meeting, (a form to assist Elected Members and Staff is attached at the end of this Agenda).

Declaration of Financial Interests

Nil

Declaration of Proximity Interest

Nil

Declaration of Interest affecting impartiality

Nil

4 TERMS OF REFERENCE

1. NAME

The name of the Committee shall be the Finance and Audit Committee (the Committee).

2. AIMS AND OBJECTIVES

The strategic focus for the Committee is aligned to the Community Strategic Plan. The purpose of the Committee is to contribute to the vibrant lifestyle of the Town.

2.1 Goals

To provide sound financial management and good governance by:

- Providing guidance and assistance to Council as to the carrying out of its functions in relation to audits in compliance with the Local Government Act 1995;
- Developing and reviewing Council policies as per the Committee's Key Focus Areas;
- Developing appropriate strategies that will deliver the most favourable long term outcomes for the Council in the Committee's Key Focus Areas;
- Ensuring Council maintains its financial capacity to deliver programs and services; and
- Providing advice to Council in relation to matters that are within the Committee's area of responsibility.

2.2 Deliverables

The key deliverables of the Committee will include:

- Annual compliance audit;
- Annual risk management audit; and
- Annual review / update of policies, strategies and plans related to the Key Focus Areas.

2.3 Scope and Jurisdiction

The Key Focus Areas of the Committee include:

- Audit;
- Financial planning;
- Revenue diversification;
- Investments;
- Rates;
- Grants;
- Asset management;
- Land asset optimisation;
- Risk Management; and
- Governance.

2.4 Engagement

The Committee may invite individuals and subject matter experts to attend a meeting of the Committee to provide expert advice where required.

3. MEMBERSHIP

Committee will comprise a maximum of four (4) Elected Members being two (2) Elected Member representatives from each of the Town's two (2) wards with five (5) Elected Members being appointed in a hierarchical order as alternate deputy members except for the Chief Executive Officer Recruitment and Performance Review Committee whereby five (5) Elected Members are appointed being the Mayor and two (2) Elected members from each of the Town's two (2) Wards with four (4) Elected Members being appointed in a hierarchical order as alternate deputy members.

4. MEETINGS

The Committee shall convene in accordance with its annual adopted meeting schedule.

5. QUORUM

In accordance with section 5.19 of *the Local Government Act 1995* the quorum for a meeting of the Committee is at least 50% of the number of offices (whether vacant or not) of members of the Committee.

6. DELEGATED POWER

The Committee has no delegated power and all recommendations made are to be referred to Council for a decision.

7. GOVERNANCE

The Committee is governed by the provisions of the *Town of Victoria Park Standing Orders Local Law 2011* and the *Local Government Act 1995* and its Regulations.

5 CONFIRMATION OF MINUTES

Moved: Cr Ammons Noble

Seconded: Cr Maxwell

That the Minutes of the Finance and Audit Committee Meeting held on 10 October 2016 be confirmed.

The Motion was Put and

(Carried) 4:0

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Ammons Noble; Cr Oliver

6 METHOD OF DEALING WITH AGENDA BUSINESS

RECOMMENDATION:

Moved: Cr Oliver

Seconded: Cr Ammons Noble

That clause 6.10 *Speaking Twice* of the *Town of Victoria Park Standing Orders Local Law 2011* be suspended for the duration of this meeting.

The Motion was Put and

(Carried) 4:0

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Ammons Noble; Cr Oliver

7 PRESENTATIONS

7.1 Deputations

Nil

8 REPORTS

8.1 Independent Audit Report and Annual Financial Report 2015-2016

File Reference:	FIN/11/0001~09
Appendices:	Yes

Date:	10 November 2016
Reporting Officer:	A. Thampoe
Responsible Officer:	N. Cain
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation - That Council acknowledges the Audit Completion Report, draft Independent Auditor's Report, and accepts the audited Annual Financial Report, for the 2015-2016 Financial Year, as included in the Appendices, noting that :

- There were no issues of non-compliance found during the 2015-2016 Annual Audit, and
- That no inaccuracy with the Town's Annual Financial Report for the year ended 30 June 2016 has been noted by the Auditor.

TABLED ITEMS:

Nil

BACKGROUND:

Each year, as part of Council's audit process, an Independent Audit is undertaken to assess Council's Annual Financial Report and the legitimacy and accuracy of Council's accounts. An Independent Audit Report is then produced by the Auditor and provided to the Chief Executive Officer, Mayor and the Minister (Department for Local Government and Communities). The Independent Audit Report is included in Council's Annual Report. Any issues arising from the Independent Audit Report are to be investigated and action taken to resolve those issues.

A representative(s) from Council's Auditor, Macri Partners, will also be in attendance at the meeting to speak to the Audit and take questions from Committee members.

DETAILS:

As part of Council's committee structure, the Finance and Audit Committee has been established to review areas of an audit or compliance nature. The Audit Completion Report, draft Independent Auditor's Report and the audited Annual Financial Report are presented in the Appendices.

Legal Compliance:

Local Government Act 1995 (as amended) and associated Regulations; Australian Accounting Standards; and International Financial Reporting Standards.

Policy Implications:

Nil

Risk management consideration

Nil

Strategic Plan Implications:

Nil

Financial Implications:Internal Budget:

The budget for all audit services for the Town is currently \$40,400. The costs to perform the Annual Financial Audit are within budget constraints.

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

The Independent Audit was undertaken in October 2016 (Refer to Appendices) and highlights no areas of non-compliance with the *Local Government Act 1995*.

Two key findings were identified during the final phase of the audit. These were:

a) Valuation of the Town's land assets

There appears to be a significant difference in the valuation methodology between valuation firms appointed by the Town in 2013 and 2016. An additional assessment of valuation methodology, as it pertains to land assets, will be conducted in early-2017 to definitively define the best methodology to use, as the Australian Accounting Standard (AASB13) lacks clarity in this area.

b) Asset Management Plans

The Town's Asset Management Plans do not currently reflect the recent valuations undertaken in mid-2016. Updates to the Asset Management Plans will be undertaken as part of the Integrated Planning and Reporting Framework process during the 2016-2017 financial year.

Both of the above matters are noted by Management and a joint effort (between the Town and the Auditors) to address these matters is currently underway.

The Finance and Audit Committee can either recommend to Council to accept or to not accept the audited Annual Financial Report.

If the Committee recommends to Council acceptance of the Annual Financial Report then the process for the production of the Annual Report can continue.

If the Committee recommends to Council to not accept the Annual Financial Report then the process for the production of the Annual Report cannot continue and the currently advertised date for the hosting of the Annual General Electors' Meeting will need to be revised. A further meeting of the Audit Committee will also be required as the Annual Financial Report is required to be accepted prior to the production of the Annual Report.

RECOMMENDATION/S:

The Finance and Audit Committee recommends to Council that:

Council, acknowledges the Audit Completion Report, draft Independent Auditor's Report, and accepts the audited Annual Financial Report, for the 2015-2016 Financial Year, as included in the Appendices, noting that no inaccuracy with the Town's Annual Financial Report for the year ended 30 June 2016 has been noted by the Auditor.

Moved: Cr Maxwell

Seconded: Cr Ammons Noble

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Oliver; Cr Ammons Noble

Councillor V Maxwell left the room at 5.06pm and returned at 5.12pm.

Nathan Cain left the room at 5.10pm and returned at 5.12pm.

The Manager Finance left the meeting at 5.23pm.

The Auditors left the meeting at 5.23pm.

The Chair amended the Order of Business and dealt with Item 9.1 (Records Management Audit Workshop) at this time.

The Manager Information and Communications Technology left the meeting at 5.58pm.

8.2 Chief Executive Officer's Report on Regulation 17 of the *Local Government (Audit) Regulations 1996*.

File Reference:	GOR/15/0003
Appendices:	No

Date:	2 November 2016
Reporting Officer:	T. Mbirimi
Responsible Officer:	A. Vuleta
Voting Requirement:	Simple Majority

Executive Summary: Recommendation – That the Finance and Audit Committee recommends that the Council NOTES this report from the Chief Executive Officer as his report on Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i>. <ul style="list-style-type: none">• The purpose of this report is for the Finance and Audit Committee to consider the review report from the Chief Executive Officer (CEO) into the appropriateness and effectiveness of the Town of Victoria Park's systems and procedures relating to risk management, internal control and legislative compliance – as required by Regulations 16 and 17 of the <i>Local Government (Audit) Regulations 1996</i>.

TABLED ITEMS:

Nil

BACKGROUND:

Amendments to the *Local Government (Audit) Regulations 1996* came into effect on 8 February 2013 and introduced the following provisions:

“16. Audit committee, functions of

An audit committee –

- a) is to provide guidance and assistance to the local government –
 - i. as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
 - ii. as to the development of a process to be used to select and appoint a person to be an auditor; and
- b) may provide guidance and assistance to the local government as to –
 - i. matters to be audited; and
 - ii. the scope of audits; and
 - iii. its functions under Part 6 of the Act; and
 - iv. the carrying out of its functions relating to other audits and other matters related to financial management; and
- c) is to review a report given to it by the CEO under the regulation 17(3) (the CEO's report) and is to –
 - i. report to the council the results of that review; and
 - ii. give a copy of the CEO's report to the council.

17. CEO to review certain systems and procedures

- 1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
 - (a) risk management ; and
 - (b) internal control; and
 - (c) legislative compliance.
- 2) The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- 3) The CEO is to report to the audit committee the results of that review.”

DETAILS:

This review is the first of its type for the Town of Victoria Park (The Town) since the above amendments were introduced to the *Local Government (Audit) Regulations 1996*.

The Department of Local Government and Communities' Operational Guidelines No.9 (Revised September 2013) provides a useful overview of the issues that should be taken into account when undertaking the Regulation 17 review. A copy of that guideline is included within the Appendices and has been used as the basis for the CEO's Regulation 17 review in this instance.

It also worth mentioning that Section 7 of the Department's Western Australian Local Government Accounting Manual provides a comprehensive internal control framework related to internal control and risk management. This document has been reviewed in conducting the Regulation 17 review, however, the full contents of that document were not extensively utilised in conducting the review as this is the first review the Town has undertaken and its internal control framework is still in its infancy.

There are no mandatory or minimum requirements for conducting the Regulation 17 CEO review, therefore, the review has not been exhaustive in its scope or extent, but rather been conducted from a strategic and whole of organisation perspective as an initial review exercise and has fundamentally been underpinned by and sought to answer the question – “Does the Town have appropriate and effective systems and procedures in relation to risk management, internal control and legislative compliance?”

In summary, the answer to this question is mostly, for the reasons discussed in the Comment section of this report.

Legal Compliance:

Section 16 & 17 of the Local Government (Audit) Regulations 1996

Policy Implications:

Nil

Risk Management Considerations:

As outlined in this report.

Strategic Plan Implications:

This report meets the Town's objective to ensure regulatory responsibilities of the Town are implemented.

Financial Implications:Internal Budget:

Nil

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

This review has examined the appropriateness and effectiveness of the Town's systems and procedures relating to risk management, internal control and legislative compliance and has revealed the following:

Risk Management

In the area of Risk Management, the Town's administration has made significant gains during 2016. Early this year, the Town enlisted the services of Local Government Insurance Services (LGIS) to facilitate a workshop to review the risk themes identified in 2014 as well as allocate responsible persons for all action identified. This workshop was well attended by representatives from the Strategic Management Team (SMT), Executive Management Team (EMT), Managers and Officers. The information from the workshop was used to update the Town's draft Risk Dashboard to reflect the Town's current standing.

Following the workshop, a Risk Management Working Group (Working Group) comprising members of EMT, Managers and Officers was established, with its main responsibilities being to assist embedding of a risk management culture, analyse and discuss emerging risks, issues and trends and monitoring and reviewing the Town's risk dashboard. Monitoring and reviewing risks is an essential element of the risk management process and the Town has chosen to go with a periodic and routine system, where the Working Group meets monthly. This has proven to be effective to:

- Ensure controls are effective and efficient in their design and operation;
- Improve risk assessment;
- Analyse and learn from events which have occurred;
- Detect changes in the risk context or risk assessment which require revision of the risk treatment;
- Identify emerging risk; and
- Has proven to be an effective way to monitor and review the Town's framework.

Now that the risk context has been established, the following five activities have been identified as essential to continue the implementation of the risk management program at the Town.

1) Develop and Measure Key Indicators

Identify for each risk theme at least one lead and lag indicator, with a set tolerance level, that can be monitored over time to provide an indication of the effectiveness of the Town's risk management, existing controls and implementation of treatment plans.

A draft register of Key Indicators has already been compiled which will be made available to the Working Group for comments and additions early next year.

2) Risk Acceptance Decision

When undertaking the review of the Town's risk profiles, a note will be made of any commentary based on the Town's risk acceptance criteria if that risk is acceptable or not. Any unacceptable risks will then need to have identified some treatment plans for consideration and implementation.

3) Assurance Plan

In conjunction with the Town's internal audit program, develop a program of assurance activities that can be reported to the Finance and Audit Committee to further demonstrate that the Town is doing what is appropriate and effective in relation to the risk management system and procedures.

4) Strategic Risk Register

As part of building a comprehensive risk profile, it is proposed that the Town capture its strategic risks. LGIS can assist in facilitating the development of a strategic risk register with a typical work scope being;

- Meet with the Council, Strategic Management Team (SMT), Executive Management Team and other relevant personnel to scope specific project objectives, strategic direction, strategic planning documentation, risk appetite and risk assessment criteria.
- Presentation (1hr) to SMT on Strategic Risks to agree on strategic risk definition and strategic risk assessment process.
- Facilitate a workshop (3hrs) to establish the Strategic Context and Identify Strategic Risks.
 - Strategic risks will be identified through the analysis of environmental factors, stakeholder expectations and strategy development / implementation.

- d. Facilitate Workshop (3hrs) to Analyse, Evaluate and if required Treat Strategic Risks.
 - o The Town's Risk Management Framework, including Risk Assessment and Acceptance Criteria will be applied to analyse and evaluate strategic risks.
- e. Provide a Strategic Risk Register Report for inclusion in Local Government's risk information and decision making.

5) Develop Project Risk Methodology

Develop and ensure consistency of risk management practices within major projects with appropriate escalation and reporting processes aligned with the Town's risk appetite / tolerance.

Based on the above, the Town's existing procedures and systems relating to Risk Management are considered to be current, consistent and on track for complete implementation and therefore mostly appropriate and effective. The appointment of the Senior Governance Officer has been key to addressing this situation and improving the Town's standing.

Internal Control

The Town's administration recognises that an effective system of internal controls is one that provides a level of assurance that the local government is meeting compliance with applicable regulations and internal procedures. It includes putting in place appropriate policies and procedures and mechanisms for checking and validating that the policies and procedures are being adhered to.

Audit is a key component of any internal controls program and one of the first actions is to ensure the Town's audit program is appropriate and effective. It is for that reason that a draft Internal Audit Framework has been developed as part of this review and will be submitted to the Finance and Audit Committee at a later date for approval and recommendation to Council for adoption.

For the 2016 calendar year, a preliminary audit of the Town's process of dealing with a planning application that is determined under Delegation and or other agencies was undertaken and revealed the following as areas that could be improved on:

- Raising awareness of the existence of process maps;
- Implementing appropriate IT systems to improve workflow and business functions;
- Improving internal communications and feedback
- Providing greater role clarity for staff and Business Units, particularly where functions overlap;
- Aligning staff qualifications, competency and experience with position requirements; and
- Ensuring resources are available to manage all required internal control and review exercises.

The audit found that the risk of single person dependencies within the process of dealing with a planning application was very low, with all relevant staff being skilled on how to handle process applications. Delegations and sub-delegations are also well documented and officers have access to internal documents explaining the extent of the delegations.

This audit was not exhaustive in its scope or extent but an initial review exercise to test the appropriateness and effectiveness of the Town's systems and procedures in relation to internal control and based on the findings, the Town's existing procedures and systems relating to Internal Control are considered to be in their infancy.

Legislative Compliance

The Town's Annual Compliance Audit Return, which is submitted to the Finance and Audit Committee each year in accordance with the *Local Government Act 1995*, identifies the areas of compliance restricted to those considered high risk. The outcome of the audits and the absence of adverse findings from regulators indicate that the Town is in fact largely compliant. However, the absence of apparent problems is not enough to take confidence that the Town is fully legislatively compliant.

In order to provide further assurance, the Town's Administration has developed a systematic process through which legislated requirements are identified, responsibilities for compliance is allocated and the compliance activities are validated and reported against. The Annual Compliance Audit Return is used as a template for quarterly audits and it is through this system that Council Members and the Executive Team can be confident that the Town is meeting its compliance obligations against the *Local Government Act 1995* and associated regulations.

Due to the presence of the above, the Town's existing procedures and systems relating to Legislative Compliance are considered to be largely appropriate and effective

The plan for the future is to identify and schedule further elements for improving the Town's systems of legislative compliance as it relates to legislation other than the *Local Government Act 1995* and its regulations and the delivery of a Compliance plan.

CONCLUSION:

This report which represents the CEO's Regulation 17 audit report has been compiled to comply with the legislative requirements. The results of this report are to be noted by the Council.

RECOMMENDATION/S:

That the Finance and Audit Committee recommends that the Council notes this report from the Chief Executive Officer as his report on Regulation 17 of the *Local Government (Audit) Regulations 1996*.

Moved: Cr Maxwell

Seconded: Cr Oliver

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Oliver; Cr Ammons Noble

8.3 Council Policies – Format and Design

File Reference:	TAT/15/0003~2
Appendices:	Yes

Date:	1 November 2016
Reporting Officer:	R. Fishwick
Responsible Officer:	A. Vuleta
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the proposed policy format be endorsed.

- A review has been undertaken of the policy template.
- It is proposed to separate the policies, practices and procedures into separate documents.
- It is recommended that a new policy format be endorsed.

TABLED ITEMS:

Nil

BACKGROUND:

The Finance and Audit Committee at its meeting held on 10 October 2016 requested that a report be submitted dealing with the format and design for Council policies.

Prior to this request the Administration had undertaken a review of the policy template with the view to separate the document into three (3) new document templates as follows:

1. Council Policy – to be endorsed by the Council;
2. Management Practice – to be approved by the Strategic Management Team; and
3. Procedure – to be determined by Line Managers.

DETAILS:

A policy is used by organisations such as governments (local, state and federal), government agencies and businesses in order to influence or help determine the course of action that an organization takes in certain situations.

Policies consist of high-level statements of intent about the things a government or business either wants to do or for that matter plans to avoid doing. Policies focus on the intentions of an organization, not on the functions its staff members carry out, which are the practices and procedures associated with implementing a policy.

Practices are the rules determined by senior management to ensure compliance with the higher-level policy occurs.

Procedures are detailed descriptions of the tasks that are part of an organisation's business. These are generally in the form of step-by-step instructions, flow charts or another descriptive form. They need to be detailed enough for new staff to follow and standardised enough to prevent waste and errors.

Policy

The Council (Elected Members) should set the vision and strategic direction for the Town and, in this regard, policies can be an instrument the Council utilises to set that vision and strategic direction, which can be utilised by the Administration. Policies, when delegated, obviate the need to refer a number of matters to Council for determination, which saves time for the customer, staff and Elected Members.

Practice and Procedure

Practices and Procedures are the specific methods employed to express policies in action in day-to-day operations of the organisation. As such should be determined by the Strategic Management Team, and Line Managers, in order to implement a Council Policy adopted by the Council.

The rationale for the separation of the Policy from the Practices and Procedures is so that the Elected Members need only consider the high level strategic ramifications of policies and not be required to consider the day-to-day implementation of the policy.

The terminology of “Management Practice” is the contemporary methodology used by local governments for how the Administration is to implement a Council Policy.

Separate Documents

In relation to the amalgamation of the Town Victoria Park and the City of South Perth, during the State Government’s proposed Local Government Reform process, the Governance Project Team, following “Best Practices” in Policies and Procedures in a publication written by Stephen Page (MBA, PMP, CSQE, CRM, CFC), had commenced differentiating Council Policies into separate documents being the Council Policies, Management Practices and Operational Procedures. The continuance of this work within the Town will result in three documents being produced as follows:

1. Council Policies – to be endorsed by the Council;
2. Management Practices – to be approved by the Strategic Management Team; and
3. Operational Procedures – determined by Line Managers in consultation with Senior Management.

Legal Compliance:

Nil

Policy Implications:

The Council policies will be produced in the proposed new format as shown in the template contained within the Appendices.

Risk Management Considerations:

There is a low risk if the Council does not amend its policy template.

Strategic Plan Implications:

Nil

Financial Implications:

Internal Budget:

Nil

Total Asset Management:

Nil

Sustainability Assessment:

External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

The Administration was requested to review the policy format and design for Council policies. In reviewing the format it was considered appropriate to separate the policy, practices and procedures so that the Elected Members determine the strategic direction of Council by setting policies and the Administration implements those policies by determining the management practices and procedures to be followed.

The proposed new policy template based on best practice contains two major heading being;

1. Objective; and
2. Policy Statement.

Notwithstanding the above, sub-headings may be used to assist with the interpretation and understanding of the policy statement.

CONCLUSION:

It is recommended that a new policy template as contained within the Appendices be endorsed and that the Administration approve the management practices and procedures, where required, to implement Council policies.

RECOMMENDATION/S

That the Finance and Audit Committee:

1. Endorses the new template for Council Policies as contained within the Appendices;
and
2. Acknowledges that the Administration will determine the Management Practices and Operational Procedures, where required, to implement Council Policies.

Moved: Cr Ammons Noble

Seconded: Cr Hayes

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Oliver; Cr Ammons Noble

8.4 Referral of the Five Year Consolidated Implementation Plan for the Lathlain Local Area Traffic Management Pilot Study

File Reference:	CUP/13/15
Appendices:	No

Date:	26 October 2016
Reporting Officer:	J Wong
Responsible Officer:	W Bow
Voting Requirement:	Simple majority

Executive Summary: Recommendation – That the Finance Audit Committee -	
<ol style="list-style-type: none"> 1. Receive the consolidated Five Year Implementation Plan as extracted from the Lathlain Local Area Traffic Management Pilot Study/Traffic Management Plan (TMP); 2. Support the delivery of the TMP projects within a two year period concluding in 2018/2019; and 3. Endorse the allocation of additional funding in the Town’s Long Term Financial Plan, including the allocation of \$150,000 in both 2017/2018 and 2018/2019 financial years for the appointment of consultants and/or temporary staff, to undertake the required community consultation works, design and implementation of all the projects identified in the TMP. 	

TABLED ITEMS:

- Copy of Council Report item 12.2 endorsing the Lathlain TMP held on 8 March 2016.
- Minutes of Future Planning Committee Meeting held on 19 October 2016

BACKGROUND:

At the Ordinary Council Meeting held on 8 March 2016, the following resolution was passed –

That Council

1. *Endorses the Lathlain Traffic Management Plan Pilot Study;*
2. *Refer the report back to the Future Planning Committee; and*
3. *Requests the Chief Executive Officer to submit a further report on the matter to the 10 May 2016 Ordinary Council Meeting, including the revised 10 year implementation program.*

The matter was workshopped at the Future Planning Committee meeting held on 17 August 2016 and the following action was requested –

Action: Request Director Renew Life to report back to FPC in October with a consolidated plan for the Pilot Study of Lathlain

The consolidated Five Year Implementation Plan based on the Lathlain TMP was received and endorsed by the Future Planning Committee (FPC) on 19 October 2016. At this FPC meeting, the committee resolved to support the completion of all projects identified in the five year consolidated implementation plan by 2018/19. At the FPC Meeting held on 19 October 2016, the following resolutions were passed –

That the Future Planning Committee -

- 1. Receive the consolidated Five Year Implementation Plan as extracted from the Lathlain Local Area Traffic Management Pilot Study/Traffic Management Plan (TMP) ;*
- 2. Review the consolidated Implementation Plan from the TMP for Lathlain;*
- 3. Recommend that Council invest suitable funding annually to implement the remaining projects identified in the TMP, commencing in the 2017/18 financial year; and*
- 4. That the matter be further investigated to consider completion in the 2018/19 financial year with information to be provided on whether this would impact on other projects and funding. This matter to be referred to Finance and Audit Committee for consideration prior to being considered by Council.*

The above resolution was subject to Renew Life Program having satisfied itself of the practicality of this proposal and the subsequent endorsement by Council of additional funding required for the design resource and the construction works. The FPC also resolved to refer this matter to the Finance and Audit Committee for its consideration and endorsement before referring the matter to Council.

DETAILS:

As part of an outcome from the Town's Integrated Movement Network Strategy (IMNS), a pilot study – Local Area Traffic Management (LATM) / Traffic Management Plan (TMP) for Lathlain was developed to improve road safety within the precinct and the internal road network. The Lathlain Traffic Management Plan aims to address issues related to road safety of all road users now and in the future. The suburb of Lathlain was chosen for the purpose of the pilot study due to the future level of planned development within the precinct and the likelihood of traffic impacts on the local community will be higher compared to other suburbs within the Town.

Derived from the TMP was the 10 Year Implementation Plan. A copy of this 10 year Implementation Plan is included in the body of the attached Council Report item 12.2 as table 1.

The traffic calming solutions were based on principles from innovative traffic management philosophies such as 'Self-Explaining Roads', 'Skinny Streets', 'Liveable Neighbourhoods' and any other suitable philosophies identified from research. Essentially, each road type (taking account of road hierarchy or speed) is to have a uniform approach to traffic management, allowing the individual road user to easily identify the appropriate driving behaviours they should adopt when driving on each road type. Please refer to the figures in the body of the attached Council Report item 12.2 for some of the treatment options proposed.

A number of projects identified in the Lathlain TMP which were considered to be of high importance due to road safety requirements and have been implemented with the assistance of external funding. Wherever possible, grant funding will be applied for to supplement Council funds in the future.

Various discussions at Elected Member level have ensued in relation to the initial 10 Year Implementation Plan. Ultimately, it is felt that 10 year duration is ineffective and as a result, a consolidated Five Year Implementation Plan was prepared as tabled below. Consequently, a further resolution to have the Lathlain TMP projects completed within two years has been passed.

Table 1 below consists of a list of projects which have been consolidated into a five year plan and is now being considered to be fully implemented by 2018/19.

Table 1. Remaining projects in the Implementation Plan

Year	Treatment Location	Cost (\$'000)	Comment
2017/18	McCartney Crescent – two treatments between Roberts Road and Goddard Street.	258-274 (roundabout) OR 72-88 (raised intersection plateau)	Concept design in progress. Consultancy Budget partly allocated in 2016-17 but additional budget would be required in the 2017/2018 financial year to fund actual civil works. Deters access into Lathlain from Roberts Road. Cost subject to treatment types installed.
	Goddard Street/Saleham Street roundabout.		
	Saleham St – two treatments between Goddard Street and Gallipoli Street	24	Reduce speed and discourages internal rat-running.
	Rutland Avenue – two treatments at Gallipoli Street and Egham Road intersections.	64	Reduce speed near the Victoria Park train station and roughly half way between the train station and Great Eastern Hwy.
2018/19	Goddard Street (between Midgley Street and Cookham Road).	34	Discouraging traffic and reducing speeds on main north-south routes through the suburb and discouraging internal rat-runs.
	Gallipoli Street (between Egham Road and Enfield Street). Keyes Street.	64 (for both projects)	
	Rutland Avenue – two treatments at Cookham Road and Saleham Street intersections.		Reduce speed on northern and southern halves of route.

2020/21	Goddard Street (between Egham Road and Howick Street). Gallipoli Street (between Howick Street and Egham Road). Waller Street.	47 (for both projects)	Discouraging traffic and reducing speeds on main north-south routes through the suburb and discouraging internal rat-runs.
2021/22	Cornwall Street and Streatley Road (between Gallipoli Street and Castle Way). Staines Street - one treatment.	35 (for both projects)	Discourages traffic using the Great Eastern Highway/Cornwall Street intersection.
2022/23	Enfield Street – two treatments between Goddard Street and Gallipoli Street and; one treatment between Gallipoli Street and Rutland Avenue.	36	Discourages direct (straight through) internal movements through the suburb.

Table 2 Projects in the Implementation Plan completed or budgeted in 2016/2017

Year	Treatment Location	Estimated Cost (\$'000)	Comment
2014/15	Streatley Road (between Goddard Street and Gallipoli Street) and Gallipoli Street (between Streatley Road and Midgley Street).	27	Projects Completed.
2015/16	Streatley Road/Goddard Street roundabout.	250	Project completed. Blackspot funding received. Town of Victoria Park contribution: \$83,000.
2016/17	Enfield Street – three treatments between Roberts Road and Goddard Street. Trial closure of Right of Way between Streatley Road and Orrong Road or other agreed arrangement.	12-40 (for both projects)	Budget allocated in 2016-17. Community consultation to be done before implementation this financial year. Budget allocated in 2016-17. The new Streatley Road/Goddard Street roundabout has significantly reduced the number of east bound vehicles on Goddard Street trying to enter Streatley Rd by overtaking other vehicles. The current assessment revealed that it is likely that this trial closure will not be necessary.

Legal Compliance:

All works undertaken will comply with Austroads Guidelines and relevant Australian Standards.

Policy Implications:

Nil

Strategic Plan Implications:

The Town's Integrated Movement Network Strategy (IMNS) promotes the development of TMP for the entire Town. The TMP pilot study for the suburb of Lathlain will be used as an opportunity to develop and implement innovative traffic management philosophies which could set precedents for the development of similar innovative traffic management treatments across the whole Town.

The Lathlain Precinct has long been identified by the Town, as an area for enhancement and revival and we are seeing this progressed with the Lathlain Precinct Redevelopment Project (LPRP). The Lathlain TMP will further complement changes to the road network and improve road safety within the suburb.

Financial Implications:

In order to complete the remaining projects identified in the TMP over the coming years, a budget allocation of at least \$578,000 will be required for construction. Inevitably the estimated costs will need to be reviewed prior to budget adoption to reflect potential changes in project scope, community expectations, state agency requirements and location of public utility services.

The estimated costs provided in this report should only be considered as indicative figures.

Some of these projects will be required to be implemented in conjunction with other projects proposed separately for the Lathlain Precinct Redevelopment Project and some could be implemented at a higher specification if external funding can be secured.

In order to complete these projects by 2018/19, it is estimated that additional operating budget of \$150,000 be set aside for the appointment of consultants and/or temporary technical design staff to assist Street Improvement to undertake the required design and community consultation works during 2017/18.

Internal Budget:

The proposed upgrade works will require funding allocation in the capital works budget.

Total Asset Management:

The Town will be responsible for the future maintenance of new capital items implemented

Sustainability Assessment:

External Economic Implications:

Improved infrastructure across Lathlain is likely to yield positive outcomes for all road users due to the implementation of road safety treatments from an area wide approach. Residents have been actively involved in the TMP development process.

Social Issues:

The proposed road safety treatments within the suburb of Lathlain will aim to improve safety through speed moderation, driver behaviour, enhanced street space for the community members and assist in developing more people-friendly neighbourhoods.

Cultural Issues:

The close proximity of the Town to Perth City and good connectivity to public transport has increased infill development numbers and density within the suburb of Lathlain. The increase in traffic growth, “rat-running” and/or the use of various roads by inconsiderate motorists who continually disregard the road rules will be addressed through the study by providing greater opportunities for (and encouraging) walking, cycling and public transport.

Environmental Issues:

Maximised priority for pedestrians and cyclists particularly by improving infrastructure to meet the pedestrian, cyclists and public transport demands while balancing the needs of local and regional traffic for all road users, as well as the management of existing road infrastructure in a manner that facilitates a reduction in greenhouse gas emissions and noise by reducing vehicle dependency.

COMMENT:

The TMP study proposes various options/concept plans for each road category including advice on safety improvements at specific locations. The implementation of any proposed projects would be aligned and delivered in accordance with the annual approved budget. Further engagements with the Community in a localised manner are anticipated prior to finalising the scope of the physical treatments to be implemented for each of the identified project.

Subsequent to the meeting of the FPC on 19 October 2016, Renew Life staff have reviewed its resources and the existing projects in the current Two Year Prioritised Capital Works Program and are confident that the remaining projects in the Five Year Consolidated Implementation Plan can be completed by 2018/19 – subject to additional resources being allocated to progress design and community engagement. In reviewing the FPC resolution, staff recommended a buffer period of an additional one year to accommodate potential carry forward projects due to any unforeseen design complications resulting from community consultation or specific requirements of external agencies including Main Roads WA and public utility companies.

The Lathlain TMP contains indicative project costs which require further review after the design and community consultation phases which can be undertaken during 2017/18 with the assistance of consultants and/or temporary design staff. Upon completion of the construction drawings and any required approvals from the relevant Government agencies secured, detailed construction estimates would be finalised prior to the preparation of the Capital Works budget for 2018/19.

CONCLUSION:

The consolidated Lathlain LATM/TMP Five Year Implementation Plan is referred to the Finance and Audit Committee for its consideration. Additional resources will be required if the Town is to deliver the projects therein within the proposed two year period.

RECOMMENDATION/S:**That the Finance and Audit Committee -**

1. Receive the consolidated Five Year Implementation Plan as extracted from the Lathlain Local Area Traffic Management Pilot Study/Traffic Management Plan (TMP);
2. Support the delivery of the TMP projects within a two year period concluding in 2018/2019; and
3. Endorse the allocation of additional funding in the Town's Long Term Financial Plan , including the allocation of \$150,000 in 2017/2018 and 2018/2019 for the appointment of consultants and/or temporary staff, to undertake the required community consultation works, design and implementation of all the projects identified in the TMP.

RESOLVED:

1. **That the consolidated Five Year Implementation Plan as extracted from the Lathlain Local Area Traffic Management Pilot Study/Traffic Management Plan (TMP) be brought to the Ordinary Council Meeting to be held on 13 December 2016;**
2. **Support of the delivery of the TMP projects within a two year period concluding in 2018/2019; and**
3. **Endorse the allocation of additional funding in the Town's Long Term Financial Plan, including the allocation of \$100,000 in 2017/2018 and 2018/2019 for the appointment of consultants and/or temporary staff, to undertake the required community consultation works, design and implementation of all the projects identified in the TMP.**

Moved: Cr Oliver

Seconded: Cr Ammons Noble

The Motion was Put and

CARRIED (4-0)

In favour of the Motion: Cr Maxwell; Cr Hayes; Cr Oliver; Cr Ammons Noble

9 WORKSHOP TOPICS AND PRESENTATIONS

9.1 Records Management Audit

The Manager Information and Communications Technology attended the meeting to discuss moving towards Best Practice in record keeping and how effective are the systems already in place.

Action:

1. The Director Business Life Program to seek feedback from SMT and bring to a future Finance and Audit Committee.
2. Manager Information and Communications Technology to check for issues around the Policy.

9.2 Budget Adoption Timeframe

A brief presentation will be undertaken outlining the proposed Budget Adoption Timeframe for the 2017-2018 Annual Budget. The presentation will demonstrate how aspects of the Evolve program will be incorporated into the Timeframe.

Action:

Two meetings of the Finance and Audit Committee to be arranged in January 2017 to discuss the mid-year Budget Review. All Elected Members to be invited to attend the meetings.

9.3 Annual Report Text

Elected Members have requested that the 2015-2016 Annual Report text be presented to the Finance and Audit Committee at regular intervals. An update will be provided.

The report is not yet complete a draft of the document is expected by 18 November 2016. Director Business Life Program will confirm the time frames.

Action:

Feedback to Executive Manager Communications by Wednesday 23 November.

10 MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 NEW BUSINESS OF AN URGENT NATURE

Nil

12 REQUEST FOR REPORTS FOR FUTURE CONSIDERATION

Forthcoming Agenda Items	
Reports	
874 Albany Highway – future land use/development	
Land Asset Optimisation Strategy – Action Plan / finalised document	
Investment Strategy – development	
Revenue Diversification Policy - development	
Workshop Topics/Presentation	
Annual General Electors Meeting and Annual Report – text and timeline	
Fees and Charges – determination and analysis of the level of application	
Investment Strategy – development	
Revenue Diversification Policy - development	
Carbon Offset Program	
Capital Works Progress	

13 CLOSURE

13.1 The meeting was closed at 6.45pm.