

TOWN OF BASSENDEAN

MINUTES

AUDIT AND GOVERNANCE COMMITTEE

HELD IN THE COUNCIL CHAMBER, 48 OLD PERTH ROAD, BASSENDEAN

ON WEDNESDAY 14 MARCH 2018, AT 5.30PM

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting, welcomed all those in attendance and conducted an Acknowledgement of Country.

2.0 ATTENDANCES, APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE

Present

Cr Kathryn Hamilton, Presiding Member
Cr Melissa Mykytiuk, Deputy Presiding Member
Cr Jai Wilson
Ian Walters
Tom Klaassen
Cr Renee McLennan (Observer)
Ron Back, Financial Advisor

Staff

Michael Costarella, Director Corporate Services
Ken Lapham, Manager Corporate Services
Graeme Haggart, Director Community Development
Amy Holmes, Minute Secretary

3.0 DEPUTATIONS

Mr Warren Wright of Ashfield addressed the Committee and asked questions regarding Items 8.1 and 8.2.

4.0 CONFIRMATION OF MINUTES

4.1 Minutes of the Meetings held on 14 February 2018

COMMITTEE/OFFICER RECOMMENDATION – ITEM 4.1

MOVED Tom Klaassen, Seconded Ian Walters, that the minutes of the meeting held on 14 February 2018 be confirmed as a true record.

CARRIED UNANIMOUSLY 5/0

5.0 ANNOUNCEMENTS BY THE PRESIDING PERSON

Nil

6.0 DECLARATIONS OF INTEREST

Cr Wilson & Cr Hamilton declared an Impartiality Interest as they are social members of the Bassendean Bowling Club.

7.0 BUSINESS DEFERRED FROM PREVIOUS MEETING

Nil

8.0 REPORTS

8.1 Bassendean Bowling Club Lease Agreement Renewal (Ref: LEGL/AGMT/9 – Tim Dayman, Recreation Development Officer)

PURPOSE

The purpose of this report is for Council to consider the renewal of the Lease Agreement with the Bassendean Bowling Club.

BACKGROUND

Officers had initially referred this report to the February 2018 Ordinary Council meeting for Council's consideration. It was resolved by Council (OCM-15/02/18) that the matter be deferred for consideration at the next Audit and Governance Committee scheduled for Wednesday 14 March 2018.

The reason for the deferral was to review the lease terms and rental proposal after which the Committee would make recommendations to Council for consideration.

The Bassendean Bowling Club commenced operating in 1934 and has a long history in the Town. The Club is situated on the BIC Reserve in Bassendean and has access to three bowling greens and the adjacent clubroom facility.

The Club has recently undertaken approved cosmetic upgrades to its kitchen facilities, as well as works on the skirts of the greens and floodlighting on “C Green”, all at its own expense.

The Bassendean Bowling Club’s membership levels over the last five years were as follows:

Year	Members
2013/2014	180
2014/2015	165
2015/2016	202
2016/2017	260
2017/2018	281

The most recent number consists of:

- 77 Male bowlers
- 17 Female bowlers
- 24 Non bowling full members
- 106 Social members
- 53 Dart Club members
- 4 Tennis Club members

The previous Lease Agreement was developed in May 2007 for a 5 year period, with a 5 year option and was extended to December 2017 due to the outcome of the Facility Audit/Needs Assessment (although recently expired, it remains in “carry-over” mode until Council decides on the outcome of the expired agreement).

The Club is looking to enter into a new agreement with the Town.

COMMUNICATION AND ENGAGEMENT

Communication has taken place between the club and Town of Bassendean Recreation and Culture staff, along with independent consultants from AECOM.

COMMENT

Legal agreements (whether they be Leases, Licences or Management Agreements) are essential for the effective management of Council facilities, as they clearly outline the rights and responsibilities of the parties wishing to enter into contractual relationships.

The Bassendean Bowling Club has a consistent level of membership, has great engagement in the community, and appears to have sound governance. Whilst the Town has not undertaken any formal evaluation of the social/community development contribution that the Club makes to the Town, it is evident that the Club provides opportunities for community to engage in social and physical activities.

The Club undertakes regular fundraising, operates a bar facility and has obtained various private sponsorships, so is financially stable. The Club, as mentioned has made some amendments to the kitchen area, with the intention of allowing a small-scale commercial operation to operate, with the approval of the Town's Health Officer.

The Bassendean Bowling Club is responsible for the maintenance, repair and cleaning of the building on an everyday basis at their own expense. These works, where necessary, must be conducted by a licenced and qualified tradesperson. The Town is responsible for structural maintenance, repair or replacement caused by fair and reasonable wear and tear, which is covered by the Town's Capital Budget.

As a result of the Town's recent Facility Audit and Needs Assessment, it is advised that all new lease agreements are simplified and highlight roles and responsibilities of both the Lessor and Lessee more clearly. This clarity will assist the Town with budgeting, removing the grey areas where the Club is unsure if they are responsible for some larger items. With some cases in the past, the Town has assisted with repairs in good faith, as the lease was not entirely clear on responsibilities.

STATUTORY REQUIREMENTS

Local Government Act 1995

STRATEGIC IMPLICATIONS

Objective: Build a sense of place and belonging.

Strategy: Activate neighbourhood spaces to facilitate community gathering

Objective: Ensure all community members have the opportunity to be active, socialise and connected

Strategy: Support our volunteers and community groups to remain empowered, dynamic and inclusive.

FINANCIAL CONSIDERATIONS

Under the terms of the lease, there are annual rent reviews linked to CPI. Under the current lease, the Club was to pay \$3,400 in advance annually from May 2007. The latest payment in May 2017 was \$4,696.72.

The new lease payments to the Town will be \$4,696.72 paid in advance on May 1 and indexed by CPI annually. The original formula for calculating this rate was based on a fee per green cost and this has rolled over with CPI for each term of the lease. Other local governments use a similar formula with their leased bowling club facilities. The exact figure will be calculated when the CPI figure is released in March.

The Club also pays building insurance payments and a fire and emergency levy, as reimbursements to the Town in two instalments each year, which in 2016-17 equalled \$5285.86.

The Town has conducted large capital works on the Bowling Club over the past two years with a new switchboard being installed, to meet Australian Standards, new LED light fittings to reduce environmental impact and to address some security concerns with new doors and garrison fencing.

OFFICER RECOMMENDATION – ITEM 8.1

That Council instructs its solicitors to draft a new lease agreement for the use of the Bowling Club facilities at 10 Whitfield Street, Bassendean, by the Bassendean Bowling Club Inc, that includes a 5-year term with a 5-year option, commencing with the 2018 season.

The Committee discussed this matter and agreed that due to a lack of information, and as the Committee has not seen the Lease, they are unable to make an informed decision on this matter.

The Committee requested they be provided with the following information:

- *Copy of the current lease agreement*

- *Annual financial statements 2016/2017 for the Bassendean Bowling Club*
- *A schedule of comparative lease agreements within the Town*

COMMITTEE RECOMMENDATION – ITEM 8.1

AGC - 1/03/18 MOVED Cr Wilson, Seconded Cr Hamilton that:

1. The matter be deferred pending provision of further information and the outcome of the Facilities Audit Workshop; and
2. An Audit and Governance Committee meeting be held in week two of April 2018 to reconsider this matter.

CARRIED UNANIMOUSLY 5/0

8.2 Local Government Compliance Audit Return 2017 (Ref: GOVR/LREGLIA/9 – Ken Lapham, Manager Corporate Services)

APPLICATION

The report presents the Local Government Compliance Audit Return 2017, 1 January to 31 December 2017 to Council in order that the report be adopted.

ATTACHMENT

Attachment No. 1: 2017 Compliance Audit Report

BACKGROUND

The Department of Local Government, Sport and Cultural Industries require all Councils to submit an annual Compliance Return (CAR) by 31st March each year. The return is used as a measurement to determine the level of compliance with the Local Government Act and associated Regulations.

STRATEGIC IMPLICATIONS

Good Governance

- 5.1.3 Strengthen governance, risk management, and compliance.

COMMENT

Each Local Government Authority is required to complete a Compliance Audit Return for the period 1 January to 31 December 2017. The Compliance Audit Return must be submitted to the Director General, Department of Local Government by 31 March 2018.

The return is one of the tools that allows Council to monitor how the organisation is functioning. It places emphasis on the need to bring to Council's attention, issues of non-compliance, or issue where full compliance was not achieved.

In addition to explaining or qualifying cases of non-compliance, the return also requires Council to endorse any remedial action taken or proposed to be taken in regard to instances of non-compliance.

The document contains 94 questions to test compliance with the Local Government Act and Regulations.

The compliance areas include:

TOPIC	NO OF QUESTIONS	OFFICER
Commercial Enterprises by Local Governments	5	Michael Costarella/Ken Lapham
Delegation of Power / Duty	13	Bob Jarvis
Disclosure of Interest	16	Bob Jarvis
Disposal of Property	2	Michael Costarella
Elections	1	Michael Costarella
Finance	14	Ken Lapham
Integrated Planning & Reporting	7	Michael Costarella
Local Government Employees	5	Ken Lapham
Official Conduct	6	Bob Jarvis
Tenders for Providing Goods and Services	25	Ken Lapham

A summary of the responses are shown below. Statistics on previous year's returns are provided.

RESPONSE	2017	2016	2015	2014	2013
Areas of Compliance	63	52	72	55	58
Areas of Non Compliance	0	1	0	1	0
Not Applicable	31	34	15	22	20
Total	94	87	87	78	78

STATUTORY REQUIREMENTS

Local Government Act 1995 and associated Regulations.

FINANCIAL CONSIDERATIONS

Nil

COMMITTEE/OFFICER RECOMMENDATION – ITEM 8.2

AGC - 2/03/18 MOVED Cr Hamilton, Seconded Tom Klaassen, that the Audit and Governance Committee recommends that Council receives the Compliance Audit Return 2017 for the period 1 January to 31 December 2017, as attached to the Agenda of 14 March 2018.

CARRIED UNANIMOUSLY 5/0

9.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

10.0 ANNOUNCEMENTS OF NOTICES OF MOTION FOR THE NEXT MEETING

Nil

11.0 CONFIDENTIAL BUSINESS

Nil

12.0 CLOSURE

The next meeting will be held on Wednesday 9 May 2018, commencing at 5.30pm.

There being no further business, the Presiding Member closed the meeting at 7.19pm.