



AGENDA

AUDIT COMMITTEE MEETING

WEDNESDAY, 4 MARCH 2020

Notice is given that the next Audit Committee Meeting of the Roper Gulf Regional Council will be held on:

Wednesday, 4 March 2020 at 10:00AM
The Roper Room, Roper Gulf Regional Council
2 Crawford Street, Katherine, NT

Your attendance at the meeting will be appreciated.

Phillip LUCK
CHIEF EXECUTIVE OFFICER

PLEDGE

“We pledge to work as one towards a better future through effective use of all resources.

We have identified these key values and principles of Honesty, Equality, Accountability, Respect and Trust as being integral in the achievement of our vision, that the Roper Gulf Regional Council is Sustainable, Viable and Vibrant.”

PRAMIS BLA WI

“Mela pramis bla wek gudbalawei bla meigim futja bla wi wanwei, en bla yusim ola gudwan ting bla helpum wi luk lida.

Mela bin luk ol dijlod rul, ebrobodi gada tok trubalawei, wi gada meik so wi gibit firgo en lisiin misalp, abum rispek en trastim misalp bla jinggabat bla luk lida, Roper Galf Rijinul Kaunsul deya maindim en kipbum bla wi pramis, dum wek brabli gudbalawei, en im laibliwan.”

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	PRESENT/STAFF/GUESTS	
2	MEETING OPENED	
3	APOLOGIES AND LEAVE OF ABSENCE	
4	CONFIRMATION OF PREVIOUS MINUTES	
	4.1 Audit Committee Meeting - 20 November 2019	4
5	BUSINESS ARISING FROM PREVIOUS MINUTES	
	5.1 Action List	8
6	CALL FOR ITEMS OF GENERAL BUSINESS	
7	DISCLOSURE OF INTEREST	
8	INCOMING CORRESPONDENCE	
	<i>Nil</i>	
9	OUTGOING CORRESPONDENCE	
	<i>Nil</i>	
10	OPERATIONAL REPORTS	
	<i>Nil</i>	
11	GENERAL BUSINESS	
	11.1 2018/2019 Financial Audit Management Letter update	9
	11.2 Accounting and Policy Manual	17
	11.3 HR004 - Recruitment and Selection Policy	59
	11.4 Budget Preparation Timetable.....	71
	11.5 Local Government Act (2019) Changes	73
12	ITEMS FOR NEXT MEETING	
13	CLOSED SESSION	
14	CLOSE OF MEETING	

CONFIRMATION OF PREVIOUS MINUTES



ITEM NUMBER	4.1
TITLE	Audit Committee Meeting - 20 November 2019
REFERENCE	902072
AUTHOR	Ashleigh ANDERSON, Local Authority Coordinator

RECOMMENDATION

That the Audit Committee confirms the previous minutes from the meeting held on Wednesday 20 November 2019, and affirms them to be a true and accurate record of that meetings decisions and proceedings.

BACKGROUND

The Audit Committee met on Wednesday 20 November 2019 in Katherine at 10:00am.

Attached are the recorded minutes from that meeting for the Audit Committee to review and confirm.

ISSUES/OPTIONS/SWOT

Nil.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS:

- 1 Audit Committee 2019-11-20 [1393] Minutes.DOCX



MINUTES OF THE ROPER GULF REGIONAL COUNCIL AUDIT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS
ROPER GULF REGIONAL COUNCIL SUPPORT CENTRE
2 CRAWFORD STREET, KATHERINE ON WEDNESDAY, 20 NOVEMBER 2019 AT
10:00AM

1. PRESENT/STAFF/GUESTS

1.1 Elected Members

- Sheldon SMITH, Independent Member (Acting Chair);
- Councillor Don GARNER;
- Councillor Eric ROBERTS.

1.2 Staff

- Marc GARDNER, General Manager Corporate Services and Sustainability;
- Cristian COMAN, Manager Information Systems;
- Lokesh ANAND, Chief Financial Officer.

2. MEETING OPENED

The Audit Committee Meeting opened at 10:21am and the Pledge was read.

3. APOLOGIES AND LEAVE OF ABSENCE

3.1 APOLOGIES AND LEAVE OF ABSENCE

60/2019 RESOLVED (Eric ROBERTS/Donald GARNER)

CARRIED

That the Committee:

- Accepts the apologies of Garry LAMBERT, Chairperson;
- Appoints Sheldon Smith to be Acting Chair for the meeting; and
- Notes that Cr MURRUNGUN is on approved leave.

4. CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

61/2019 RESOLVED (Donald GARNER/Eric ROBERTS)

CARRIED

That the Audit Committee approves the minutes as a true and accurate record of the previous Audit Committee Meeting held on 18 September 2019.

5. CALLS FOR ITEMS OF GENERAL BUSIENSS

Nil.

6. DISCLOSURES OF INTEREST

There were no declarations of interest at this Audit Committee meeting.

7. BUSINESS ARISING FROM PREVIOUS MINUTES**7.1 ACTION LIST**

62/2019 RESOLVED (Eric ROBERTS/Donald GARNER)

CARRIED

That the Audit Committee receives and notes Action List.

8. INCOMING CORRESPONDENCE

Nil.

9. OUTGOING CORRESPONDENCE

Nil.

10. ELECTED MEMBERS' REPORT

Nil.

11. OPERATIONAL REPORT**11.1 FINANCE - 2018-19 ANNUAL FINANCIAL STATEMENTS**

63/2019 RESOLVED (Eric ROBERTS/Donald GARNER)

CARRIED

That the Audit Committee receives and notes the Audited Financial Statements for the year ended 30 June 2019.

12. GENERAL BUSINESS**12.1 COUNCIL'S 2018/2019 ANNUAL REPORT**

64/2019 RESOLVED (Donald GARNER/Eric ROBERTS)

CARRIED

That the Audit Committee receives and notes the report in relation to Councils 2018/19 Annual Report.

12.2 GENERAL INSTRUCTION NO. 3 - AUDIT COMMITTEES

615/2019 RESOLVED (Eric ROBERTS/Donald GARNER)

CARRIED

That the Audit Committee receives and notes the report in relation to General Instruction No. 3 – Audit Committees.

13. DECISION TO MOVE INTO CONFIDENTIAL SESSION

66/2019 RESOLVED (Donald GARNER/Eric ROBERTS)

CARRIED

That the Audit Committee resolves to move into Confidential Session and that members of the press and public be excluded from Meeting.

14. MOVE OUT OF CONFIDENTIAL SESSION

71/2019 RESOLVED (Donald GARNER/Eric ROBERTS)

CARRIED

That the Audit Committee moves out of Confidential Session and resolved that the decisions made during that Session be made publicly available.

13.1 CONFIRMATION OF PREVIOUS MINUTES - CONFIDENTIAL

6762/2019 RESOLVED (Donald GARNER/Eric ROBERTS)

CARRIED

That the Audit Committee approves the confidential minutes as a true and accurate record of the previous Audit Committee Meeting, confidential session as a true and accurate record of that meeting held on 18 September 2019.

13.2 FINANCE - MANAGEMENT LETTER 2018-19 AUDIT

68/2019 RESOLVED (Eric ROBERTS/Donald GARNER)

CARRIED

That the Audit Committee receives and notes Management Letter issued by auditors for 2018-19 Audit.

13.3 RECORDS MANAGEMENT

69/2019 RESOLVED (Donald GARNER/Eric ROBERTS)

CARRIED

That the Audit Committee receives and notes the update pertaining to Councils Records Management.

13.4 RISK MANAGEMENT PLAN

70/2019 RESOLVED (Eric ROBERTS/Donald GARNER)

CARRIED

That the Audit Committee notes the report in relation to Councils Risk Management Plan.

14. CLOSE OF MEETING

The meeting closed at 11:04am.

This page and preceding pages are the minutes of the Audit Committee Meeting held on Wednesday, 20 November 2019 and will be confirmed 04 March 2020.

Chairperson

BUSINESS ARISING FROM PREVIOUS MINUTES

ITEM NUMBER	5.1
TITLE	Action List
REFERENCE	902351
AUTHOR	Ashleigh ANDERSON, Local Authority Coordinator

RECOMMENDATION

That the Audit Committee :

- (a) receives and notes Action List; and,
- (b) approves the removal of completed items.

BACKGROUND

Date	Agenda Item #	Item Description	Responsible Person	Comments/ Details	Ongoing	Status Comments - Completion Date
19-September-2018	11.2	NEW POLICIES	Governance Manager	That the standard operating procedure applicable to the mandatory reporting policy be presented to the November Audit Committee.	In Progress	Policy Register in development. Policy review committee will determine timelines.
19-June-2019	13.2	Information Rights Management	Governance Manager	Contractor to overhaul entire EDRMS and records management processes, including IRM.	In Progress	Project Plan to be submitted including full scope and mapping by end of March.
19-June-2019	11.0	Local Authorities	Governance Manager	Letter to be drafted to Department on behalf of Council raising concerns pertaining its oversight (Guideline 8, Special LA Meetings)	Completed	Chief Executive Officer to resolve with local DLGHCD Representative.

ATTACHMENTS:

There are no attachments for this report

GENERAL BUSINESS



ITEM NUMBER	11.1
TITLE	2018/2019 Financial Audit Management Letter update
REFERENCE	902295
AUTHOR	Marc GARDNER, General Manager Corporate Services and Sustainability

RECOMMENDATION

That the Audit Committee receives and notes the update in relation to the 2018/2019 Financial Audit Management Letter.

BACKGROUND

As previously reported to the Committee, the audit of financial statements for the 2018/2019 resulted in two actions recommended by Council's auditors (Deloitte) as outlined in their management letter to the Chief Executive Officer.

This report is provided to the Committee as an update in relation to these two actions.

ISSUES/OPTIONS/SWOT

The management letter outlined the following two issues:

1. Accounting and Policy Manual has not been updated since 12 November 2014; and
2. Journals can be posted without review.

In relation to the first issue and as outlined in the attached management letter with responses, the Council is on track with resolving this issue. The Accounting and Policy Manual has been updated and presented to the Council's Finance Committee and Executive Team for consultation, subsequently updated and is presented to Council for their Ordinary Meeting on the 26 February (which is now occurring on the 4 March).

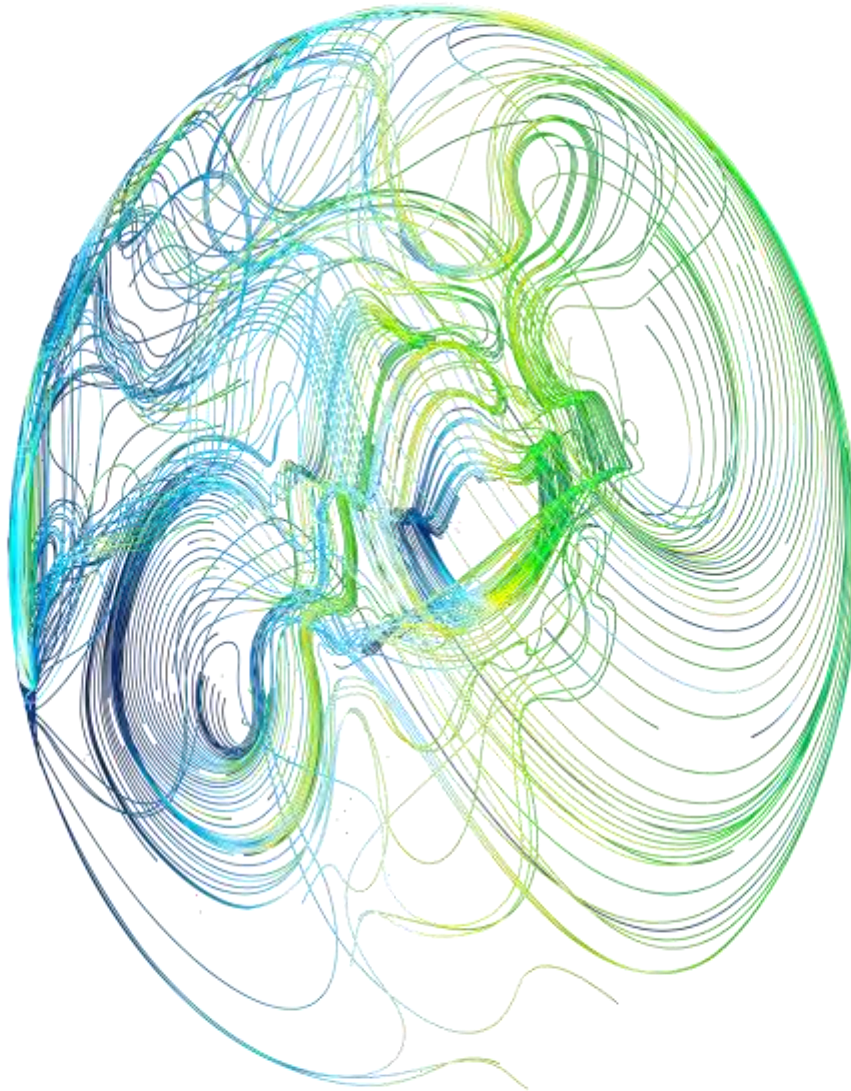
In relation to the second issue, it was only minor in nature and easily resolved by establishing an internal control involving the authorisation of journals by a senior staff member prior to posting. Council is now looking at documenting all its finance processes including journaling and this will be included.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS:

- 1 Management Letter with responses.docx



STRICTLY PRIVATE & CONFIDENTIAL

Phillip Luck
The Chief Executive Officer
Roper Gulf Regional Council
PO Box 1321
Katherine, NT 0851

12 November 2019

Dear Sir

MATTERS ARISING FROM THE AUDIT OF THE ROPER GULF REGIONAL COUNCIL FOR THE YEAR ENDED 30 JUNE 2019

We have recently completed our audit of the financial statements for the Roper Gulf Regional Council ("the Council") for the year ended 30 June 2019. In accordance with our normal practice, we set out below certain matters concerning the Council's internal control and accounting practices which came to our attention during our work in connection with the audit for the year ended 30 June 2019 and our recommendations for improvements.

You will appreciate that our normal audit procedures are designed primarily to enable us to form an opinion on the financial report as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do. The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full commercial impact before they are implemented.

We have prepared this report solely for the use of the Council. As you know, this report forms part of a continuing dialogue between the Council and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior written consent, we would not accept any responsibility for any reliance that they might place on it.

We would like to take this opportunity to extend our appreciation to management and staff throughout the Council for their assistance and cooperation during the course of our audit.

We shall be pleased to discuss with you any matters mentioned in this report.

Yours faithfully

Cheryl Crase
Partner

Contents

1	Introduction and Scope of Work	3
2	Audit findings for the year ending 30 June 2019	4

1. Introduction and Scope of Work

We have completed the audit for the year ended 30 June 2019 of Roper Gulf Regional Council. The scope of our audit was set out in our audit engagement letter dated 12 April 2019.

During the audit, every effort was made to identify audit, accounting and other issues, which would be of benefit to the Council. In accordance with our normal practice, we write to draw your attention to the internal control, accounting and other matters that came to our attention during our audit for the year ended 30 June 2019.

2. Audit findings for the year ending 30 June 2019

Observation	Implication	Recommendation	Management's comments
Issues Identified			
2.1 Accounting and Policy Manual has not been updated since 12 November 2014			
<p>It was noted from inspection of Roper Gulf's Accounting and Policy Manual the last revision date was the 12 November 2014. Since this date there have been several changes to accounting regulations and the Councils practices. In view of above, we understand that the accounting policy manual should have been revised to reflect the changes in regulation and the council's practices.</p>	<p>The employee may not have latest and most accurate policy guidance leading to incorrect processing of financial information and non-compliance with regulation and practices.</p>	<p>We recommend that Manual is revised on a more frequent basis, (yearly) in order to provide the most accurate policies guidance for the employees to carry out their roles and responsibilities.</p>	<p>Finance Team has started the review work on this manual. Issue was raised in early 2019 when reviewing procurement and finance policies for compliance reasons, but not actioned due to proposed organisational restructure and CEO recruitment at the time.</p> <p>Draft to be provided to Finance Committee of Council for consultation on 29 January 2020 for their review. Also distributed to staff and other stakeholders for review at the same time.</p> <p>Final copy approved at OMC on 26 February 2020.</p> <p>Report prepared to Audit Committee on 4 March 2020.</p> <p>Responsible officers: CEO, GM – Corporate Services and Sustainability, CFO, Executive Manager</p>
2.2 Journals can be posted without review			
<p>We noted from discussions with management that certain types of journals may be posted in the accounting system without reviewer's approval. It is noted that these are only journals that are from internal sources (i.e. bank</p>	<p>Considering the significance of controls around journal entries for overall financial reporting process, there is a risk that incorrect entries may be posted.</p>	<p>We recommend that management should reconsider the controls including adequate segregation of duties around all journal entries.</p>	<p>Procedures put in place and directive given to staff on 13 November 2019. All journals that will be prepared by one staff will now be reviewed, approved and posted by the Senior Staff/Management Accountant or</p>

account transfer) and not third-party transaction.

CFO.

Responsible officers: CFO

COMPLETED

GENERAL BUSINESS



ITEM NUMBER	11.2
TITLE	Accounting and Policy Manual
REFERENCE	902337
AUTHOR	Marc GARDNER, General Manager Corporate Services and Sustainability

RECOMMENDATION

That the Audit Committee note the report in relation to the Accounting and Policy Manual.

BACKGROUND

As a requirement of the Local Government (Accounting) Regulations, the Council has to have an Accounting and Policy manual. This requirement has been in place for many years with Council first adopting the current version of the Accounting and Policy Manual in September 2012.

Specifically, the Council is required to have accounting procedures in accordance with Part 4, Section 9 of the Local Government (Accounting) Regulations 2014 which outlines:

9 Accounting procedures

- (1) *A council must maintain an accounting and policy manual.*
- (2) *The manual must include, or incorporate by reference, the following:*
 - (a) *an organisation chart showing the functions of the council, its committees and responsible officers;*
 - (b) *a statement of the duties and responsibilities of the CEO and responsible officers;*
 - (c) *a statement of the principal accounting policies of the council;*
 - (d) *information about the timing and content of financial management reports to the council and the CEO;*
 - (e) *a statement of the procedures the council considers necessary to facilitate the timely preparation of the council's annual financial statement;*
 - (f) *the information necessary to ensure the proper operation of any computer based accounting system in use;*
 - (g) *details of all administrative and accounting procedures, policies and delegations of authority, including:*
 - (i) *details of internal control procedures; and*
 - (ii) *details of personnel and financial delegations; and*
 - (iii) *a chart of accounts divided into assets, liabilities, income, expenses and council equity accounts; and*
 - (iv) *procedures relating to the receipt and banking of money, the*

payment of salaries and wages, the allocation of machinery operating costs to council functions, the purchase of goods and services and the granting of credit to council debtors.

During the audit of Council's annual financial statements for 2018/2019, Council's auditors identified that the manual had not been revised by Council since 2014 and contained a number of errors and required updating.

ISSUES/OPTIONS/SWOT

The manual is a requirement of the Northern Territory's Local Government Regulations. Going forward it will be the responsibility of the General Manager Corporate Services and Sustainability to ensure the manual is reviewed annually.

A draft of the manual was presented to the Finance Committee on the 29 January for comment and will be provided to the Ordinary Meeting of Council on the 4 March for adoption. Once the Council has adopted the updated policy, all matters identified in the auditors management letter pertaining to the 2018/19 financial statements, will be rectified and completed.

This report is presented to the Audit Committee for information about the status of the policy manual. Due to the contents of the document, it will require regular updating and revision in the future and there will be other opportunities to improve on the manual.

A copy of the manual is provided for the Committee's perusal.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS:

- 1 FIN006 - Accounting and Policy Manual Updated 22.01.2020 - Final.pdf

Roper Gulf Regional Council Financial Policy – FIN006 Accounting and Policy Manual

Roper Gulf Regional Council Accounting and Policy Manual

Dates of amendments made by Council resolution:

- 03 September 2012 **Finance Committee Meeting**
- 26 March 2014 **Ordinary Council Meeting**
- 12 November 2014 **Ordinary Council Meeting**

TABLE OF CONTENTS

1	Background	4
	Introduction	4
	Scope	4
	Purpose and Objectives of the Manual	4
2	Organisational Structure	5
	Functional Framework	5
	Functions of the Council	5
	Services Provided by the Council	6
	<i>Core Services</i>	6
	<i>Agency & Commercial Contracted Services</i>	7
	Council and Committees	7
3	Duties and Responsibilities	10
	Chief Executive Officer	10
	General Manager Corporate Services and Sustainability	11
	General Manager Community Services and Engagement	11
	General Manager Infrastructure Services and Planning	11
	Finance Manager	12
4	Summary of Significant Accounting Policies	13
5	Timing and Content of Financial Management Reports	14
	Financial Management Reports - Timing	14
	Financial Management Reports - Content	14
	Financial Management Report - Preparation Process	15
6	Annual Financial Statement Preparation Procedures	16
	Appointment of External Auditor	16
	Tasks Required in Preparation of Auditors	16
	Process for Council regarding Annual Financial Statements	16
	Post Audit Requirements	17
	Annual Financial Statements Presentation	17
7	Computer Based Accounting System	18
	Technology One Finance Management System	18
	System Administration	18
	Operating Manuals	18
	System Integrity	18
	Internal Checks	19
	System Backup	19
8	Procedures	20
	8.1 Details of Internal Control Procedures	20
	8.2 Delegations	20
	8.3 Charts of Accounts Structure	20
	8.4 Banking Procedures	21
	8.4.1 <i>Bank Account Authorisations</i>	21
	8.5 Employee Entitlements	22
	8.5.1 <i>Wages/Salaries and Annual Leave</i>	22
	8.5.2 <i>Long Service Leave</i>	22
	8.5.3 <i>Superannuation</i>	22
	8.5.4 <i>Fringe Benefit Tax</i>	23
	8.5.5 23	
	8.6 <i>Procurement</i>	23
	Purchasing Process Summary:	23
	8.7 <i>Revenue Recognition</i>	25
	<i>Rates</i>	25
	<i>Grants, Donations and other Contributions</i>	25
	<i>Interest Revenue</i>	25
	8.8 <i>Cash and cash equivalents</i>	25
	Financial Instruments	25
	Financial Assets	25
	Debt Instruments	25
	Effective Interest Method	26

Impairment of Financial Assets	26
Derecognition of Financial Assets	26
8.9 <i>Financial Liabilities</i>	26
Financial liabilities measured subsequently at amortised cost	26
Financial liabilities at FVTPL	26
8.10 <i>Inventories</i>	27
8.11 <i>Property, Plant & Equipment</i>	27
Acquisition of Property, Plant and Equipment.....	27
Depreciation	27
Property, Plant & Equipment.....	27
Valuation of Land, Buildings and Infrastructure	27
Revaluation increments and decrements.....	27
Land under Roads	28
Impairment of assets	28
Materiality and Capitalisation Thresholds	28
Disposal of Assets	28
Maintenance, Repairs and Operating Costs	29
Recoverable Amount of Non-current Assets	29
8.12 <i>Investments</i>	29
8.13 <i>Leases</i>	29
8.14 <i>Rates, Government Grants, Donations and other Contributions</i>	29
8.15 <i>Economic Dependence</i>	30
9 Council Registers	31
10 References.....	32
11 Appendix.....	33
Appendix I – The Council Finance Committee Terms of Reference.....	33
Appendix II – FIN007 Fraud Protection Policy	36
Appendix III – List of Engaged Auditors	40

1 Background

Introduction

The Local Government Accounting Regulations 9(1) requires council to maintain an accounting and policy manual which must include or incorporate by reference, the following:

- (a) an organisation chart showing the functions of the council, its committees and responsible officers;
- (b) a statement of the duties and responsibilities of the CEO and responsible officers;
- (c) a statement of the principal accounting policies of the council;
- (d) information about the timing and content of financial management reports to the council and the CEO;
- (e) a statement of the procedures the council considers necessary to facilitate the timely preparation of the council's annual financial statement;
- (f) the information necessary to ensure the proper operation of any computer based accounting system in use;
- (g) details of all administrative and accounting procedures, policies and delegations of authority, including:
 - (i) details of internal control procedures;
 - (ii) details of personnel and financial delegations;
 - (iii) a chart of accounts divided into assets, liabilities, income, expenses and council equity accounts; and
 - (iv) procedures relating to the receipt and banking of money, the payment of salaries and wages, the allocation of machinery operating costs to council functions, the purchase of goods and services and the granting of credit to council debtors.

The Accounting Policy Manual is therefore written to satisfy the requirements of the Northern Territory Local Government (Accounting) Regulations and to document the Internal Control adopted by the Regional Council to safeguard assets, secure the accuracy and reliability of accounting data and financial reporting for promoting the operational efficiency of Roper Gulf Regional Council.

Scope

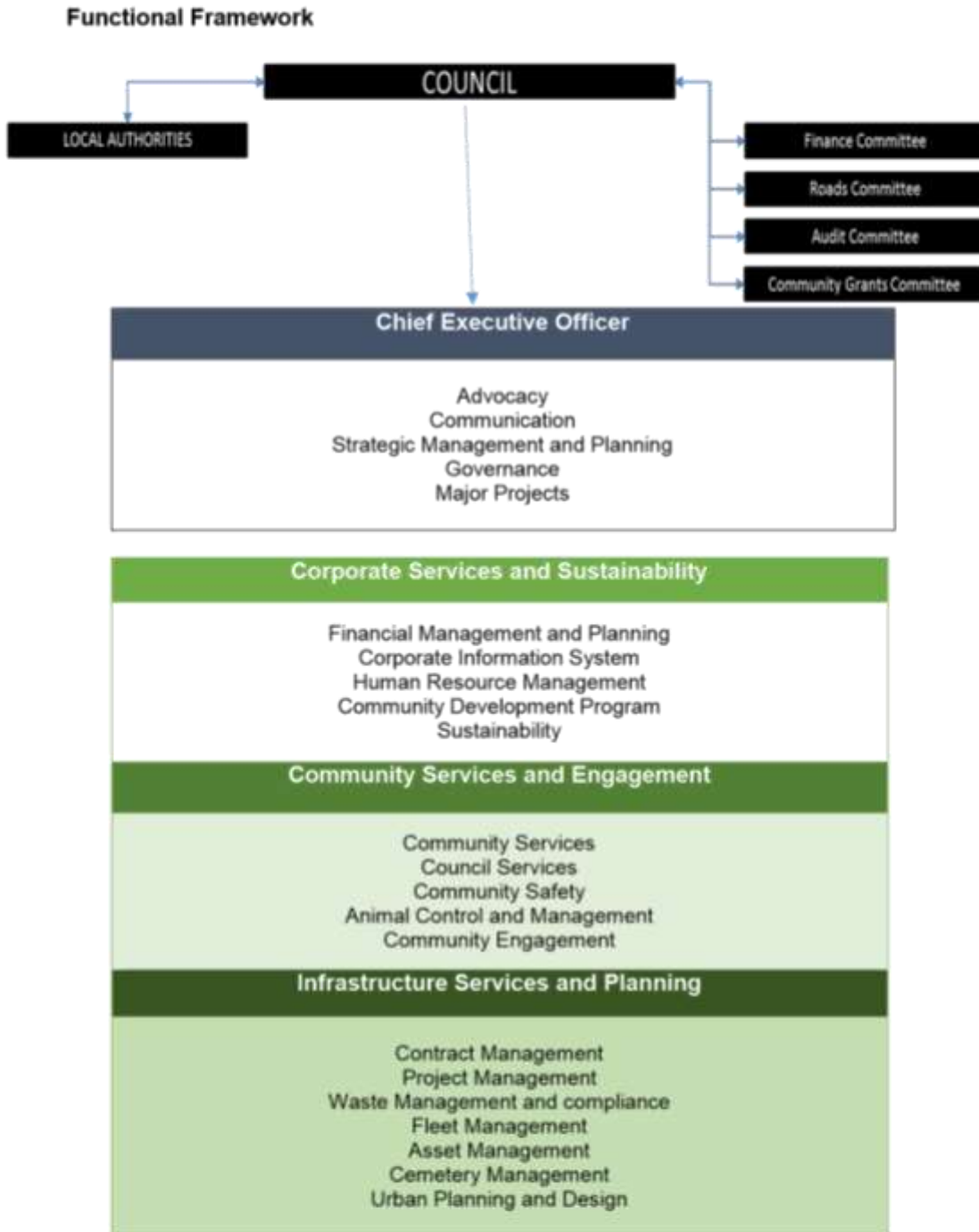
The Accounting Policy Manual has been prepared as a part of the Operational Manual of Roper Gulf Regional Council (hereinafter referred to as the Council).

The manual must be followed by the Council staff in managing the available funds for meeting the objectives of the Council.

Purpose and Objectives of the Manual

This Manual has been developed in order to provide the Council with guidelines that will ensure sound financial management and internal controls to safeguard and manage the Council's financial obligations. The objective of the manual is to ensure an efficient and effective use of funds while implementing the Council's programs and safeguard the assets of the organisation.

2 Organisational Structure



Functions of the Council

Part 2.3 of the Local Government Act (2008) defines the role and functions of the Council to primarily be:

- to act as a representative, informed and responsible decision-maker in the interests of its constituency; and
- to develop a strong and cohesive social life for its residents and allocate resources in a fair, socially inclusive, and sustainable way; and
- to provide and coordinate public facilities and services; and
- to encourage and develop initiatives for improving quality of life; and
- to represent the interests of its area to the wider community; and
- to exercise and perform the powers and functions of local government assigned to the council under this Act and other Act.

Services Provided by the Council

Core Services

Core Services are the key services that Council provides that are common to local government in Australia & that aren't contracted to the Council by Australian or Northern Government Agencies.

The following services will be provided to communities in the Council area:

- Administration of Local Authorities
- Administration of Local Laws
- Advocacy and Representation on Local and Regional Issues
- Asset Management
- Cemetery Management
- Civic Cultural and Sporting Events
- Companion Animal Welfare and Control
- Community Management
- Council Planning and Reporting
- Customer Relationship Management
- Financial Management
- Fleet and Plant Management
- Governance
- Human Resource Management
- Information Technology and Communications
- Library and Cultural Heritage
- Lighting for Public Safety including Street Lighting
- Local Emergency Management
- Local Road Maintenance
- Local Road Upgrade and Construction
- Maintenance and Upgrade of Council Controlled Buildings, Facilities and Fixed Assets
- Maintenance and Upgrade of Council Controlled Parks, Reserves and Open Spaces
- Public and Corporate Relations
- Records Management
- Risk Management
- Traffic Management on Local Roads
- Training and Employment of Local People in Council Operations

- Waste Management (including litter reduction)
- Weed Control and Fire Hazard Reduction

Agency & Commercial Contracted Services

Agency Services include services that the Council has agreed to deliver on behalf of other Government Agencies on a fee for service or performance basis. It is anticipated that these services would be fully funded by the relevant agency and that funding would include a contribution to administrative costs associated with delivering the service. Subject to funding provided by the relevant agencies the following Agency & Commercial contracted services will be delivered by the Council:

- Aged and Disability Care
- Community Broadcasting
- Community Safety
- Employment and Training
- Community Development Services
- Family Services (Including Child Care & School Nutrition Program)
- Outstation/Homeland Contracted Services
- Sport and Recreation
- Youth Services
- Centrelink
- Library Services
- Essential Services
- Community Housing Services
- Litter Collection
- Recycling
- Airport Maintenance Services

Council and Committees

The Structure and roles of the Council and its Committees are outlined annually in Council's Regional Plan.

Council

The Council comprises 13 Elected Members, elected on August 26, 2017 through a Northern Territory Local Government election and subsequent by-elections, which will govern until 2021. The 13 Councillors are elected for a term of 4 years. The Mayor and Deputy Mayor are elected from and by the Council. A network of Local Authorities has been established to enable Council to have a systematic approach to community input on issues that affect a particular community or local region. Memberships of the local authorities are reviewed regularly and reappointments, appointments, and other changes are actioned accordingly. Council has formalised the Youth Voice Committees in the Growth towns and aims to develop similar committees in all Service Delivery Centre's as a commitment to the Strategic Plans key focus area.

Committees

Under the provisions of the Local Government Act, a Council can establish a committee which is assigned functions of an executive or advisory nature. The Act allows a committee to have a wide range of functions, and the members of a committee may include people who are not Elected Members or Council staff. Any committee is subject to the control and direction of the Council.

Finance Committee

The Council has established a Finance Committee to assist in the oversight of the organisation's finances and resources. Specifically, the committee undertakes the financial management roles of the Council in the months that the Council does not meet.

The current membership of Finance Committee comprises:

- Mayor
- Deputy Mayor
- 3 x Elected Members
- Independent Member

The Finance Committee meets five times a year, on alternate months to Ordinary Meetings of Council.

Audit Committee

The Council has established the Audit Committee pursuant to the *Local Government (Accounting) Regulations* Regulation 10(3) of the, to monitor compliance by the council with proper standards of financial management and compliance by the council with these regulations and the Accounting Standards.

The Audit Committee is an advisory committee and does not have executive powers or authority to implement actions in areas which management has responsibility, nor does it have any delegated financial responsibility. The Audit Committee does not have any management functions and is therefore independent from the Council's executive team.

The current membership of the Audit Committee comprises:

- Independent Chairperson
- Independent Member
- 3 x Elected Members

Community Grants Committee

Community Grants Committee has been established to recommend to Council the allocation of community grant funding to eligible individuals and organisations.

The current membership of the Committee comprises:

- Mayor
- Deputy Mayor
- 3 x Elected Members

Roads Committee

The Roads Committee was established by Council to facilitate roads project development by reviewing all current and future proposed roads projects, and raising concerns and priorities to report to Council.

The current membership of the Committee comprises:

- Mayor
- Deputy Mayor
- 4 x Elected Members

Local Authorities

The Roper Gulf Region has 11 Local Authorities. Members of each Local Authority are appointed by the Council in accordance with *Local Government Act* section 53(B) and *Local Government Guideline 8: Regional Councils and Local Authorities*. The Council encourages the membership of each Local Authority to include two (2) youth.

The role of the Local Authorities in the Council's Region is to:

- Provide advice to the Council on service delivery plans, including infrastructure requirements for communities and associated outstations, or local region or wards, and to contribute to the development of Regional Business Plans;
- Alert and advise the Council on new and emerging issues within the scope of Council activities;
- Advise on specific Council, community and social projects that impact on the community or region;
- Advise and support Council staff in the local Implementation of the Regional Business Plan, particularly in the area of cross-cultural best practice in governance and service delivery; and
- Respond to identified community needs, if appropriate, by participating and organising activities such as community events, youth, community safety, housing advice and community planning and infrastructure development.

3 Duties and Responsibilities

Chief Executive Officer

The position of the Chief Executive Officer is a requirement of the Local Government Act. Sections 100, 101, 102 and 103 of the Act outlines how a CEO is appointed, the roles of the CEO, CEO delegation authority and their responsibility to appoint staff as per a Council approved staff plan (organisation chart). The Chief Executive Officer's position reports to the Council and is primarily responsible for working with the Council to develop corporate strategies, implementing Council's decisions and overseeing the organisation's day to day operations.

Specifically, s101 outlines the role of the CEO as per the Act states:

The CEO is responsible to the council:

- (a) *to ensure that the council's policies, plans and lawful decisions are implemented; and*
- (b) *to undertake the day-to-day management of the council's operations (including the management of council staff); and*
- (c) *to provide or obtain for the council the information and advice the council reasonably requires for effectively carrying out its functions; and*
- (d) *to ensure that the council's constituency is kept properly informed about council policies, programs and decisions and to ensure that appropriate and prompt responses are given to specific requests for information; and*
- (e) *to ensure that the council's assets and resources are properly managed and maintained; and*
- (f) *to ensure that proper standards of financial management are maintained and, in particular, proper controls over expenditure; and*
- (g) *to ensure that financial and other records are properly made and maintained; and*
- (h) *to appoint, manage and, where necessary, terminate the appointment of council staff (other than the CEO); and*
- (i) *to carry out other functions delegated to the CEO by the council or assigned to the CEO under this or any other Act.*

The Chief Executive Officer's Position has four direct reports which include:

- General Manager Corporate Services and Sustainability
- General Manager Council Services and Community Engagement
- General Manager Infrastructure Services and Planning
- Executive Manager.

The Chief Executive Officer's position has ultimate oversight of the financial management, performance and compliance of the Council. The Chief Executive Officer's position also has a number of financial responsibilities and delegations as outlined in the manual.

General Manager Corporate Services and Sustainability

The General Manager Corporate Services and Sustainability reports directly to the Chief Executive Officer and oversees the strategic direction and operation of several core functions of Council including:

- Financial Management;
- Financial and operational sustainability;
- Human Resources Services;
- The Community Development Programme;
- Information Management (records management);
- Information Technology and communications;
- Workplace Health and Safety; and
- Corporate business systems and processes.

Specifically, the primary responsibility of the General Manager Corporate Services and Sustainability is to enable Roper Gulf Regional Council to delivery timely, efficient, effective and strategic corporate support to the Communities and Council's operations with focus on solution based sustainability and risk mitigation. This position is also critical in leading the financial functions, processes and compliance of the Council.

General Manager Community Services and Engagement

The General Manager Community Services and Engagement is responsible for overseeing a range of Council core and community services including municipal services, aged care, community safety, libraries and animal health programmes amongst several others. The position provides strategic direction and management of the Community Services and Engagement division to ensure a high quality of service delivery with an open and engaging approach.

The position has financial management responsibilities associated with the delivery of programmes and activities associated with the Community Services and Engagement Division, including budgeting, financial performance and procurement. The General Manager has financial delegation as outlined in this manual and Council's delegations manual.

General Manager Infrastructure Services and Planning

This position's key areas of responsibility are Contract Management, Project Management, Waste Management and Compliance, Asset Management, Cemetery Management and Urban Planning and design. The position has financial management responsibilities associated with the delivery of programmes and activities associated with the Division, including budgeting, financial performance and procurement. The General Manager has financial delegation as outlined in this manual and Council's delegations manual.

Additionally, this position is critically important with leading Council's asset management which impacts on Council's financial management and financial strategic planning. This includes the development of long term asset management plans, depreciation and replacement schedules for Council's assets. The long term asset management plans are important when Council develops its annual capital works budgets and also with forecasting the Council's sustainability ratio and undertaking other ratio analysis.

This position also has significant procurement responsibilities associated with asset management and project management, including implementing Council's annual capital works program and ensuring procurement compliance in accordance with the *Local Government Act* and subordinate legislation.

Finance Manager

This position's key areas of responsibility include rates and property, creditors, debtors, investment, financial management including budgets, annual financial reports and payroll. This position has the responsibility to meet Council's financial obligations under the Local Government Act and regulations while operating under the direction of General Manager Corporate Services & Sustainability and in accordance with Regional Council corporate plans, policies, relevant legislation and accounting standards.

4 Summary of Significant Accounting Policies

All funds through which the Council controls resources to carry on its functions are recorded in the financial statements as defined in Local Government Act, Australian Accounting Standards Board, and the Tax Act.

The financial statements are prepared in accordance with the legislation as following:

- the Northern Territory Local Government Act(2008);
- the Northern Territory Local Government (Administration) Regulations;
- the Northern Territory Local Government (Accounting) Regulations;
- Northern Territory Local Government Guidelines and Instructions (various); and
- the Australian Accounting Standards

The summary of significant accounting policies has been developed in consultation with Deloitte as part of the audit process. The policies are set up for the purpose of providing information to various key stakeholders to understand Council's operations and to provide guidance to Council's staff for ensuring correct procedures are followed.

The list of the Council's Financial Policies is as follows:

- FIN001 Financial Delegation Manual
- FIN002 Debt Collection Policy
- FIN003 Purchasing and Payment Policy
- FIN005 Corporate Credit Card Policy
- FIN007 Fraud Protection Policy
- FIN008 Rating Policy
- FIN009 Asset Disposal Policy
- FIN010 Borrowing Policy
- FIN011 Investment Policy
- FIN012 Revenue Growth and Financial Sustainability Policy
- FIN013 Petty Cash Policy
- FIN014 Waste Collection Charges Policy
- FIN015 Use of External Auditors and Non-Audit Services Policy
- FIN016 Reserves Policy

5 Timing and Content of Financial Management Reports

Financial Management Reports - Timing

Financial Management Reports are prepared monthly for reporting to the Council, Finance Committee and CEO by the Finance Manager or their delegate. By the end of the second week of each month, the following tasks are implemented in preparation of these reports:

- Reconciliation of control accounts
- Suspense account check
- Internal Allocations check
- Bank reconciliation
- Variance report checks
- BAS completed

Financial Management Reports are provided to the Council, Finance Committee and CEO of each Month. These reports include:

- Statement of Financial Position
- Statement of Comprehensive Income & Expenditure
- Cash at bank Statement
- Investment Statement
- Debtors and Creditors Reports
- Community Expenditure Reports

Half yearly budget review to be completed by the third week of the following month for review then presented to the finance Committee and then forwarded to the next Council Meeting.

Annual Financial Statements to be completed for inclusion in the Annual Report, which must be published by 15th November of each year.

Financial Management Reports - Content

Monthly Financial Management Reports:

- Budget Summary Report - represents actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month and includes quarterly forecast income and expenditure for the whole of the financial year.
- Investments Management Report – provides details of all cash and investments held by the council (including money held in trust)
- Debtor Accounts – a categorised statement of debts owed to council.
- Creditor Accounts – a summary of accounts

Half Year Review Reports:

- Summary of Budget Revision Proposals
- Income and Expenditure Statements
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Working Capital
- Cash flow Statement
- Debtors and Creditors Reports
- Ratio & Trend Analysis Report

Financial Management Report - Preparation Process***Financial reporting occurs using the following process:***

1. Information is compiled to complete Financial Management Report.
2. Report is completed by Finance Manager and General Manager Corporate Services & Sustainability.
3. Report is reviewed by Finance Manager.
4. Report is approved by General Manager of Corporate Services & Sustainability.
5. Report is included in agenda for Council meeting by Chief Executive Officer.
6. Report is reported to Council.
7. Report is made available to public if applicable.

6 Annual Financial Statement Preparation Procedures

Appointment of External Auditor

The external Auditors are appointed every three years by way of Council Resolution. The audit should be conducted around the end of August to allow enough time for the end of year processing required. Appendices -III shows the list of engaged Auditors for the Council.

Tasks Required in Preparation of Auditors

The following tasks shall be completed for preparation of the Annual Financial Statements in accordance with applicable Australian Accounting Standards:

1. Accounting system closed 30 June each year.
2. Balance Sheet accounts are reconciled. Major accounts include:
 - Debtor and creditor account reconciliations
 - Rates reconciliation
 - Superannuation control accounts reconciliation
 - Payroll control accounts
 - Bank accounts
 - Credit Card Accounts
 - Inventory Reconciliation
 - Commitment Reports
3. Asset audit and revaluations completed as necessary.
4. Balance day adjustments are completed (Asset revaluations, suspense accounts are cleared).
5. Bank Reconciliation as 30 June each year is completed.
6. Letters written to third parties to obtain information for statements including investment management institutions, banks, Government Departments that provide grants/appropriations and Solicitors.
7. Accounts and Trial Balance are finalised.
8. Review the TechOne End of Year Processing Procedure and ensure all tasks are completed.
9. Prepare draft reports and statements
 - a. Statements completed and reviewed by Finance Manager.
 - b. Statements reviewed by General Manager of Corporate Services & Sustainability.
 - c. Statements reviewed and signed by Chief Executive Officer.
10. Review and correct anomalies as required prior to rollover of the closing balances to the opening balances of the new financial year.

Process for Council regarding Annual Financial Statements

1. The Finance Manager shall prepare draft statements for submission to the Finance and Audit Committee, and for external audit.
2. The Finance and Audit Committee shall review the draft statements to ensure that they present fairly, the affairs of Council. This review will be conducted independent of the external audit. However, it is anticipated that the Finance and Audit Committee will have the benefit of any information available (informal or otherwise) on particular matters raised by the auditor up until the time of review. Any suggested changes will be provided to the Finance Manager.
3. Following the external audit, the Finance Manager and Auditor shall propose any necessary amendments to the draft statements, which will be referred to the CEO and General Managers for consideration.

4. The proposed amendments to the draft statements may be referred to the Finance and Audit Committee for further consideration or the Finance Manager, if satisfied that the proposed amendments are appropriate, complete and date the certificate. The final statements shall be signed off by the Chief Executive Officer and presented to Council for acceptance.

Post Audit Requirements.

1. General Purpose Financial Statement is prepared to include:
 - Auditor's Certificate
 - CEO's Certificate
 - Statement of Comprehensive Income
 - Statement of Financial Position
 - Statement of Working Capital
 - Statement of Changes in Equity
 - Statement of Cash flows
 - Notes to, and forming part of, the Principal Financial Statements including a Report of Income and Expenditure by Functions as defined by the Australian Bureau of Statistics (ABS) classifications
2. Statements audited by Council Auditor – September/October each year
3. Copy of the Statements is presented to the Council.
4. Copy of Statements is provided to LGANT, Minister for Local government, Department of Local Government, and NT Grants Commission
5. Copy of the Audited Financial Statements to be included in the Annual Report (placed on Council's website for public perusal and download as required)
6. Advertisement placed in local newspaper.
7. Copy of Statements is made available at all service delivery centres and the support centre.
8. Feedback from public received and questions answered.
9. Format and content reviewed, based on feedback and legislative changes for next financial year.

Annual Financial Statements Presentation

The annual financial statements (including the accompanying auditor's report and other certificates) shall be presented in accordance with relevant Local Government Legislation at an Ordinary Council Meeting (audited by 15 November).

The audited financial statements included in the Council's Annual Report is then submitted to the Northern Territory Government Department representing Local Government by 15 November of each year.

7 Computer Based Accounting System

Technology One Finance Management System

- The Council uses Technology One business enterprise suite as it's primary corporate business system. It includes a financial management module.
- The financial management system resides on the CouncilBIZ servers in Darwin. These servers are managed by CouncilBIZ and CouncilBIZ manages the System Administration of the TechOne Suite..
- Security of the general and subsidiary ledgers is implemented at both the hardware and software levels. Initial access to the system is restricted by individual user code and password validations. Access to the database is restricted by system access routines. Security is revised at least twice per year.
- Access to application programs in the financial and rating systems is restricted by relevant module securities per employee and database access security.
- The relevant securities for specific modules are set for employees working in the specific accounting areas of creditors, debtors, payroll, general ledger, receipting and rate accounting. Employees in the above areas have access their respective modules and can perform enquiry, reporting, data entry, processing of financial records.

System Administration

Administration of the database is restricted to CouncilBiz, Finance Manager, Management Accountant and Financial Accountant. System Administration includes:

- Changes to Users and Authorisations
- System setup including ledgers
- System maintenance
- Format of data entry screens
- Ledger imports and uploads
- Changes to all parameters
- Profile Management
- Dashboard & Reporting

Operating Manuals

CouncilBiz have supplied Operating Manuals for the TechOne System to Council and are contractually under obligation to support the management and operation of the system.

System Integrity

System integrity is maintained through the use of audit logs which track all changes to data in specific modules. In addition a comprehensive system of data backups and system redundancy mean that recover from either a system failure or potential disaster situation can always be performed.

Internal Checks

Suspense accounts are checked and investigation of why the amounts have been placed in the suspense accounts is performed. If it is user error, the appropriate corrections are made and the reason of the data entry error is determined and corrective measures are implemented to ensure the integrity of future transactions.

If the error is a system error, then further investigation is performed. The system is maintained by CouncilBiz and their assistance may be required to determine the source of the system problem. Once determined measures to prevent future transactions of this nature are to be implemented and the original error must be corrected.

Total of internal Allocations is zero.

Control accounts are to be reconciled with their individual "Sub Ledgers". The main control accounts involve Accounts Receivable, Accounts Payable, Payroll, Assets, Fleet, and Rates.

System Backup

The entire Authority database is fully backed up overnight. The system is backed up nightly (Monday to Friday) on an off-site server. This process is outsourced to CouncilBiz.

8 Procedures

8.1 Details of Internal Control Procedures

The Council will develop a range of internal control procedures that will oversee key financial functions of Council including:

- Budgeting
- Accounts payable and receivable
- Rating
- Investments
- Project management
- Asset Management
- Fuel supply
- Procurement (including credit card use)
- Payroll

8.2 Delegations

Financial Delegation is approved through resolution by Council only. Delegations are based on position and not by individual person. A person ceases to have the delegation allocated to them under a particular position if they no longer hold that position. Refer to FIN001 Financial Delegation Manual & ADM012 Organisational Delegations Manual for further details of the Council's delegations.

8.3 Charts of Accounts Structure

The Council uses TechOne to record of all accounting transactions. The structure of the account numbers is 11 digits as xx.xx.xxx.xxxx. The digits will define the location, service, activity and natural account. The natural accounts define the account type being asset, liability, equity, income or expenditure. Each natural account is assigned a natural account type and it is the natural accounts that will form the basis of filtering all data for reporting. The activity and service components will allow further categorisation of the accounts.

For reporting purposes accounts are defined as follows:

Statement of Financial Position

Locations = all, Service = all, Activity = all

Natural Account Type	Natural Account	Category for Statement of Financial Position	Natural Account
ASSET	4000-5999	Current Assets	4000-4999
		Non-current Assets	5000-5999
LIABILITY	6000-7999	Current Liabilities	6000-6999
		Non Current Liabilities	7000-7999
EQUITY	8000-9999	Surplus/Deficit	8000-8999
		Current Year Earnings	1000-3999
		Suspense	9000-9999

Income Statement

Locations = all, Service = all, Activity = all

Natural Account Type	Natural Account	Category	Natural Account
INCOME	1000-1999	Rates and Annual Charges	1100-1199
		User Charges and Fees	1200-1299
		Interest Revenue	1400-1499
		Grants and Contributions	1300-1399
			1500-1599
			1800-1899
		Other Revenue	1600-1699 1700-1799 1980-1999
Net Profit/Loss on disposal of Assets	1900-1979		
EXPENSE	2000-3999	Employee Costs	2000-2199
		Materials and Contracts	2200-2399
		Finance Costs	2700-2799
		Depreciation and Amortisation	2400-2499
		Other Expenses	2500-2699

8.4 Banking Procedures

Monies received by an officer or employee of Council must be paid into an authorised deposit account and banked as soon as practicable on or after the day of receipt. Detailed records of Council's banking activities must be kept and if there is an IT failure a manual receipting procedure should be used. Banking shall be reconciled with receipts. In the intervening periods between banking, funds received will be deposited in the safe.

8.4.1 Bank Account Authorisations

Bank accounts will be operated exclusively for the purpose of conducting Council business. A minimum of two authorised bank signatories are required to authorise disbursements from bank accounts. Those presently approved:

- Chief Executive Officer
- All General Managers
- Finance Manager
- HR Manager

All accounts will be in the name of Roper Gulf Regional Council. New accounts can only be opened with the approval of the Chief Executive Officer and General Manager of Corporate Services and Sustainability.

Bank reconciliation for each bank account operated by Council shall be prepared weekly and the monthly cash flow reconciliation will be presented to Council. Transactional banking is presently carried out through Commonwealth Bank.

Electronic Banking Transactions require the electronic authorisation of a minimum of two of the authorised signatories. Those who have current electronic authorisation are:

CEO

All General Managers
Finance Manager
HR Manager

Although the Council's delegation of these responsibilities is to the position, it is the individual that gains the access with the external stakeholder. Hence the individual's ability to authorise must be terminated if the individual no longer holds the position that has the delegated authority and responsibility. It is the Finance Manager's responsibility to ensure that these changes occur to reduce the organisation's risk exposure.

8.5 Employee Entitlements

8.5.1 Wages/Salaries and Annual Leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Council staffs are paid fortnightly in arrears through Council's electronic banking system.

8.5.2 Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is also given to expected future wage and salary levels, experience of employee departures and periods of service. The amount expected to be paid to employees within the next twelve months is recognised as a current liability in the Balance Sheet.

Payment of Salaries and Allowances

Payment of Salaries and Wages Procedure Records will be maintained in relation to all employees of Council showing:

- Hours worked and rate of pay
- Gross salary or wages
- Tax and details of all other payments and deductions
- Sick, annual, long service and other leave available and taken
- Allocation of time worked on jobs
- Superannuation deductions
- Salary Sacrifice/Packaging

8.5.3 Superannuation

The Council will make superannuation contributions in accordance with the Superannuation Guarantee Administration Act 1992 and the superannuation Guarantee Charge Act 1992 during the term of the Employee's employment.

At the request of the Employee, the Local Government may from time to time vary the amount of the Employee's contributions towards superannuation by way of salary sacrifice and any variation will result in a lower cash component being paid.

Superannuation contributions will be made into the complying fund of the Employee's choice, with the default fund being Local Super fund.

8.5.4 Fringe Benefit Tax

The Local Government shall pay any liability with respect to fringe benefits tax incurred as a result of the benefits provided in individual Contracts, or the ordinary carrying out of Local Government business by way of functions or travelling.

8.5.5 Allowances for Councillors

As provisioned by the Local Government Act, a Member of the council shall be entitled to be paid an allowance at the rate fixed by the council for the relevant financial year. The allowances for each financial year shall be fixed as part of the council's budget.

The allowances for Mayors, Deputy Mayors and Councillors are different as they recognise the different roles, contributions and demands between these positions. Elected members are eligible for several types of allowance:

- Base allowance – covers those activities required of an elected member in the performance of his or her role as an elected representative;
- Electoral allowance – to assist elected members with electoral matters;
- Extra meeting allowance and Professional development allowance – payable to elected members to attend appropriate and relevant conferences or training courses.

Elected members are to be paid a base allowance and electoral allowance on a monthly basis. The extra meeting allowance and professional development allowance are claimable. The extra meeting allowance is claimable only for those meetings declared by the council as a meeting that attracts extra meeting. When attending courses or conferences for professional development, ordinary elected members can claim for the cost of the training and associated expenses as a professional development allowance.

Councillors shall be personally responsible for paying taxes on their allowances. At the end of every financial year all councillors will get a tax statement of allowance.

Travel Allowance: A council member is entitled to payment or reimbursement of reasonable expenses for travel and accommodation necessary for attending a meeting of the council, a local Authority or a council committee or for attending to business of the council in accordance with a prior resolution of the council.

8.6 Procurement

Purchasing Process Summary:

The purpose of this summary is to provide an overview of the processes for purchasing, including financial considerations, for a purchase order to be raised. Goods and Services will be obtained by use of an electronic purchasing system or credit card.

Official Council Purchase Orders will be:

- 1) Approved by an officer with authority to incur expenditure on behalf of council (refer Financial Delegation Manual)
- 2) Retained electronically on the system

The employees who hold the positions listed in Financial Delegation Manual have delegated authority to sign purchase orders for the purchase of goods and services on behalf of Council. Before the purchase order is authorised it is to include an estimate of the cost of the goods and services so ordered, and the appropriate general ledger account number for

costing purposes. When exercising purchasing delegation the following requirements must be observed in accordance with Section 28 of the Local Government (Accounting) Regulations.

Goods and Services	
Less than \$ 10,000	Authorised person does not require quotes
Between \$10,000 and \$99,999	Authorised person requires a minimum of three written quotes to be signed off by General Manager and kept on file. The General Manager shall certify if it is impractical to obtain three written quotations.
Greater than \$100,000	Authorised person is required to call for tenders by public notice.

The General Managers of the Council have the responsibility to ensure that this procedure is adhered to. This responsibility shall not be delegated to a subordinate. This procedure must be implemented in conjunction with the following references:

- 1) Northern Territory of Australia Local Government (Accounting) Regulations
- 2) The Council Financial Delegations
- 3) The Council Adopted Estimates/Long Term Financial Plan

Ethical Behaviour

- 1) Council officers involved in procurement should act in an ethical way
- 2) Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency
- 3) In pursuit of ethical behaviour, officers will:
 - Disclose to the appropriate senior officer any possible conflict of interest in the purchasing activity
 - Deal with all suppliers in an honest, fair and even-handed manner
 - Respect all in-confidence information received and not use it for personal gain, or to prejudice fair and open competition
 - Not accept money, goods, loans, credits, purchasing incentives, services or prejudiced discounts
 - Not use Council's name or purchasing power to make purchases other than for Council use

In addition to the above policies the following principles will be applied:

- 1) Decentralised purchasing model controlled by General Managers and CEO
- 2) Application of Local Government (Accounting) Regulations – Delegation
- 3) Budget comparison – funds availability check
- 4) Council shall adopt a "buy local first" philosophy to ensure that local industry has every opportunity to bid and supply if competitive
- 5) In addition, Council shall consider, as part of any value for money decision, the benefits of purchasing goods and services from local suppliers.
- 6) Administrative procedures to support Council's Purchasing policy should be designed to contribute to cost effectiveness and operational efficiency

SOP112 – Creating a Purchase Requisition is a step by step guide detailing how a Purchase Order is created. Further refinement of procedures in support of the Council's

policies should be designed to contribute to cost effectiveness and operational efficiency.

8.7 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

Rates

Rates are enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenues.

Uncollected rates are recognised as receivables. A provision is recognised when full collection is no longer probable.

Grants, Donations and other Contributions

Grants, donations and other contributions are recognised as revenues when the Council obtains control over, or the right to receive the assets, it is probable that future economic benefits comprising the asset will flow to the Council, and the amount can be reliably measured. Control over granted and contributed assets is normally obtained upon their receipt (or acquittal) and is valued at their fair value at the date of transfer. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from nonreciprocal grants is recognised when received.

Interest Revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

8.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Instruments

A financial instrument is recognised if the Council becomes a party to the contractual provisions of the instrument. Financial assets are recognised at fair value. Financial assets are derecognised if the Council transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Council's obligations specified in the contract expire or are discharged or cancelled.

Financial Assets

The Council classifies its financial assets as Debt Instruments. The classification depends on the purpose for which the financial instrument was acquired. The Council determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each reporting date.

Debt Instruments

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Debt Instruments'. Debt Instruments are measured at amortised cost using the effective interest rate method less impairment.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period.

Impairment of Financial Assets

Financial assets are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the entity will be unable to collect all amounts due. The carrying amount of a financial asset identified as impaired is reduced to its estimated recoverable amount.

Derecognition of Financial Assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Council retains substantially all the risk and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

8.9 Financial Liabilities

Council's financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not measured at FVTPL, not contingent to the acquirer and not held for trading, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of the financial liability.

Financial liabilities at FVTPL

All other financial liabilities except measured at amortised cost are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit and loss.

8.10 Inventories

Inventories held are in respect of business undertakings, and are valued at the lower of cost and net realisable value.

8.11 Property, Plant & Equipment

Acquisition of Property, Plant and Equipment

Property, plant and equipment is recognised at cost less accumulated depreciation and any impairment allowance. Cost includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to the Council is the fair value of the asset, plus cost directly attributable to the acquisition.

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised in the current or future period, as appropriate. Depreciation is provided for on a straight line method using lives which are reviewed each reporting period. The following useful lives are used in the calculation of depreciation:

- Buildings and Infrastructure 20 - 50 years
- Roads 12 - 100 years
- Plant and Equipment 5 - 20 years
- Furniture and Fittings 5 - 15 years
- Motor Vehicles 3 - 7 years

Property, Plant & Equipment

Valuation of Land, Buildings and Infrastructure

A formal valuation and verification process has been undertaken for land, buildings and infrastructure and the asset register updated as at 30 June 2018.

Revaluation increments and decrements

Revaluation increments and decrements arising from recognising assets at valuation are offset against one another within the class of assets. Net revaluation increments in the carrying amounts of these assets are recognised directly in the other comprehensive income (asset revaluation reserve), except to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets, in which case the increment is recognised as revenue in the net profit or loss. Net revaluation decrements in carrying amounts are recognised as an expense in the net profit or loss, except to the extent that the decrement reverses a previous revaluation increment in respect of the same class of assets credited directly to the other comprehensive income, in which case the decrement is debited directly to other comprehensive income (asset revaluation reserve).

The re-valuation of assets will be conducted by a Certified Practising Valuer. The method of valuation will be undertaken on the basis of Fair Value in accordance with Accounting Standard AASB 116.

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period (Warren 2011).

Land under Roads

Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051 *Land Under Roads*. Land under roads acquired after 1 July 2008 will be recognised at cost. The cost of the land under roads will be the fair value as at the date acquired.

Impairment of assets

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For non-cash generating assets of the Council such as roads, cycle paths and public buildings, fair value is represented by the depreciated optimised replacement cost. Impairment losses are recognised in the surplus or deficit.

Materiality and Capitalisation Thresholds

Expenditure, or other transactions, which result in the creation of future economic benefits which are controlled by Council are to be capitalised when cost of acquisition exceeds the materiality threshold of:

- For plant and equipment - \$5,000; or
- Buildings and other structures - \$5,000.

Acquisition costs of assets which total less than \$5,000 for plant and equipment and less than \$5,000 for Buildings and other structures will be treated as operating expenses. Assets should have a useful life of greater than one year in order for the expenditure to be capitalised.

Small, immaterial expenditure with benefits unlikely to last for 12 months are expensed. Relatively large, material expenditure with the benefits to last for more than 12 months are capitalised. The threshold limits are defined in physical terms for infrastructure assets.

Disposal of Assets

When an asset is sold and its selling price varies from the carrying amount in Council's balance sheet, a gain or loss on disposal will be recognised directly to the Income Statement in accordance with AASB 116 – Property, Plant & Equipment. If an asset is disposed before it has been fully depreciated, the carrying amount represents a loss on disposal and will be expensed. Where an asset disposed of has been subject to revaluation, the net increment in the asset revaluation reserve relating to the disposed asset will be transferred to

Accumulated Surplus. The amount transferred must not exceed the balance of the asset revaluation. Partial renewal/replacement of an asset is recognised by adding the renewal/replacement cost to the existing asset value. The useful life of the asset will be adjusted, if necessary, at the time of reviewing the useful lives.

Maintenance, Repairs and Operating Costs

Maintenance, repair costs and minor renewals are charged to expenses as incurred. Maintenance are actions taken to ensure that the asset or component achieves its original intended useful life at its desired service levels standards. Cleaning carpets; painting buildings and bridges; and clearing drains are examples of maintenance. A similar principle applies to minor repairs such as treating cracking in spray seals or repairing a lift. Similarly the cost of operating an asset is not capitalised but expensed when it is incurred. The cost of staff to run a facility; fuel and power; and the cost of routine inspections are examples of operating cost.

Recoverable Amount of Non-current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal. Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is revalued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that the revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the profit and loss account.

The recoverable amount test does not apply to the Council as the service potential of its non-current assets are primarily related to the provision of goods and services rather than the generation of net cash flows.

8.12 Investments

Investments are valued at cost. Interest revenues are recognised as they accrue. Investments are made in accordance with Section 121 of the NT Local Government Act. The Council shall follow RGSC FIN011 Investment policy for performing investment activities. The Council must approve all investment of Council funds.

8.13 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets (finance leases), and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is established at its fair value at the inception of the lease. The liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense. Operating leases are treated as expenses. Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the operating statement in the periods in which they are incurred. All forms of borrowing are made in accordance with Section 123 of the Local Government Act.

8.14 Rates, Government Grants, Donations and other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over assets comprising the contributions. Control over assets

acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. A liability is only recognised in respect of granted assets if there is an obligation to disperse future economic benefits to the grantor.

In the case of outstanding rates payment, the Council will apply to register an overriding statutory charge over land after rates have been in arrears for at least 6 months. Section 173 of Local Government Act has enabled Council the power to sell land for non-payment of rates if rates have been in arrears for at least 3 years, and an overriding statutory charge securing liability for the rates has been registered for at least the last six months. Council intends to invoke Section 173 when it is legally able to.

The Council's Debt Collection Policy FIN002 outlines the Councils debt collection regime.

8.15 Economic Dependence

During the year the Council received grants from the Northern Territory and Australian Governments and the future operation of the Council is dependant upon continued government funding.

9 Council Registers

The following table contains a list of registers and the responsible officer.

Register	Responsible Officer
Financial Delegations Manual	Finance Manager
Common Seal Register	Governance Manager
Minutes of Council Meetings	Governance Manager
Register of Council Elections	Governance Manager
Register of Authorised Officers	Governance Manager
Register of Interests	Governance Manager
Assets Register	Assets Manager
Council Resolutions Register	Governance Manager
Council Mail Register	EA to CEO
Council Infringement Notice Register	Governance Manager
Council Member Asset Allocation Register	Governance Manager
Council By-Laws Register	Governance Manager
Policy Register	Governance Manager
SOP Register	Governance Manager
Complaints Register	Governance Manager

10 References

Andrew Warren AAPI Certified Practising Valuer Licensed Valuer No. 44485 (WA), Australian Valuation Office, Darwin.

Australian Accounting Standards Board (AASB)

Local Government Act (2008)

Local Government Act (2019)

Deloitte Touche Tohmatsu Independent Auditors Report 2019

Roper Gulf Regional Council General Purpose Financial Report for the year ended 30 June 2019

11 Appendix

Appendix I – The Council Finance Committee Terms of Reference

Rationale for establishment

Under section 11 of the Local Government (Accounting) Regulations it is stated that 'if a council is not required to hold an ordinary meeting at least once in each month, the council must appoint a committee and delegate to the committee the necessary powers to carry out, on behalf of the council, financial functions of the council in the months the council does not hold an ordinary meeting'. The Council holds an ordinary Council meeting every second month and has set up a Finance Committee to carry out financial functions in the alternate month, thus meeting its obligations under the Act.

Functions of Finance Committee

1. Under the control and direction of the Council, the Finance Committee will:
2. Ensure the annual budget is aligned with the Business Plan.
3. Monitor and report on financial performance against the annual budget and the Business Plan.
4. Receive and review the monthly financial reports.
5. Formulate strategies to improve The Council's financial position.
6. Make financial decisions on behalf of Council when the matter cannot be held over until the next ordinary Council meeting.

Responsibilities

1. Review the monthly income and expenditure reports, monitor progress against the budget and provide advice to Council on implications of these.
2. Approve adjustments to budget and re-allocation of resources.
3. Review and accept or reject Program Funding Agreements or any other offers of funding.
4. Consider and make appropriate recommendations to Council on any matters having a significant financial impact on The Council.
5. Advise Council on the short, medium and long term financial implications of The Council's Business Plan and any sub-plans.
6. At least annually, advise Council about the adequacy of The Council's insurance coverage.
7. On a regular basis, review the financial investments of The Council.
8. At least annually, review Roper Gulf Regional's borrowing program.
9. Review financial delegations and policies at least annually.
10. To advise Council on the level of allowances to be paid to Councillors.
11. Review and determine action for any other financial documents that need to be dealt with prior to the next ordinary Council meeting.
12. Work with CEO and Finance Manager to develop the annual budget, ensure it aligns with the Business Plan and present it to Council for adoption.
13. Approve the awarding of any tenders or major contracts.
14. Recommend fees and charges to be made by The Council.
15. Decide which applications for financial aid made to The Council will be supported.
16. Contribute to the preparation of the annual financial statements.
17. Review the annual audited financial statement and auditor's report and recommend any necessary follow-up.
18. Ensure there is an adequate internal control system, including a fraud protection plan, to minimise financial risk.
19. Exercise any general authority delegated by Council.
20. Deal with any tasks that have been delegated from a previous Council meeting.
21. Consider any matters referred by the CEO or the Council.

22. Deal with urgent, non-controversial and non-sensitive matters that cannot wait until the next Council meeting by making an executive decision.
23. Deal with urgent and sensitive or urgent and controversial issues that cannot wait until the next Council meeting by:
 - Discussing and making a resolution
 - Recording how each Finance Committee member votes
 - Directing the Mayor, Deputy Mayor or CEO as appropriate to contact other Council members out of session for their vote on the issue. A time limit may be set for this.
 - A decision by the majority of Elected Members for or against the resolution shall be taken as a decision of the Council regardless of whether or not all Elected Members were contacted.
24. Monitor compliance with proper standards of financial management.
25. Monitor compliance with Local Government (Accounting) Regulations and the Accounting Standards.

Limitations

If an issue involves expenditure of \$500,000 or more that is in variance to the budget, the Finance and Audit Committee must make a recommendation to the next ordinary Council Meeting.

If an issue involves expenditure of \$500,000 or more, but is urgent and cannot be held over until the next ordinary Council Meeting, the Finance and Audit Committee will make a recommendation, record how each member of the Committee votes on the recommendation and direct the Mayor/Deputy Mayor or CEO as appropriate to contact other Council members out of session for their vote on the issue.

Membership

Members of this Committee include the Mayor or Deputy Mayor, three other Councillors appointed by Council and an Independent Member appointed by Council. The CEO or delegate and the Finance Manager are *ex officio* members.

Quorum

A quorum for the Finance and Audit Committee is three members and must include the Mayor/Deputy Mayor.

Chair

The Mayor/Deputy Mayor will chair the Finance Committee.

Proxies

In order to ensure continuity and a useful level of knowledge and experience, Finance Committee members are not permitted to send proxies to the meeting. The exceptions are the Mayor/Deputy Mayor, who may act as proxies for each other on the Finance Committee.

Term of office

The term of office is for the Local Government electoral term. A newly elected Council will appoint a new Finance and Audit Committee. Should a Councillor be re-elected, he/she may serve multiple terms on the Finance and Audit Committee if appointed by Council. A newly elected Council may choose to re-appoint a former Independent Member if they wish.

Self-review

At least once a year, the Finance and Audit Committee will devote part of the meeting to reviewing its own processes and outcomes of the preceding year.

Timing and mode of meetings

The Finance and Audit Committee will meet in the months between ordinary Council meetings. Meetings can be held face-to-face, by teleconference, by videoconference or by a mixture of any of these.

Minutes

Minutes must be kept of the decisions and actions of the Finance and Audit Committee. Minutes will be taken by the Executive Assistant or other delegated staff member.

Reporting

The minutes of the Finance Committee will be tabled at the next Council Meeting for confirmation.

Appendix II – FIN007 Fraud Protection Policy

The Council has adopted a FIN007 Fraud Protection Policy as follows:

Purpose

The Council is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected members or its own employees, to gain by deceit, financial or other benefits. Vigilance in preventing fraudulent activities assists in protecting the integrity, security and reputation of the Council and its employees, and in promoting high-quality and cost-effective levels of services to the Council's constituent communities. The Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of potential incidents.

Organisational Scope

This Policy relates to all elected members, employees, and contractors irrespective of position or length of service.

Policy Statement

The Council considers fraud to be a serious offence and that all employees have an obligation to ensure strong and effective fraud control. The Council will endeavour to:

- Reduce losses through fraud by developing and implementing financial and operating asset protection procedures
- Foster a working environment which promotes honesty and integrity
- Be committed to detecting, investigating and prosecuting individual cases of criminal behaviour, including fraud.

Fraudulent acts against Council are unacceptable, may constitute a criminal offence and may be legally prosecuted. Prompt action needs to be taken when fraudulent activity is detected. This will assist in preventing fraud both by bringing the fraudulent activity to an end, and to discourage the future actions of others who may be inclined to commit similar conduct. Transparency is the foundation of public accountability and organisational fraud prevention.

Definitions

'Fraud: For the purpose of this Plan, fraud against Council is described as: "The wilful misuse of Council's resources or using one's position and power for personal gain."

- A basic test for fraud could include the following questions:
- Was benefit gained through deceit?
- Was the action illegal?
- Did the action result in money or other benefits being received by a person to which he or she was not entitled?
- Was there a deliberate attempt to gain benefit from an action to which that person was not entitled?

Theft: Theft means being the dishonest appropriation of the Council's property with intent to deprive the Council of it permanently.

Corruption means the use of bribery, fraud or the irregular alteration and or distortion of records to conceal and/or misappropriate assets of the Council.

Whistle blowing means action by an employee to disclose malpractice in the form of irregularity, wrong-doing or serious failures of standards at work.

Principles**Council Expectations**

Asset protection and fraud prevention goes beyond monitoring the effectiveness of financial controls. It also requires maintaining an ethical climate which encourages all staff to be active in protecting Council's funds and assets, and in reporting any breaches of accepted standards.

Council expects its elected members and staff to maintain a high standard of ethical conduct in all activities, in particular with respect to Council resources, information and authority. The community rightly expects Council to conduct its business in a fair and honest manner.

Council management (including Chief Executive Officer, Managers and Supervisors) is expected to play a leadership role in promoting fraud prevention and ethical behaviour, and is responsible for:

- fostering an environment within their areas of responsibility which makes asset protection a responsibility of all staff
- issuing clear standards and developing and implementing procedures to minimise the potential for fraud.

All staffs are expected to develop, encourage, insist upon and implement sound financial, legal and ethical decision making within their responsibility levels. Measures to prevent fraud will be continually monitored, reviewed and developed.

Council's Code of Conduct guides members and staff in what is accepted practice and behaviour and sets out ethical standards at a level above the law. Council expects all staff to be familiar with and act in accordance with Council's Code of Conduct. Unacceptable behaviours and guidelines for appropriate behaviour for staff are contained in the Code. Council expects similar standards from the people, agencies or organisations that do business with Council.

The Mayor and elected members are expected to comply with the Code of Conduct. Decision making processes are to be as open and public as possible.

Fraud Prevention

The Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of these opportunities. Preventative measures include the pre-employment screening, and information and technology security systems thereby reducing the potential for opportunistic fraud.

Upholding The Council's values and code of conduct is central to the Council's fraud prevention. However in the event that these values and ethics are not upheld, the public and staff need to understand that fraudulent acts against Council are unacceptable and may constitute a criminal offence which may be prosecuted. Any effective asset protection strategy must recognise that prompt action needs to be taken when fraud is detected, both to bring the fraud to an end and to discourage others who may be inclined to commit similar conduct.

Promotion of Fraud Prevention

The promotion of the Fraud Prevention Policy may include activities such as:

- Training awareness seminars
- Development and implementation of procedures and policies across all operational and financial activities of the Regional
- Regular review and promotion of Council's Code of Conduct

- Encouragement of anti-fraud reporting processes, and
- Immediate investigative and/or disciplinary action taken against all reported fraudulent activities.

Authorised Delegations

The FIN001 Financial Delegations Manual has been approved by Council and all amendments to this manual must be approved by Council. The Financial Delegations Manual lists all financial authorisations associated with positions in The Council. It also expresses the limits of these authorisations qualitatively and quantitatively.

The electronic Financial Management System (Technology One) allows for the limits on authorizations associated with position allocated to employees. The signing of cheques requires dual signatures and the electronic banking requires two authorizations. The Financial Delegations Manual defines the authorizing positions.

Investigation

The Chief Executive Officer has over-riding responsibility for the investigation of suspected fraud within The Council. If the matter involves the Chief Executive Officer the investigation will be managed by the Council. It is a requirement of this policy that all elected members and employees report any suspected fraudulent behaviour and assist with any investigation if required.

The Reporting Procedure

1. Suspected or known fraudulent activity shall be reported to a General Manager or the Chief Executive Officer. If the employee has reason to believe that their General Manager may be involved, the employee shall notify the Chief Executive Officer.
2. General Managers shall communicate any suspected or known fraudulent act to the Chief Executive Officer. The Chief Executive Officer may initiate internal investigative actions of the suspected act.
3. General Managers shall:
 - take no action without consulting the Chief Executive Officer,
 - recommend an appropriate temporary disciplinary action when there is evidence of wrong-doing, and if suspension or termination is recommended, consult with the Human Resources Department.
4. All participants in a fraud investigation shall keep the details and results of the investigation confidential.
5. No person acting on behalf of the Council shall dismiss or threaten to dismiss an employee; discipline or suspend or threaten to discipline or suspend an employee, impose any penalty upon an employee; or intimidate or coerce an employee because the employee has reported suspected fraud. Any violation of this section may result in disciplinary action up to and including termination of employment.
6. Reports by the public of suspected fraud will be immediately referred to the Chief Executive Officer.

Protection of Whistle Blowers

1. An employee who suspects or reports suspected dishonest activity or any such activity witnessed may remain anonymous should he/she so require.
2. No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud.
3. All managers should discourage employees or other parties from making allegations, which are false and made with malicious intentions. Deliberate false allegations with the intent to disrupt or cause harm to another may be subject to disciplinary action up to and including termination of employment.

Corrective Actions and Discipline

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. The form of action taken will depend on the level and circumstances of each case. The form of action may include, but not limited to:

1. Disciplinary action (where the Council elects to take corrective or disciplinary action, it will proceed under the procedures in place under policy or under the enterprise bargaining agreement).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.

Confidentiality

All investigations will be conducted in confidence. The name or names of those communicating information about fraudulent activity and the name or names of those suspected of fraudulent activity will only be revealed when required by law in conjunction with the investigation or legal action.

Police Involvement

The involvement of Police in investigating suspected fraud will be at the discretion of the Chief Executive Officer. However fraudulent behaviour is a criminal act and maybe subject to legal action under the Criminal Code (NT).

Media

All media enquiries will be referred to the Chief Executive Officer. At no point is an employee to broadcast or communicate RGSC business with the media unless sanctioned by the Chief Executive Officer.

Appendix III – List of Engaged Auditors

List of Engaged Auditors

Financial Year End	Appointed Auditor
30 June 2008	Merit Partners Chartered Accountants
30 June 2009	Merit Partners Chartered Accountants
30 June 2010	Merit Partners Chartered Accountants
30 June 2011	Merit Partners Chartered Accountants
30 June 2012	Merit Partners Chartered Accountants
30 June 2013	Merit Partners Chartered Accountants
30 June 2014	Merit Partners Chartered Accountants
30 June 2015	Deloitte Touche Tohmatsu
30 June 2016	Deloitte Touche Tohmatsu
30 June 2017	Deloitte Touche Tohmatsu
30 June 2018	Deloitte Touche Tohmatsu
30 June 2019	Deloitte Touche Tohmatsu
30 June 2020	Deloitte Touche Tohmatsu

GENERAL BUSINESS



ITEM NUMBER	11.3
TITLE	HR004 - Recruitment and Selection Policy
REFERENCE	902389
AUTHOR	Marc GARDNER, General Manager Corporate Services and Sustainability

RECOMMENDATION

That the Audit Committee note the report in relation to the Recruitment and Selection Policy.

BACKGROUND

The Council underwent a compliance review in late 2017, conducted by the Department of Local Government, Housing and Community Development. As previously reported to the committee, the Department found a number of issues associated with procurement, decision making, staff management, recruitment and accounting practices, amongst others, that were not in accordance with the requirements of the Local Government Act and associated legislation.

Following this, the Council amended a number of its policies and procedures to correct the issues that were outlined. However, in October 2019, the Department undertook a further review that identified that Issue 7 – The Recruitment and Selection Policy (HR004) had not been addressed.

Issue 7 relates to the direct appointment of staff as well as internal transfers. The Policy stated that the Chief Executive Officer could approve direct appointment of staff and internal transfers. This conflicted with Section 104 of the Act - Principles of Human Resource Management, namely:

Subsection 104 (a) selection processes for appointment or promotion:

- (i) must be based on merit; and*
- (ii) must be fair and equitable.*

The fact that the Policy allowed the Chief Executive Officer the authority to directly appoint and promote staff without consideration of the above section of the Act by itself may give rise to weak governance and possibly create a compliance issue.

ISSUES/OPTIONS/SWOT

Council's management is in the process of undertaking a complete review of all Council's Policies and has established an internal policy review committee as it has become apparent that many policies are due or overdue for review.

The attached Recruitment and Selection Policy has been reviewed and updated. The contentious section in relation to directly appointing and the CEO approving direct promotions for staff has been removed. The policy has also been reviewed by Council's HR team to ensure compliance with the Act as well as the principles of good human resource management.

The Council will be asked to adopt the amended policy at its Ordinary Meeting on the 4 March 2020 and following this, Council's management will advise the Department and ensure the amended policy is placed on Council's website.

Upon completion of this, the Council will have addressed all issues identified from the compliance audit undertaken in 2017.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS:

- 1 HR004 - Recruitment and Selection Policy.pdf

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

1. POLICY CERTIFICATION

Policy title:	Recruitment and Selection Policy
Policy number:	HR004
Category:	Policy
Classification:	Human Resources
Status:	Approved 12/4/2012

2. PURPOSE

Roper Gulf Regional Council aims to attract and retain skilled and engaged staff in a way that meets all legislative and regulatory obligations. The purpose of this policy is to affirm Roper Gulf Regional Council’s commitment to ensuring compliance with Section 104 (a) of the *Local Government Act 2008* requirement for a standard approach to be adopted for the recruitment and selection process.

Roper Gulf Regional Council achieves the alignment of business needs and staff skill by utilising the standards outlined in the Recruitment and Selection Procedure.

3. ORGANISATIONAL SCOPE

This policy and associated procedures applies to all recruitment activity undertaken within Roper Gulf Regional Council with the exception of the Chief Executive Officer position.

4. POLICY STATEMENT

Roper Gulf Regional Council (Council) strives to ensure that its recruitment activity results in the attraction and retention of skilled and engaged staff in a way that meets all legislative and regulatory obligations. The recruitment and selection procedures are intended to ensure that we attract and appoint applicants with the right skills, knowledge, behaviours and experience to meet the needs of all its vacancies. In light of this Council ensures that it appoint on the basis of merit, without discrimination and in line with s104(a) of the *Local Government Act 2008*.

All recruitment and selection procedures and decisions reflect Council’s commitment to providing transparency, fairness and equal opportunity by assessing all applications for advertised positions on the basis of merit according to their skills, knowledge, qualifications and capabilities.

All Information relating to recruitment, selection and appointment of employees will remain confidential to those involved in the formal process. Any personal information collected, stored, used or disclosed under the Recruitment and Selection procedure will be managed in accordance with the Council’s Privacy Policy. Information will only be released if required by law.

5. DEFINITIONS

Merit	Merit is defined as:
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Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

	<p>The capacity of the person to perform particular duties, having regard to the persons;</p> <ul style="list-style-type: none"> · Knowledge; · Skills; · Qualifications; · Experience; · Potential for future development of the person in the job .
Regulatory Compliance Instruments	An external compliance instrument provided by legislation, regulation, standards, statutes or rules, including subordinate instruments.
Senior Staff	Staff members at Managerial level and above who hold delegated executive and decision-making powers and functions.
Permanent Employment	Means all employment other than fixed term, temporary or casual. Permanent employment may be fulltime or part-time
Maximum Term Employment	Refers to a contract of employment made for a stated period, but which allows the employer to terminate the employment with notice before the fixed period expires. Maximum term contracts are offered for appointments at Senior Staff level.
Fixed Term Employment	Means a specified term or ascertainable period for which the letter of offer will specify the start and finish dates of that employment as well as the nature of employment.
Temporary Employment	Means engagement as relief for the purpose of planned and unplanned absences of staff in substantive positions
Casual Employment	Means employment on a short-term basis where there is no guarantee of an ongoing employment arrangement.

6. RECRUITMENT PROCESS

Identifying the hiring need

Prior to commencing the recruitment process, the hiring department will conduct a review of the need for the position, considering the following:

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

- Council approved establishment positions within the department
- strategic and operational plans for the work area and Council
- funding
- current staffing structure and skill levels
- the diversity of staffing profiles
- any foreseeable changes which might impact on the area or the role
- how the need for the position duties might best be met.

In reviewing the hiring need, consultation should be undertaken with any relevant stakeholders. Broad consultation at an early stage in the process will ensure effective workforce planning and a streamlined recruitment turnaround.

Position descriptions

A decision to undertake a recruitment exercise may result in an updated position description which outlines the key outcomes and activities to be undertaken as well as the essential and desirable criteria. All position descriptions must be drafted by the hiring department using the Council's position description template to ensure consistency. The hiring department, a senior staff member and Human Resources will evaluate all positions prior to recruitment action to confirm the classification level.

Positions classified outside of the Council approved establishment will require CEO authorisation prior to recruitment activity.

Approval to recruit (RRF)

A Recruitment Request Form (RRF) is used to initiate recruitment and selection and should be forwarded, once completed and authorised, to Human Resources.

The recruitment and selection process cannot commence until Human Resources receives the approved RRF including an electronic copy of any revised and approved Position Description.

Advertising

All recruitment advertising will be coordinated by Human Resources. Recruitment of all permanent, temporary, fixed term and casual positions will be through internal advertisement to promote career pathing opportunities and external advertisement to capture a broad field of suitable applicants.

Online advertising is Council's preferred medium for advertising all positions.

Employees are encouraged to share position vacancy information with their professional networks through the use of electronic communication. Approval for any associated costs must be gained in advance from the hiring department. When sharing position vacancy information, employees should ensure that they are aware of, and comply with, legislative obligations and the Council's applicable Policies and Procedures.

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

Advertising in print Media will be offered in exceptional circumstances. The General Manager will consider these requests on a case by case basis.

A field of applicants may be supplemented by inviting applications or referrals from employment agencies or other sources after consideration of cost. The hiring department may request the use of an employment agency as a means of external advertising. The General Manager will consider these requests on a case by case basis.

Human Resources will be responsible for applicant management throughout the recruitment activity and will conduct the initial cull of applicants based on the essential criteria of the role. Variations to the duties or selection criteria contained within the position description cannot be made after the position has been advertised.

Recruitment and selection panels

It is important that recruitment and selection decisions are based on merit and free from bias. Establishing a diverse and balanced selection panel, responsible for identifying the preferred applicant, will ensure that decision-making upholds these principles.

A selection panel should have an appropriate number of members.

<i>Grade/Level</i>	<i>Panel Members</i>
Grade 1-3	Minimum 2, Maximum 3
Grade 3-8	3
Grade 8-12	Minimum 3, Maximum 4

The Convenor of the panel will be the Hiring Manager. The Panel Convenor will be identified prior to advertising. At least one member of the selection panel must have completed the Council's mandatory training for recruitment and selection.

Best practice is to have a panel that reflects the diversity of the community, as far as practicable. This means including people of different genders, Aboriginal and/or Torres Strait Islander people, people with disability, people from culturally and linguistically diverse communities, and lesbian, gay, bisexual, transgender, gender diverse and intersex people.

A selection panel requires gender representation with a minimum panel size as per the above table. A larger panel may be used to overcome potential judgement bias. For all identified and specified positions, at least one panel member must identify as Aboriginal and/or Torres Strait Islander.

A panel member external to Council with appropriate specialist knowledge relevant to the vacant position may be invited to participate on a Council selection panel. The Panel Convenor is responsible for ensuring that an external panel member understands and complies with Council Policy and Procedures.

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

The Panel Convenor is responsible for ensuring that every panel member (including external panel members) complies with all relevant Council Policies and Procedures, including declaring any perceived, potential or actual Conflict of Interest; and all recruitment and selection documentation is complete and accurate.

The selection panel will seek to be objective and maintain equity and confidentiality of the recruitment and selection process at all times.

Human Resources will draft the competency-based interview questions for approval by the Panel Convenor. The Convenor will prepare the technical questions and any preferred selection methods for the interview. Selection methods must be relevant to the position and may also include presentations, work samples, and performance tests.

Shortlisting

Human Resources will screen out applicants who do not meet essential requirements clearly stated in the job advertisement and position description, such as holding a specific qualification or license, or having the right to work in Australia.

Once applications are closed, eligible applications will be provided to the Panel members for shortlisting. Each panel member will conduct their review using the shortlisting form. Panel members will shortlist individually in the first instance and Human Resources will coordinate the consensus on the final selection for interview.

The Panel Convenor may accept late applications with valid reasons. Applicants not shortlisted will be notified by Human Resources as soon as possible, unless the selection panel requests otherwise.

Applicants who have failed to address the selection criteria, as requested in the advertising, will be assessed on the basis of their resumes and any other relevant information available to the panel.

Interviews

Interviews are required for all positions (in person, via telephone, video conference or other online medium).

Interviews must be structured in such a way to enable collection of sufficient evidence to confirm that the applicant(s) selected have the required skills, experience and motivation to carry out the inherent requirements or duties of the role and also demonstrate a commitment to the industry and values of Council.

The selection panel should prepare the interview process using the supporting documentation and templates provided by Human Resources. After all interviews have been completed, the selection panel must reach consensus on a recommendation decision.

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

Selection panels must be satisfied that the recommended candidate meets the selection criteria and is suitable for the position. It may also be appropriate not to recommend any of the candidates for appointment from the interview. In such cases, the Panel Convenor should contact Human Resources to advise of the decision and discuss alternative recruitment options.

Oral reference reports

Oral reference checks of the preferred applicant are conducted by the Panel Convenor and must remain confidential and be documented.

A minimum of two oral reference reports must be obtained to confirm the preferred candidate's merits against the selection criteria, before the recommendation to appoint is made. Wherever possible, a minimum of one of the oral reference reports should be obtained from the current or immediately previous Supervisor of the preferred candidate.

Reference Information can only be obtained from referees nominated by the applicant. If additional Information is required, the applicant must be asked to nominate additional referee/s.

Probity Checks

Please refer to the Pre-employment Screening Policy and Procedure.

Appointment

Human Resources will administrate the recommendation of the preferred candidate on receipt of the panel paperwork. The General Manager may:

- approve the recommendation; or
- not support the recommendation and provide the Panel Convenor with the reasons why the decision was not supported. The selection panel will be notified of this recommendation by the Convenor.

Where the General Manager forms part of the selection panel, approval to appoint is to be provided by the CEO.

On approval from the General Manager, the Panel Convenor will make a verbal offer of appointment to the preferred candidate. Following a verbal acceptance, Human Resources will confirm the offer of appointment to the preferred candidate in writing. Human Resources is the only department authorised to make written offers of appointment.

Where the preferred candidate declines the offer or fails to commence work, an offer of appointment can be made without re-advertisement to another eligible candidate who best meets the selection criteria after the panel has completed due process of interview, reference checks and probity.

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

Where the appointee ceases employment at the Council within three months of the closing date of the original vacancy advertisement, an offer may be made without re-advertisement to another eligible candidate who best meets the selection criteria after the panel has completed due process of interview, reference checks and probity. This can occur only where the position description has not changed.

Where an identical position to that advertised becomes vacant within three months of the closing date of the original vacancy advertisement, an offer may be made without re-advertisement to another eligible candidate who met the selection criteria after the panel has completed due process of interview, reference checks and probity.

In exceptional circumstances and with written justification to be placed on the recruitment file, the CEO may appoint an individual to any position without advertisement or competitive selection.

Unsuccessful applicants

Unsuccessful applicants will be dealt with courteously and sensitively by Human Resources. Unsuccessful applicants will receive written notification.

Unsuccessful applicants who have been interviewed can seek feedback on their application from the Panel Convenor or nominee, on behalf of the selection panel, by contacting Human Resources.

Human Resources will refer any applicant concerns regarding the recruitment and selection process in the first instance to the Panel Convenor. If the Convenor is not able to resolve the issue, or requires advice or assistance, the matter is referred to the Human Resources Manager. Alternatively, an applicant's written concerns may be forwarded to the Human Resources.

Documentation

All recruitment and selection documentation provide to the panel must be returned to Human Resources for destruction or record keeping in accordance with the Records Management Policy. Each panel member's formal recruitment and selection documentation will remain on the recruitment file.

Recruitment and selection expenses

All advertising, interview, travel, employment agency, probity checks, relocation and associated expenses are met by the recruiting cost centre.

7. FORMS OF EMPLOYMENT AND ELIGIBILITY

This guideline refers to employees directly engaged by Council as an employee on terms that correspond with one or more of the types of employment prescribed in this clause.

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

- **Permanent employment** means all employment other than maximum term, fixed term, temporary or casual. Permanent employment may be fulltime or part-time.
- **Maximum term employment** means an employment arrangement where the parties agree that the agreement will not necessarily last for the full term of the contract. The employment arrangement is said to end by a 'sunset' date however the employment arrangement can be terminated earlier by either party.
- **Fixed term employment** means an employment arrangement that is required to undertake a particular range of duties of a funded position for a specified term or ascertainable period or an approved project role, above establishment, for which the letter of offer will specify the start and finish dates of that employment as well as the nature of employment and may be for the purpose of;
 - A specific task or special project.
 - Providing additional or specialist assistance to a role within establishment.
 - a funded position for a specified term.

And will be employed under the following conditions;

- Fixed term staff employed for a period of 6 months or more will participate in and successfully complete a qualifying period before being confirmed in the fixed term role.
- Fixed term staff will be entitled to pro rata leave entitlements and an agreed salary level.
- There is no guarantee of an ongoing employment arrangement beyond the offered relief period and completing the offered period is dependent on performance and attendance.
- Engagement for a fixed term period will be for a maximum of 12 months.
- **Temporary employment** means employment for a period of 12 weeks or more and staff will be engaged as relief for the purpose of planned and unplanned absences of permanent, maximum term or fixed term staff for establishment positions under the following conditions;
 - Temporary staff will participate in and successfully complete a qualifying period before confirmed in the temporary role.
 - Temporary staff will be entitled to pro rata leave entitlements and an agreed salary level.
 - There is no guarantee of an ongoing employment arrangement beyond the offered relief period and completing the offered period is dependent on performance and attendance and the notice of return of the permanent employee to their substantive position.
 - Engagement for a period of relief will be for a maximum of 12 months.

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

- **Casual employment** means employment on a short-term basis (less than 12 weeks), and staff will be engaged as relief for the purpose of planned and unplanned absences of permanent, maximum term or fixed term staff for establishment positions under the following conditions:
 - There is no guarantee of an ongoing employment arrangement beyond the offered relief period, the engagement is casual in nature and completing the offered tenure is dependent on performance and attendance and the return of the permanent employee to their substantive position.
 - Engagement will be for a minimum of 4 hours per day which will also serve as the notice period if the engagement is terminated.

- **Fulltime employment** is employment that is engaged for the full hours specified for the substantive position up to 38 hours per week (dependent on Award or contractual conditions).

- **Part-time employment** is employment that is engaged for hours less than fulltime hours specified for establishment positions or less than 38 hours per week dependent on the role, including job share arrangements and are engaged as follows:
 - For not less than four (4) hours per day;
 - Hours worked in excess of agreed part-time hours in the establishment position will be paid as ordinary time up to a maximum of 38 hours per week;
 - If eligible, are entitled to all fulltime employee benefits and accruals of the position held on a *pro rata* basis;
 - Change in hours and/or days can only be by agreement of both Council and the employee and must be confirmed in writing;

- **Eligibility** to be considered for permanent, maximum term, fixed term, temporary or casual positions at Council is as follows:
 - An Australian citizen or have the right to work within Australia.
 - Not currently working at Council within a qualifying period.

The staff member being able to be released from the current permanent, maximum term, fixed term, temporary or casual position

Roper Gulf Regional Council



HR004 – Recruitment and Selection Policy

5. REFERENCES

Related Policies	<ul style="list-style-type: none"> • <i>HR001 - Employee and Contractor Code of Conduct</i> • <i>HR005 - Confidentiality and Privacy Policy</i> • <i>HR006 - Working with Children Certificate</i> • <i>HR023 – Criminal History Check Policy</i> • <i>HR024 – Special Measures Recruitment Policy</i>
Related Publications	<ul style="list-style-type: none"> • <i>Local Government Act 2008;</i> • <i>Work Health and Safety (National Uniform Legislation) Act 2011;</i> • <i>Anti-Discrimination Act 1992</i> • <i>Interpretation Act 1978</i> • <i>Information Act 2002</i> • <i>Fair Work Act 2009 (Cth)</i> • <i>Local Government Industry Award (LGIA) 2010</i> • <i>Racial Discrimination Act 1975 (Cth)</i> • <i>Sex Discrimination Act 1984 (Cth)</i> • <i>Disability Discrimination Act 2004 (Cth)</i> • <i>Age Discrimination Act 2004 (Cth)</i> • <i>Privacy Act 1988 (Cth)</i> • <i>Human Rights and Equal Opportunity Commission Act 1986 (Cth)</i>

6. DOCUMENT CONTROL

Policy number	HR004
Policy Owner	Manager, Human Resources
Endorsed by	Council
Date approved	12/4/2012
Revisions	February 2017, February 2020
Amendments	02 March 2017, October 2017, February 2020
Next revision due	June 2021

7. CONTACT PERSON

Position **Manager, Human Resources**
 Contact number **(08) 8972 9012**

GENERAL BUSINESS



ITEM NUMBER	11.4
TITLE	Budget Preparation Timetable
REFERENCE	902392
AUTHOR	Marc GARDNER, General Manager Corporate Services and Sustainability

RECOMMENDATION

That the Audit Committee note the report in relation to the budget preparation timetable.

BACKGROUND

Each year the Council is required to prepare a budget for inclusion with the Regional Plan in accordance with Section 127 of the Local Government Act. The Act outlines that the budget must be adopted by Council by the 31 July of the financial year that it pertains to.

Changes to the Local Government Act occurred in late 2019 which now stipulates that the Council must adopt its budget by the 30 June prior to the commencement of the financial year. This will come into effect after the 1 July 2020 and apply to budget preparations for the 2021/22 financial year. However Council's management is proposing to achieve adoption of the Council's budget for the 2020/2021 financial year by the 30 June 2020 as a good practice measure.

ISSUES/OPTIONS/SWOT

The budget timetable has been presented and accepted by the Council's Finance Committee at their meeting on the 29 January and Council's management is well underway with adhering to this timetable.

A copy of the timetable is attached for the Audit Committee's information.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS:

- 1 Budget Preparation Schedule 2020-21.pdf

Budget Preparation Schedule
Financial Year 2020-21

<u>ID</u>	<u>Task Name</u>	<u>Start Date</u>	<u>End Date</u>	<u>Duration (Working Days)</u>
1	Carried Forward and Budget Rollover Processes - Preparatory Work	3/02/2020	7/02/2020	5
2	Budget Reviews – Katherine based managers	10/02/2020	21/02/2020	14
3	Budget Reviews - community based managers	24/02/2020	28/02/2020	5
4	Entering & Verifying Budgets in the system	2/03/2020	13/03/2020	10
5	1st draft budget review - SLT session	16/03/2020	16/03/2020	1
6	1st round budget amendments with management	23/03/2020	3/04/2020	10
7	Negotiating process with management/executive	6/04/2020	17/04/2020	10
8	Making the changes in the system as per discussions	20/04/2020	28/04/2020	7
9	Update Budget Progress at OMC – 1st Draft presentation – OMC delegates FCM in May to release for public consultation	29/04/2020	29/04/2020	1
10	2nd Draft Review - SLT	5/05/2020	8/05/2020	4
11	Incorporate necessary changes as per SLT	11/05/2020	15/05/2020	5
12	Present final draft budget to FCM	27/05/2020	27/05/2020	1
13	Public consultation period	28/05/2020	17/06/2020	21
14	Presentation of Budget to ACM	17/06/2020	17/06/2020	1
15	Changes if needed to be made	18/06/2020	23/06/2020	5
16	Final Adoption of Budget - OMC	24/06/2020	24/06/2020	1

 = Critical actions

OMC = Ordinary Meeting of Council

FCM = Finance Committee Meeting

ACM = Audit Committee Meeting

SLT = Strategic Leadership Team (CEO & General Managers)

GENERAL BUSINESS



ITEM NUMBER	11.5
TITLE	Local Government Act (2019) Changes
REFERENCE	902515
AUTHOR	Marc GARDNER, General Manager Corporate Services and Sustainability

RECOMMENDATION

That the Audit Committee note the report in relation to the Local Government Act (2019) changes.

BACKGROUND

As Audit Committee members are aware, in late 2019, the Northern Territory Government enacted the new Local Government Act (2019) that affects all Councils in the Northern Territory.

ISSUES/OPTIONS/SWOT

Following an extensive consultation period, the Act has changes in a number of areas pertaining to Council's governance and operations that Roper Gulf Regional Council is required to consider and make amendments for.

It is beyond practicality to outline every amendment that has been made and describe how it impacts the Council in this report, however the attachments outline the main changes which involve issues such as policies to be adopted/amended by Councils, delegations, registers that are required to be kept, CEO roles and other matters.

The attachments also include important dates that Council must consider the changes as well as proposed changes to the accounting and administration regulations.

Council's management will develop an action plan in relation to these changes and tasks to ensure compliance with the new Act by the required timeframes.

A representative from the Northern Territory Government's Department of Local Government Housing and Community Development will be addressing the Council at their briefing day on the 3 March 2020 in relation to these changes. This representative is also available to attend the Audit Committee Meeting on the 4 March with little notice if required or if Audit Committee members have specific questions requiring clarification in relation to changes to the Act.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS:

- 1 R1-Planning for LGA 2019.pdf
- 2 R2-Council Delegations.pdf
- 3 R4-Key Transitional Matters.pdf
- 4 R5-Council member responsibilities.pdf
- 5 R11-Some important dates.pdf
- 6 R13-Planned Content for the Regulations.pdf
- 7 R14-Planned Content for the Guidelines.pdf

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Resource No. 1

Planning for the new Local Government Act

Starting early and being prepared for commencement (1 July 2020)

Policies

- Councils and CEOs should review and adopt policies in anticipation of the new Act.
- From 13 December 2019, councils and CEOs can make and adopt any new policies under the new Act before it commences.
- See sections 348(6) and 349(6): *Anything done by a council after the enactment but before the commencement of the new Act, and in accordance with its provisions, is validly done despite any conflict with the provisions of the former Act.*
- It is recommended that council's resolution and the policy document itself notes that the policy is 'made in accordance with the *Local Government Act 2019*' (or similar wording), so that this intention is clear.

Lists of policies

The list of existing council policies below, adopted before 1 July 2020 under the *Local Government Act 2008*, will remain valid in relation to their respective counterparts in the new Act, provided that they meet the requirements under the new Act (see section 365(3)). Generally this means that they must have been adopted by council resolution when they were made, but any mandatory content should be checked:

Existing council policy	2008 Act source	2019 Act source
Policy for co-opting a person to fill a casual vacancy	39(5)	54(2)
Policy for authorising a council member's attendance at a meeting by means of an audio or audio-visual conferencing system	61(4)	95(3)
Policy allowing the chair of a council meeting to exercise a casting vote	61(6)	95(5)
Policy for authorising a local authority or council committee member's attendance at a meeting by means of an audio or audiovisual conferencing system	64(4)	98(3)
Caretaker policy	96A	161
Privacy policy	130(3)	206(3)

The list of policies below will remain valid if they meet the requirements in the new Act. Generally, this means that they must have been adopted by council resolution when they were made, but any mandatory content should be checked. If a council does not have any of the policies listed below, or has any of those policies but they do not meet the requirements in the new Act, then the council must adopt, by council resolution, the relevant policy by 30 June 2021. (see s365)

Planning for the new Local Government Act

Council policies	Source
Filling casual vacancies	Section 54
Gifts and benefits for council members	Section 112
Contravention of the code of conduct	Section 121
Human resource management	Section 172
Allowances and any other benefits for CEO	Section 174
Investment	Section 194
Shared services	Section 216
Assessment record	Section 230
Rates concessions	Section 247

However, if after 1 July 2020 (but before 30 June 2021) the council is required to act in accordance with any of the above policies which it does not have or it has, but the policy does not comply with the requirements of the Act, then the council must adopt the policy by resolution, before taking the action.

Delegations

- **Create a fresh set of delegations from the council** – these are powers and functions of the council that are delegated by council resolution. Refer to **Resource No. 2** for more information on council delegations.
- **Create a fresh set of delegations from the CEO** – these are powers and functions of the CEO that are delegated by the CEO. Pursuant to section 168, a CEO can delegate any CEO powers and functions except the power to authorise a staff member in relation to a conflict of interest under section 179(6).

Registers

For Council

- Update / prepare a register of council member declared gifts and benefits, setting out the relevant gifts and benefits received by council members. Content requirements are at section 113.
- Update register of declared conflicts of interest for council members to record conflicts of interest disclosed by council members. Content requirements are at section 116 of the Act.
- Update register of declared conflicts of interest for members of a local authority, council committee and audit committee to record conflicts of interest disclosed by council members. Content requirements are at section 116 of the Act.
- Prepare a register for annual return of interests for council members (see section 111).
- Prepare a register for annual return of interests for council CEO and senior council staff (see section 178).
- Prepare a register for annual return of interests for the chief executive and senior staff of a local government subsidiary of which the council is a constituent council (see section 178).
- Prepare a register of council delegations.

Planning for the new Local Government Act

- Prepare a register of elected and appointed council members. This is replacing the register of election results and polls. Refer to the example register provided in **Resource No. 12**.
- Prepare a register of gifts and benefits received by the council CEO.

For CEO

- **For all CEOs** – prepare a register of CEO delegations.
- **For CEOs of regional councils** – prepare a register of local authority members. This is replacing the list of local authority members that is currently required under Guideline 8.

Other matters

Council

- **If council delegates the power to enter into a contract** – council is to determine (by resolution) the contract threshold limit for this delegation (sections 40(3)(f) and 40(6)).
- Council is to adopt a code of conduct for the CEO (section 175).
- Council must establish (or re-establish) an audit committee by resolution (section 86).

CEO

- Update employment policies maintained by CEO – new requirements for employment policies include covering opportunities for advancement that are fair, equitable and based on merit, and access to training and development (see section 173).
- Determine the code of conduct for council staff (section 175(2)).
- Prepare to keep new information for the 2020-21 annual report – this includes shared services, council delegations, amount of fees or allowances paid to council committee members, and consultations undertaken by the council (see section 291).

Some important matters that take effect from 1 July 2020

Council policies must be consistent with the code of conduct	Section 12
Functions of council now include to make prudent financial decisions and to manage the employment of the CEO	Section 22
New rules limit council powers to delegate arm's length transactions and to waive a fee for service	Section 40
Role of members now includes to be properly informed to enable participation in the deliberations of the council and its community activities; and to ensure that council resources are used prudently and solely in the public interest; and to actively monitor the financial affairs of the council.	Section 44

Planning for the new Local Government Act

Some important matters that take effect from 1 July 2020	
If a council member is convicted of an offence they must notify the CEO	Section 49
If a council member becomes disqualified they must resign by written notice to the CEO. The resignation takes effect immediately and cannot be withdrawn.	Section 51
If a council member resigns (not because they are disqualified) the resignation takes effect immediately or on a date specified in the resignation (not more than 3 months later).	Section 53
NTCAT can determine if a member has become disqualified. (Recommend - seek advice from the Department if it appears that a member has become disqualified).	Section 56
Between 18 months and 6 months before the next general election (28 August 2021) council may appoint a person to fill a vacancy instead of having a by-election. (This means from 28 April 2020 until 28 April 2021). This must be done according to council policy.	Section 54
Role of mayor/president now includes to liaise with the CEO about the performance of the council's and CEO's functions; and to promote behaviour among the members of the council that meets the standards set out in the code of conduct; and to lead the council to undertake regular review of the performance of the CEO.	Section 59
If a council wishes to change whether the mayor president is elected or appointed, they must do so between 12 and 18 months before the end of the term. (This means between 28 April 2020 and 28 August 2020)	Section 60
All members of a local authority are appointed by council and council must appoint at least one elected member (a member for the relevant ward) to each local authority.	Section 78
Regional councils must seek advice from local authorities in relation to the council's budget, priorities for expenditure, service delivery, regional plans, strategic directions and funding.	Section 81

Planning for the new Local Government Act

Some important matters that take effect from 1 July 2020

Council committees which were not established by council will need re-establishing by resolution if they are to continue.	Section 82
An audit committee must be established by council resolution.	Section 86
Council meeting notices and agendas with business papers must be posted on council's website 3 business days before the date of the meeting. In the case of a special meeting, the papers must be posted at least 4 hours before the meeting.	Section 93
Notice and agenda with business papers convening a meeting of an audit committee, a council committee or a local authority must be on the website 3 business days before the date of the meeting.	Section 97 and General Regulations
If the council, council committee or local authority considers confidential business at a meeting, the agenda for the meeting must identify the type of matter that is to be considered at the meeting. (Title and reference to provision of Regulations which allows it to be dealt with in a confidential session)	Section 99 and General Regulations
Council members must submit an annual return of interests between March and September each year.	Section 110
CEO must keep registers of annual return of interests, gifts and benefits and declared conflicts. These registers must be published on Council's website.	Section 113, 116, 117
Conflict of interest definitions and requirements have changed and include a direct interest; an indirect financial interest; an indirect interest by close association; and an indirect interest due to conflicting duties. See the Act for more detail including offences.	Section 114
New code of conduct applies to all councils. It contains new provisions: prohibition on bullying, respect for cultural beliefs and practices, not to accept gifts in relation to intention to benefit and undertaking training.	Code of Conduct Items 4, 6.2, 9.2 and 12.

Planning for the new Local Government Act

Some important matters that take effect from 1 July 2020	
New system for dealing with alleged breaches of code of conduct	Sections 120 - 133
Donation disclosure is required by all candidates for local government elections. It is important that current members keep records of campaign donations from 1 January 2021 and intending candidates keep records from when their intended candidacy is announced on or after 1 July 2021.	Sections 147 - 156
CEO must notify all members of council if the CEO will be on leave.	Section 165
Role and functions of a CEO expanded to include to ensure council reviews council's policies, plans and decisions in a timely manner, to ensure that the appointment of the council's staff is properly managed within the budget allocated to staffing expenditure approved by the council, to ensure that the management of the council's operations are properly managed within the budget allocated to non-staffing expenditure approved by the council and to ensure that the council's policies on human resource management comply with section 172.	Section 167
The CEO must not delegate a power or function to the following: an audit committee; a council committee; a local authority; or a local government subsidiary. However this does not prevent a CEO from setting up an operational advisory committee. (Council committee means a committee established by resolution of the council)	Section 168
If there is a vacancy in the office of the CEO, it must be advertised within 6 weeks.	Section 169
The CEO must notify the council if the CEO appoints a person to be a council senior staff member, a council senior staff member resigns, a council senior staff member's appointment is terminated or a council senior staff member's contract expires and is not renewed.	Section 171
The CEO must determine a code of conduct for council staff.	Section 175
The CEO and senior council staff must submit an annual return of interests between March and September each year.	Section 178

Planning for the new Local Government Act

Some important matters that take effect from 1 July 2020

Authorised persons must be appointed in writing and their identity card must display a recent photograph of the authorised person, state the card's date of issue and expiry and be signed by the authorised person.	Section 185
If the council changes an entry in the (rates) assessment record, the council must give a decision notice to the person to whom the entry relates within 14 days of changing the entry.	Section 232
A council must not agree to grant a rate concession for a financial year that does not fall wholly or partly within the current term of the council.	Section 251
A council must not commence legal proceedings (including proceedings for an offence) unless authorised by resolution except where it is in relation to prosecution of an offence against a by-law; or debt recovery.	Section 329

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Resource No. 2

Delegation of council powers and functions

Introduction

- The *Local Government Act 2019* allows a council to delegate its powers and functions. The functions of a council are strategic in nature and can be found at section 22:
 - to plan for the future requirements of its area for local government services;
 - to provide services and facilities for the benefit of its area, its residents and visitors;
 - to make prudent financial decisions;
 - to manage the employment of the CEO;
 - to provide for the interests and well-being of individuals and groups within its area;
 - to carry out measures to protect its area from natural and other hazards and to mitigate the effects of such hazards;
 - to plan and develop council facilities and services in its area in a sustainable way;
 - to plan the use of council resources for the benefit of its area;
 - other functions assigned to the council under this Act or another Act.
- A council has powers to perform its functions (section 23).

Who can a council delegate its powers and functions to?

- A council may delegate its powers and functions to the CEO, a council committee, a local authority, or a local government subsidiary (section 40). However, there are restrictions on what can be delegated.

Review of delegations

- A council must review any delegations of its functions and powers within 6 months after a general election (see General Regulations).
- A register of council delegations must be maintained.

Conditional delegations

A council can place conditions on the power or function it delegates. For example, a council may limit the use of the delegation to certain matters, certain circumstances, or to certain dollar amounts.

It is **mandatory** for a council to impose conditions for the following four types of delegations:

1. **If the power to incur financial liabilities (such as borrowings or loans) is delegated** – the council must fix reasonable limits on the delegate's authority.
2. **If the power to enter into a contract is delegated** – the contract must be below the threshold value. The council decides on the threshold value. See **Resource No. 1**, under 'Other Matters - Council'.
3. The power to enter into a non-arm's length transaction may be delegated to the CEO and only where the transaction **will provide a community benefit**.
4. The power to waive a fee for service may be delegated to the CEO if the waiver **will provide a community benefit**.

Delegation of council powers and functions

Council powers and functions that cannot be delegated

Topic	Specific delegation	Section
1. Operations outside council area	Entering into a mutual agreement with another council to provide services in that other council's area	25(2)
	Seeking approval from the Minister to provides services outside of the council's area	25(3)
2. Municipal, Regional and Shire Plans	Adopting its municipal, regional or shire plan between 1 March and 30 June in each year	35(1)
	Approving a draft municipal, regional or shire plan for public consultation	35(3)(a)
	Considering the submissions made in response to the public consultation on the draft municipal, regional or shire plan and making any revisions to the draft council plan the council considers appropriate in the light of the submissions	35(3)(d)
	Considering the Minister's advice on the services that the council should, as a priority, provide, when adopting and renewing its municipal, regional or shire plan	36(2)
3. Council as a body corporate	Authorising or ratifying the affixing of the Council's common seal to a document	38(2)(a)
	Determining the threshold value for a contract for which the power to enter the contract is to be delegated	40(6)
	Reviewing any delegations of its functions and powers	41
4. Council members	Adopting a policy for filling casual vacancies	54(3)
	Appointing a person to fill a casual vacancy in the council that occurs less than 18 months but more than 6 months before the next general election	54(2)(a)
	Appointing a person to fill a casual vacancy in the council that occurs 6 months or less before the next general election	54(2)(b)(i)
	Leaving the office vacant for a casual vacancy in the council that occurs 6 months or less before the next general election	54(2)(b)(ii)
	For Litchfield Council - deciding that the principal member has the title President	58(2)(b)
	For regional or shire councils - deciding that the principal member has the title Mayor or President	58(3)
	Appointing another member of the council to act in the principal member's position for a specified period or until the principal member resumes official duties if the principal member is absent and there is no deputy principal or the deputy is not available to act in the principal member's position	59(3)
Changing the basis of filling the office of the principal member (that is, elected or appointed)	60(3)	

Delegation of council powers and functions

	Appointing one of its members to be the principal member at the first meeting of the council after a general election, if appointment is the basis of filling the office of the principal member	61(2)
	Appointing one of its members to be the council's deputy principal member	61(3)
	Appointing an existing member to fill a casual vacancy of principal member if the vacancy occurs 3 months or more before the next general election and appointment is the basis for filling the office of the principal member	65(2)(a)
	Appointing an existing member to fill a casual vacancy of principal member if the vacancy occurs less than 3 months before the next general election and appointment is the basis for filling the office of the principal member	65(2)(b)(i)
	Leaving the office vacant for a casual vacancy of principal member if the vacancy occurs less than 3 months before the next general election and appointment is the basis for filling the office of the principal member	65(2)(b)(ii)
	Appointing a person to fill a casual vacancy of principal member if the vacancy occurs less than 18 months but more than 3 months before the next general election and election is the basis for filling the office of the principal member	65(3)(b)(i)
	Deciding to hold a by-election to fill a casual vacancy of principal member if the vacancy occurs less than 18 months but more than 3 months before the next general election and election is the basis for filling the office of the principal member	65(3)(b)(ii)
	Appointing a person to fill a casual vacancy of principal member if the vacancy occurs 3 months or less before the next general election and election is the basis for filling the office of the principal member	65(3)(c)(i)
	Deciding to hold a by-election to fill a casual vacancy of principal member if the vacancy occurs 3 months or less before the next general election and election is the basis for filling the office of the principal member	65(3)(c)(ii)
	Leaving the office vacant for a casual vacancy of principal member if the vacancy occurs 3 months or less before the next general election and election is the basis for filling the office of the principal member	65(3)(c)(iii)
	Appointing an existing member to be the council's principal member if a person is voted to fill a casual vacancy in the office of an elected principal member	65(4)(b)
5. Local government subsidiary	Providing authorisation to the chief executive of a local government subsidiary including authorisation to the chief executive to provide authorisation to a local government subsidiary staff member, where the council is the only constituent council of the local government subsidiary	73(6)(a)

Delegation of council powers and functions

6. Local authorities	Appointing a council member to be a member of a local authority	77(1)(a)
	Appointing other members of the community or communities with the local authority's area to be members of the local authority	77(1)(b)
7. Council committees	Establishing a council committee	82(1)
	Appointing a member of a council committee	82(2)
	Abolishing a council committee	82(5)
	Approving the terms of reference for a council committee	83(4)
8. Audit committees	Establishing and maintaining an audit committee	86(1)
	Appointing a member of an audit committee	86(2)
	Abolishing an audit committee	86(6)
9. Council meetings	During a special meeting – deciding to deal with other business than the business for which a special meeting was convened	94
	Choosing a member to chair a council meeting where neither the principal member nor the deputy is present and there is no acting principal member or the acting principal member is not present	95(1)(d)
	Establishing a policy authorising council members to attend meetings by means of an audio or audiovisual conferencing system	95(3)(a)
	Establishing a policy to allow the chairperson to exercise a casting vote (passed at the first meeting of the council held after a general election)	95(6)(a)
	Adopting a policy providing that council members are entitled to payment or reimbursement of reasonable expenses for travel and accommodation necessary for attending a council meeting or attending business of the council in accordance with a prior resolution of the council	109(1)
10. Meetings of audit committees, council committees and local authorities	Establishing a policy authorising members of an audit committee, council committee or local authority to attend meetings of the audit committee, council committee or local authority respectively, by means of an audio or audiovisual conferencing system	98(3)(a)
	Allowing a member of an audit committee, council, council committee or local authority to attend to business of the council	109(1)(b)
	Adopting a policy providing that members of an audit, council committee or local authority are entitled to payment or reimbursement of reasonable expenses for travel and accommodation necessary for attending a meeting of the audit committee, council committee or local authority respectively or attending business of the council in accordance with a prior resolution of the council	109(1)
11. Expenses, gifts and benefits for council members	Adopting a policy providing the council members are entitled to payment or reimbursement of other reasonable expenses and/or non-monetary benefits that may be incurred or required as a result of undertaking official duties	109(2)

Delegation of council powers and functions

	Adopting a policy in relation to relevant gifts or benefits received by council members	112(1)
12. Complaints of Contravention of code of conduct	Adopting a policy in relation to a contravention of the code of conduct	121
	Deciding a complaint against a council member for breach of the code of conduct, if the matter referred to the council	122(2)(a)
	Referring a complaint against a council member for breach of the code of conduct to a council panel for that panel to decide the complaint	122(2)(b)
	Referring a complaint against a council member for breach of the code of conduct to a third party	122(2)(c)
	Accepting or rejecting a request from a complainant or respondent to refer the complaint for a breach of the code of conduct to a third party	124(2)
	Taking into consideration any advice of a third party in relation to a complaint against a council member for breach of the code of conduct	125(4)(a)
	Deciding on a complaint against a council member for breach of the code of conduct, if the matter referred to the council by the third party	125(4)(b)
	13. By-elections	Appointing the CEO or another person (other than the Electoral Commissioner) to be the returning officer for a by-election
Declaring that a by-election is to be a mandatory postal vote election		137(2)
14. Caretaker policy	Adopting a caretaker policy governing the conduct of the council and its staff during the period that commences on the nomination day for a general election and ends when the results of the general election is declared	161(1)
15. Council CEO	Appointing a CEO	165(1)
	Providing authorisation to the CEO to act or give advice in relation to a matter the CEO has a personal or financial interest in	179(5)
	Approving a recruitment process for CEO appointment	Guideline 2: Appointing a CEO
	Deciding to use a recruitment agency when appointing a CEO	Guideline 2: Appointing a CEO
	Approving a salary package for a CEO	Guideline 2: Appointing a CEO
16. Council Policies	Adopting policies on human resource management	172
	Adopting a policy in relation to allowances and any other benefits for the CEO	174(1)

Delegation of council powers and functions

	Adopting a code of conduct for the CEO	175(1)
	Adopting a policy for investing money that is consistent with the <i>Local Government Act 2019</i>	194(3)
	Adopting a policy for shared services	216(1)
	Adopting a policy to provide for what constitutes a sufficient interest in the assessment record in order for a person to inspect or copy the assessment record	230(5)
	Adopting a policy for rate concessions	247(2)
	Adopting a policy on the use of accountable forms such as Cabcharge vouchers, tickets or meal vouchers by council members and the CEO	Local Government (General) Regulations
	Adopting a policy on the use of council credit cards by council members and the council CEO	Local Government (General) Regulations
	Adopting a policy on gifts and benefits (including entertainment and hospitality) received by the council CEO	Local Government (General) Regulations
17. Council borrowing	Seeking approval to borrow money from the Minister	197(3)(a)
	Deciding to borrow money in situations where the Minister's approval is not required (that is, where the council gets an advance on overdraft and the term of the advance does not exceed 2 months and the amount of the advance does not exceed 2% of the council's or subsidiary's total revenue for the last financial year for which the council has an audited financial statement; and/or if the transaction is classified as a 'minor transaction' under the Minister's guidelines)	197(4)(a)
18. Council budget	Adopting its budget for a particular financial year	203(1)
	Adopting an amended budget	203(2)
	Authorising an allocation of money that is not provided for in the budget	204(2)(a)
19. Accounting records	Adopting a privacy policy protecting members and staff of the council from undue intrusion into their private affairs	206(3)
	Adopting a privacy policy protecting the local government subsidiary's staff from undue intrusion into their private affairs where the council is the only constituent council of the local government subsidiary	206(5)(a)
20. Auditor	Appointing an auditor	209(1)
	Fixing the auditor's term of appointment (between 2 and 5 years) and the basis of the auditor's remuneration	209(4)

Delegation of council powers and functions

21. Rates and charges	Adopting unimproved capital value, improved capital value or annual value as the basis of the assessed value of allotments within its council area or part of its area	227(1)
	Declaring rates and charges	237(1)
	For City of Darwin – imposing a parking rate for the municipality in accordance with any requirements prescribed by regulation	240(1)
	Allowing a discount or some other form of concession or benefit for prompt payment of rates in full	243(1)
	Fixing a rate of interest as the relevant interest rate for a financial year	245(3)
22. Roads	Considering any written objections lodged as a result of public consultation by council on a proposal to establish a new road in its area	273(4)
	Carefully considering written submissions made by the Minister (or the Minister's nominee) and the MLA in relation to consultation on a council proposal to close a road temporarily but for a substantial period (at least 1 month)	274(2)(a)
23. By-laws	Making a by-law including by-laws for the management and control of a public cemetery and by-laws for animal management	278(2)
	Considering submissions made as a result of public consultation by council on a proposed by-law	278(1)(c)
24. Fees for services	Imposing a fee to be charged for a service	289(1)
	Providing an exemption from payment of a fee for a service	289(4)(a)
	Providing a refund (wholly or partly) of a fee for a service	289(4)(c)
25. Reviewable decision	Designating a decision as a reviewable decision	322(1)(b)
	Making the final decision on an application for a reviewable decision after receiving a recommendation from an administrative review committee	325(1)
26. Legal proceedings	Authorising the commencement of legal proceedings (including proceedings for an offence) except proceedings to prosecute for an Offence against a by-law, proceedings for debt recovery or proceedings prescribed by regulation	329(1)

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Resource No. 4

Key transitional matters

Please note: the General Regulations are still being drafted and the information below is based on the best of our knowledge at the time of writing. Content of the General Regulations is subject to change.

Transitional matter	Enabling provision
General	
Anything done by a council before the commencement of the new Act, in accordance with its provisions, is valid, despite any conflict with the provisions of the 2008 Act.	Sections 348 and 349
If the way certain previous policies were adopted was in accordance with the new Act, they are taken to have been adopted under the new Act.	Section 365 (Resource No. 1 refers)
If the way specified previous policies under certain sections of the 2008 Act were adopted was in accordance with the new Act, they are taken to be a policy made under corresponding new sections of the Act.	Section 365 (Resource No. 1 refers)
Certain policies have 12 months to be adopted. However, if council needs to take action pursuant to a specific policy, council must adopt the policy before the action is taken.	Section 365
Representation review rules apply up to next elections.	Section 350
Council committees established by council resolution under the repealed section 54(1) continue as if established by the respective council under 82(1) of the new Act.	General Regulations
Planning and declaration of rates	
The 2020-21 Council plan, long-term financial plans, budget and rates declarations all have to be adopted or declared by 31 July 2020. The new timeline of between 1 March and 30 June will be effective for the adoption or declaration of 2021-22 council plans, long-term financial plans, budgets and rates.	Sections 356, 360 and 362
Land of charities or public benevolent institutions (PBIs) used for non-commercial purposes continue to be exempt from rates for 2020-21 even if not registered with Australian Charities and Not-for-profits Commission.	Section 361
Any land that would not have been rateable if the 2008 Act applied, is not rateable during 2020-21.	General Regulations
New annual report requirements do not apply to annual report for 2019-20.	General Regulations
Council members	
All current members of local authorities, including council members who are members, are continued as if appointed members.	Section 357
Code of conduct complaints lodged before 1 July 2020 are governed by the 2008 Act.	Section 358

Key transitional matters

Council member allowances and expenses rules continue until Remuneration Tribunal determination takes effect.	Section 353
Eligibility requirements for council members do not apply until next local government periodic general elections.	General Regulations
Donation disclosure period starts on 1 January 2021 for current council members.	General Regulations
Local Authority Members	
Appointed members continue to be members. Elected members of the relevant ward and the Mayor/President are taken to be appointed members (until council decides otherwise). Note that there must be at least one elected member from the relevant ward on a local authority.	Section 357
CEO	
Eligibility requirements for CEO, deputy CEO and subsidiary chief executive do not apply during their current contract but they apply if the contract is renewed.	Section 359
Local Government Association of the Northern Territory (LGANT)	
LGANT is continued for 12 months while it incorporates.	Section 346
LGANT and then the 'new' LGANT continue to hold their membership in CouncilBIZ.	Section 347
Darwin Parking Local Rates	
Provisions of the <i>Local Government (Darwin Parking Local Rates) Regulations 1982</i> continue to apply to any rates levied for the financial year in which the new Act commences (2020-21).	General Regulations

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Resource No. 5

Council member roles and responsibilities under the Local Government Act 2019

Contents

1. Code of Conduct.....	2
2. Role of a council member.....	3
3. Role of the mayor or president.....	4
4. Eligibility and disqualification from office.....	4
5. Professional Development.....	5
6. Employer of the CEO.....	5
7. Assistance of CEO.....	5
8. Campaign donation return.....	5
9. Annual return of interests.....	6
10. Disclosure of conflict of interest.....	6
11. Improper use of information.....	7
12. Candidate in Territory or Federal elections.....	7
13. Ceasing to hold office (resignation).....	8
14. Conviction for an offence.....	8
15. Removal from office by NTCAT.....	8

Council member roles and responsibilities under the Local Government Act 2019

1. Code of Conduct

1	Honesty and integrity
	A member must act honestly and with integrity in performing official functions
2	Care and diligence
	A member must act with reasonable care and diligence in performing official functions.
3	Courtesy
	A member must act with courtesy towards other members, council staff, electors and members of the public.
4	Prohibition on bullying
	A member must not bully another person in the course of performing official functions.
5	Conduct towards council staff
	A member must not direct, reprimand, or interfere in the management of, council staff.
6	Respect for cultural diversity and culture
6.1	A member must respect cultural diversity and must not therefore discriminate against others, or the opinions of others, on the ground of their cultural background.
6.2	A member must act with respect for cultural beliefs and practices in relation to other members, council staff, electors and members of the public.
7	Conflict of interest
7.1	A member must avoid any conflict of interest, whether actual or perceived, when undertaking official functions and responsibilities.
7.2	If a conflict of interest exists, the member must comply with any statutory obligations of disclosure.
8	Respect for confidences
8.1	A member must respect the confidentiality of information obtained in confidence in the member's official capacity.
8.2	A member must not make improper use of confidential information obtained in an official capacity to gain a private benefit or to cause harm to another.
9	Gifts
9.1	A member must not solicit, encourage or accept gifts or private benefits from any person who might have an interest in obtaining a benefit from the council.
9.2	A member must not accept a gift from a person that is given in relation to the person's interest in obtaining a benefit from the council.
10	Accountability
	A member must be prepared at all times to account for the member's performance as a member and the member's use of council resources.
11	Interests of municipality, region or shire to be paramount
11.1	A member must act in what the member genuinely believes to be the best interests of the municipality, region or shire.
11.2	In particular, a member must seek to ensure that the member's decisions and actions are based on an honest, reasonable and properly informed judgment about what best advances the best interests of the municipality, region or shire.
12	Training
	A member must undertake relevant training in good faith.

Council member roles and responsibilities under the Local Government Act 2019

If a council member is found to have breached the Code of Conduct there can be various outcomes depending on the seriousness of the matter and the forum that is considering the matter.

Sections 120–132 of the *Local Government Act 2019* concern complaints about breaches of the code of conduct.

A council or a council panel may decide to:

- issue a reprimand; or
- recommend that the council member and/or the complainant or any other person attend training, mediation or counselling by a specified date.

A LGANT panel may decide to:

- issue a reprimand;
- recommend that the council member and/or the complainant or any other person attend training, mediation or counselling by a specified date; or
- make any other recommendation the LGANT panel considers appropriate.

The Northern Territory Civil and Administrative Tribunal (NTCAT) can order that the council member must not subsequently contravene the Code of Conduct; or make any other order NTCAT considers appropriate.

If NTCAT orders that the council member must not contravene the Code of Conduct and the member does so, it would be an offence of failing to comply with an order, under section 84B of the *Northern Territory Civil and Administrative Tribunal Act 2014*. The maximum penalty for the offence is 100 penalty units or imprisonment for six months.

2. Role of a council member

The highlighted lines below are new in the 2019 Act:

The role of a council members is:

- to represent the interests of all residents and ratepayers of the council area;
- to provide leadership and guidance;
- to facilitate communication between the members of the council's constituency and the council;
- to be properly informed to enable participation in the deliberations of the council and its community activities;
- to ensure, as far as practicable, that the council acts honestly, efficiently and appropriately in carrying out its statutory responsibilities;
- to ensure that council resources are used prudently and solely in the public interest; and
- to actively monitor the financial affairs of the council.

A council member has a duty to act in the best interests of the council's constituency at all times.

It is important to remember that a council member has no power to direct or control staff of the council (except the council CEO), or to interfere with the management of staff of the council.

See section 44 of the *Local Government Act 2019*.

Council member roles and responsibilities under the Local Government Act 2019

3. Role of the mayor or president

The highlighted lines below are new in the 2019 Act:

A mayor or president (the principal member) has the same roles as for a council member set out above.

In addition to those roles, a mayor or president has responsibility to:

- chair meetings of the council;
- speak on behalf of the council as the council's principal representative;
- liaise with the CEO about the performance of the council's and CEO's functions;
- promote behaviour among the members of the council that meets the standards set out in the Code of Conduct; and
- lead the council to undertake regular review of the performance of the CEO.

A deputy mayor or deputy president is responsible to carry out the responsibilities of the mayor or president if:

- the functions are delegated to the deputy; or
- the mayor or president is absent from official duties because of illness or for some other reason.

See section 59 of the *Local Government Act 2019*.

4. Eligibility and disqualification from office

It is an offence if a council member does not resign in writing if they become disqualified from office. See section 51 of the *Local Government Act 2019*. If you think you may have become disqualified you should get advice from LGANT, the Department or a lawyer before resigning. If you resign because you think you are disqualified it has immediate effect and cannot be withdrawn.

The highlighted provisions below will take effect for the 2021 general elections.

A person is disqualified from office as a member of a council if the person:

- holds a judicial office;
- is bankrupt;
- is sentenced to a term of imprisonment of 12 months or more;
- is a staff member of the council;
- is a staff member of the local government subsidiary of which the council is a constituent council of the local government subsidiary;
- is indebted to the council and fails to discharge the debt within 6 months after the debt becomes due and payable;
- is certified mentally unfit to carry out the functions of a member;
- is disqualified from managing a corporation under the *Corporations Act 2001 (Cth)* or the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth)*;
- is disqualified under section 40 of the *Associations Act 2003* from being an officer of an incorporated association;

Council member roles and responsibilities under the Local Government Act 2019

- is a member of the Commonwealth House of Representatives or Senate;
- is determined by NTCAT to be unfit to be a member under section 133;
- is disqualified from holding a local government office under section 89(3) of the Criminal Code, due to being found guilty of undue influence or bribery in respect of a local government election;
- ceases to be enrolled as an elector in respect of a place of residence within the area;
- ceases to have a principal place of residence within the area; or
- is absent, without permission of the council in accordance with the regulations, from 2 consecutive ordinary meetings of the council.

For more information, see section 47 of the *Local Government Act 2019*.

5. Professional Development

Council members must complete a training course or courses approved by the CEO of the Department of Local Government, Housing and Community Development within 12 months of election.

The training courses will be about the responsibilities of being a member of council. Clause 12 of the Code of Conduct provides that a member must undertake relevant training in good faith.

See section 45 of the *Local Government Act 2019*.

6. Employer of the CEO

The council must appoint a person to be the CEO. See section 165 of the *Local Government Act 2019*. The council, as a corporate body, are the employer of the CEO. It is important that the council manages the CEO well. It is the role of the mayor or president lead the council to undertake regular review of the performance of the CEO.

7. Assistance of CEO

It is part of the role of the CEO to ensure council reviews council's policies, plans and decisions in a timely manner; to provide or obtain for the council the information and advice the council reasonably requires for effectively carrying out its functions and to carry out other functions delegated to the CEO by the council.

See section 167 of the *Local Government Act 2019*.

8. Campaign donation return

Each candidate in an election must give a campaign donation return for the disclosure period to the Northern Territory Electoral Commission within 40 days after the expiry of the disclosure period.

If the candidate is an elected member of council immediately prior to the election, the donation disclosure period commences on the day that the results of the last election (when the member was elected) were declared or 1 January 2021, whichever comes later. It expires on the date the election results are declared.

A candidate must not accept a donation or loan from a person during the disclosure period unless the candidate knows the details for the campaign donation return for the donation or loan.

The form for campaign donation disclosures requires the following information:

Council member roles and responsibilities under the Local Government Act 2019

- the amounts or values of each donation made, directly or indirectly, to the candidate;
- the dates each donation was made;
- the details of the donors;
- the amounts and terms of any loan to the candidate;
- the details of the lenders of the loan.

If the candidate did not receive any donations or loans during the disclosure period, the candidate must still provide a return. The return will be made available for public inspection by the Electoral Commissioner.

Failure to provide the donation disclosure return, or failure to give a complete return, to the Electoral Commissioner, without a reasonable excuse, are offences.

See sections 147–156 of the *Local Government Act 2019*.

9. Annual return of interests

A council member must submit an annual return of interests to the CEO within 60 days of being elected and between 31 March and 30 September each year. This return will need to be in the form prescribed under the General Regulations.

Failure to submit an annual return of interests without a reasonable excuse is an offence.

See section 110 of the *Local Government Act 2019*.

10. Disclosure of conflict of interest

A conflict of interest exists where a council member, or an associate of the member, has any of the following interests in how a question may be decided:

- a **direct interest** (an interest that occurs when a member is likely to be directly affected if the matter is decided in a particular way);
- an **indirect financial interest** (an interest that occurs when a member is likely to receive a benefit or incur a loss because another person has an interest);
- an **indirect interest by close association** (an interest that occurs when an associate of a member has a direct or indirect interest, or a resident of the member's household has a direct interest);
- an **indirect interest due to conflicting duties** (an interest that occurs when a member is a director, partner, agent, trustee, manager, office holder or employee of a person or entity, including a non-profit body or association, that has a direct interest).

A person is an associate of a council member if:

- they are in a close family relationship; or
- they are in partnership; or
- one is a company and the other is a director or manager of the company; or
- they are related companies; or
- one is a private company and the other is a shareholder in the company; or
- a chain of relationships can be traced between them under one or more of the above dot points.

Council member roles and responsibilities under the Local Government Act 2019

A council member must disclose a conflict of interest as soon as the member is aware that they have a conflict in a matter that has arisen or is about to arise before a council, an audit committee, a council committee or a local authority.

The council member must advise the meeting and the CEO.

A member must not be present at a meeting of the audit committee, council, council committee or local authority, while the matter in which the member has a conflict of interest is under consideration.

The member must not participate in any decision in relation to the matter. Additionally, the member must not engage in behaviour that may influence the audit committee, council, council committee or local authority's consideration of or decision in relation to the matter.

The Minister can approve participation of a member in a matter where they have a conflict of interest, but this is rare. In the past, it has occurred where a quorum cannot be reached due to the number of members with conflicts of interest.

Failure to disclose a conflict of interest and participation where a member has a conflict of interest are offences.

If NTCAT finds that a member has participated in the decision of an audit committee, a council, a council committee or a local authority when they had a conflict of interest, NTCAT may declare the decision void.

See sections 114-115 of the *Local Government Act 2019*.

11. Improper use of information

Improper use of information obtained as a member of a council is an offence.

Improper use means that the information is used to gain some private benefit for the person or another person, or uses it to inflict harm on another person.

See section 118 of the *Local Government Act 2019*.

12. Candidate in Territory or Federal elections

If a council member resigns to stand as a candidate for election to the Legislative Assembly, the Commonwealth House of Representatives or the Senate – they may be able to request reinstatement as a member if they are unsuccessful in the election.

To be able to request reinstatement:

- the resignation must not be more than 28 days before the close of nominations for the election;
- the resignation must be in writing and state that the resignation is in order to stand as a candidate in the relevant election; and
- if the person is not elected, the application for reinstatement is made within seven days after the result of the election is known.

See section 55 of the *Local Government Act 2019*.

Council member roles and responsibilities under the Local Government Act 2019

13. Ceasing to hold office (resignation)

A person ceases to hold office as a council member if they become disqualified from office, deceased or resign.

A resignation must be in writing to the CEO. A resignation can state the date it will take effect – up to 3 months in the future. If the resignation does not state a date when it takes effect, it is effective immediately. Once given, a resignation cannot be withdrawn.

Where a mayor or president of a council is appointed (rather than elected), the mayor or president can resign from their position as mayor or president, but remain as an ordinary council member.

See sections 53 and 63 of the *Local Government Act 2019*.

14. Conviction for an offence

If a council member is convicted of any offence, the member must notify the council CEO of the conviction as soon as practicable and the CEO must notify the Department of Local Government, Housing and Community Development.

See section 49 of the *Local Government Act 2019*.

15. Removal from office by NTCAT

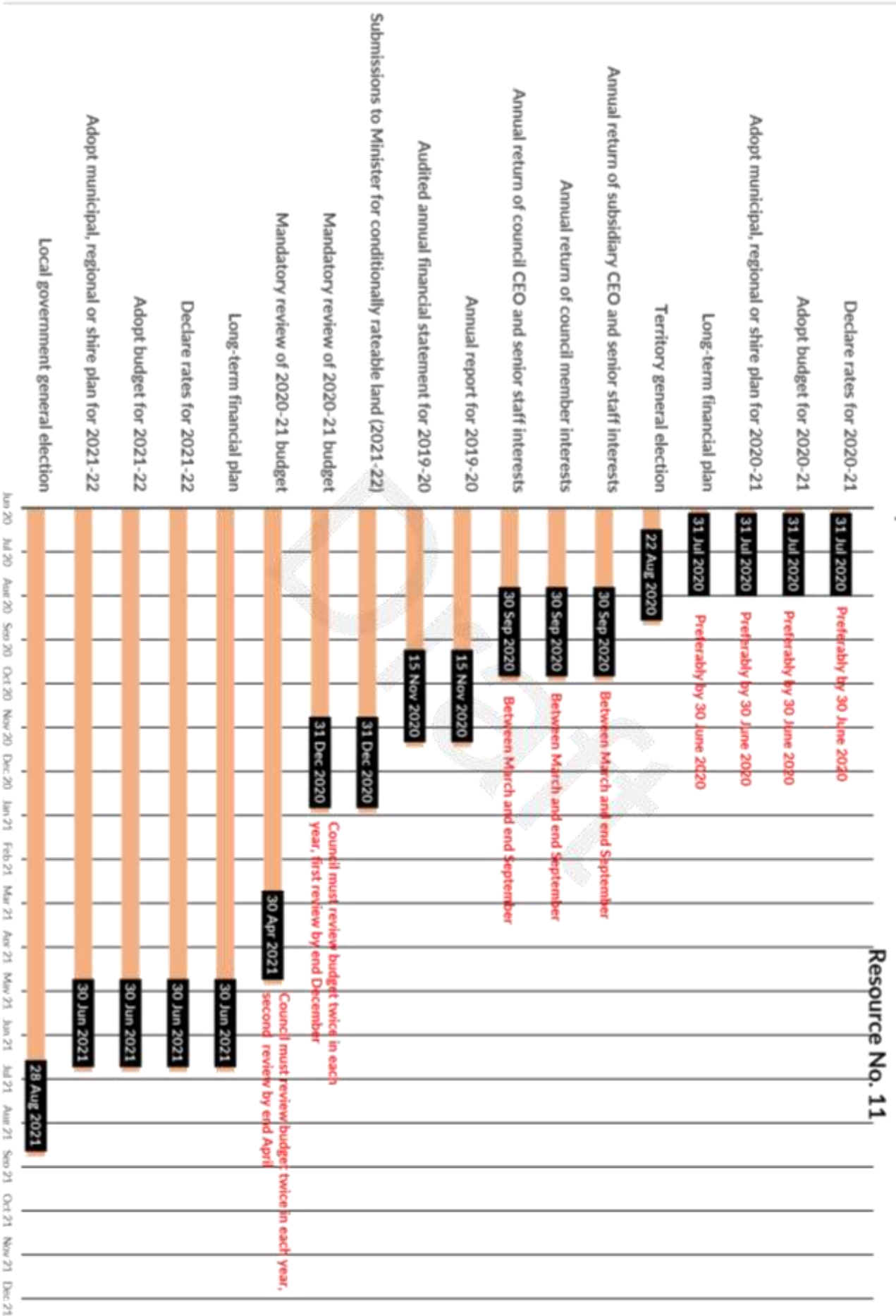
If a council member is convicted of an offence under any Act that potentially demonstrates that the member is unfit to remain in office, an elector from the council area may apply to NTCAT to determine whether the convicted member is unfit to remain in office.

If NTCAT determines that the nature and details of the offence demonstrate that the member is unfit to remain in office, NTCAT may dismiss the council member from office.

If NTCAT dismisses a council member, NTCAT may disqualify the person from holding office as a council member for a period of up to five years.

See section 133 of the *Local Government Act 2019*.

Some important Dates



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Resource No. 13

Planned Content for the Regulations

Content is subject to change – councils will be consulted regarding the draft regulations
Your comments are welcome and can be emailed to LGLaw.DLGHCD@nt.gov.au

Contents

Introduction	2
New Local Government (General) Regulations	2
Accounting regulations	2
Financial administration.....	2
Financial records	2
Annual budget, long-term financial plan and budget reviews	3
Annual financial statement	3
Monthly financial reports.....	4
Authorised accounts, cheques and cash expenditure	4
Writing-off money and assets.....	5
Rates.....	5
Writing-off debts	5
Procurement.....	6
Administrative regulations	7
Public access to meetings	7
Confidential business.....	7
Records and registers.....	7
Closure of roads.....	9
Other regulations	9
Major and minor assets	9
Prescribed corporation	9
Absence from two consecutive meetings.....	9
Convening meetings.....	9
Council member allowances.....	10
Annual return of interests.....	11
Review of council delegations.....	11
Code of conduct complaints.....	11
Appointing a CEO	12
Conditionally rateable land	12
Exemption from requirements	12
Miscellaneous matters.....	13
New Local Government (Electoral) Regulations	13
Nomination requirements	13
Ballot paper requirements.....	14
Scrutiny of votes	14
Postal voting and mandatory postal vote elections.....	14
Miscellaneous matters	16

Introduction

- Overall, the following matters should be noted:
 - there will be a general power for the Department to issue general instructions;
 - the Local Government Accounting Advisory Committee (LGAAC) will not be continued; and
 - the Local Government (Administration and Legislation) Advisory Committee (ALAC) will not be continued.

New Local Government (General) Regulations

Accounting regulations

1. In general, the content from the *Local Government (Accounting) Regulations 2008* will be included in the new General Regulations, including the below topics.

Financial administration

2. Requirements for councils and local government subsidiaries to have policies and internal controls on financial administration, including:
 - (a) internal control policies and procedures (including fraud and corruption protection plan; procedures to ensure all receipts are duly recorded in the council's or subsidiary's accounting records and all cash is deposited in the council's or subsidiary's bank account in a timely manner, respectively; a policy adopted by council resolution regarding the use of accountable forms such as Cabcharge vouchers, tickets or meal vouchers by council members, council CEO and chief executive if the council is the sole constituent council for a local government subsidiary, and for a subsidiary which has multiple constituent councils, the policy on the use of accountable forms by the chief executive must be adopted by resolution of the subsidiary board; a policy made by the CEO or chief executive regarding the use of accountable forms such as Cabcharge vouchers, tickets or meal vouchers by council or subsidiary staff; and a policy on safeguarding all major and minor assets);
 - (b) a policy adopted by council resolution on the responsibility for and use of council credit cards by council members, the council CEO and chief executive if the council is the sole constituent council for a local government subsidiary, and for a subsidiary which has multiple constituent councils, the policy on the responsibility for and use of council credit cards by the chief executive must be adopted by resolution of the subsidiary board;
 - (c) a policy made by the CEO or chief executive on the responsibility for and use of council or subsidiary credit cards by council or subsidiary staff, respectively;
 - (d) a policy adopted by council resolution on gifts and benefits (including entertainment and hospitality) received by the council CEO or chief executive if the council is the sole constituent council for a local government subsidiary and for a subsidiary which has multiple constituent councils, the policy on gifts and benefits received by the chief executive must be adopted by resolution of the subsidiary board;
 - (e) a policy made by the CEO or chief executive on gifts and benefits (including entertainment and hospitality) received by council or subsidiary staff, respectively;
 - (f) a register of all delegations by the council and the council CEO; and
 - (g) any other information required under a general instruction.

Financial records

3. Requirements for councils and local government subsidiaries to keep financial records to allow financial statements to be prepared and audited, including the following requirements:

Planned Content for the Regulations

- (a) to be in electronic form correctly recording and explaining all transactions and the council's or subsidiary's position and performance;
- (b) council must keep a register of major assets and a register of minor assets which contain description of the asset, the date council obtained control of the asset, the value of the asset, the condition of the asset, the location of the asset and the date of disposal of the asset (if applicable);
- (c) council must review its assets every 5 years;
- (d) council must review its inventory (includes fuel and workshop materials) once every year; and
- (e) council CEO or chief executive of a local government subsidiary must ensure that appropriate controls and procedures are implemented and maintained to ensure the integrity and security of the data files and programs.

Annual budget, long-term financial plan and budget reviews

4. Requirements for a council's annual budget, long-term financial plan and budget reviews, including:
- (a) council's budget and long term financial plan must be on an accrual basis, be in the approved form, provide for a list of budget assumptions, provide for a list of initiatives in the budget, provide for infrastructure works and projected costings, and provide for a list of budgeted movements in the reserves expected in the period for the budget or the long-term financial plan, including the amount and reason for the movement;
 - (b) if budgeted capital expenditure for a capital item is expected to be incurred after period provided for in the long-term financial plan, the long-term financial plan must include a statement setting out the remaining budget balance amount and the expected capital expenditure completion date;
 - (c) a council must not budget for a deficit, but depreciation, amortisation, asset write-downs and the expenditure of tied grant funding recorded as income in a previous year will be disregarded when determining if a deficit will occur;
 - (d) a council's budget for a financial year must be reviewed by the council on at least one occasion between 1 July and 31 December in the financial year and on at least one occasion between 1 January and 30 April in the financial year;
 - (e) if the council adopts an amended budget as a result of a review, and the amended budget has an impact on the council's long-term financial plan, the council must amend the council's long-term financial plan at the same time as adopting the amended budget; and
 - (f) requirement for a council resolution to: transfer to or from council reserves; a change in purpose of a council reserve; or expenditure deviation of a council reserve.

Annual financial statement

5. Requirements for the annual financial statement, including:
- (a) a separate line that states the total remuneration for the CEO;
 - (b) a separate line that states the total figure of the sum of the remuneration for the key management personnel that is required in the Australian Accounting Standards;
 - (c) a statement of the nature (capital or operating), amount and source of each grant or subsidy received during the financial year;
 - (d) a comparison of the original budget, final budget and actuals, with a report on the reasons for the variation between the final budget and actuals;
 - (e) when the annual financial statement has been prepared, the CEO must certify in writing that the statement has, to the best of the CEO's knowledge, information and belief, been properly drawn-up in accordance with the applicable Australian Accounting Standards, the Act and the Regulations, so as to present fairly the financial position of the council and the results for the relevant financial year and that the statement is in accordance with the accounting and other records of the council;

Planned Content for the Regulations

- (f) the CEO must, as soon as practicable after the financial statement has been audited, lay the statement before the council;
- (g) the financial statement must not be provided to the Minister or made publicly available until after the council has resolved to accept the CEO's statement; and
- (h) a council must forward a copy of its annual financial statement to the NT Grants Commission on or before 15 November in each year and provide any further information required by the Commission.

Monthly financial reports

6. Requirements for the monthly financial reports including:
- (a) in each month, the council CEO must give to council a report setting out the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month and the forecast income and expenditure for the financial year;
 - (b) the report must be in the approved form and must be accompanied by a certification, in writing, by the council CEO to the council that, to the best of the CEO's knowledge, information and belief, the internal controls implemented by the council provide a reasonable assurance that the council's financial records; and the report is true and fair, and if the CEO cannot provide the certification, the CEO must provide written reasons for not providing the certification;
 - (c) the report must include: details of all cash and investments held by the council (including money held in trust); a statement on the debts owed to the council (including the aggregate amount owed under each category with a general indication of the age of the debts); a statement on the debts owed by the council (including information on trade debtors or trade creditors with a general indication of the age of the debts or credits); a statement in relation to the council's payment and reporting obligations for GST, fringe benefits tax, PAYG withholding tax, superannuation and insurance; details of any material variances between the most recent actual income and expenditure of the council and the most recently adopted annual budget, the closing cash at bank balance split between tied and untied funds for each month; and
 - (d) if a council does not hold a meeting in a particular month, the report is to be laid before the council committee performing the council's financial functions for the particular month.

Authorised accounts, cheques and cash expenditure

7. Rules for using authorised accounts, cheques on behalf of council, and expenditure in cash, including:
- (a) the name in which an authorised account is kept by a council must include the name of the council;
 - (b) the CEO must ensure that, at least once in each month, the balance of an authorised account is reconciled with income and expenditure that has been or should have been paid into, or from, the account;
 - (c) a cheque issued on behalf of a council must be signed by at least 2 persons authorised by resolution of the council to sign cheques on its behalf;
 - (d) an electronic disbursement from an authorised account must be processed by at least 2 persons authorised by resolution of the council to process electronic disbursements on its behalf;
 - (e) authorisation to sign cheques or to process electronic disbursements may only be given to the council's principal member, the council CEO, a staff member of the council or a staff member of a local government subsidiary, and may be given subject to limitations and conditions determined by the council and specified in its resolution;
 - (f) council expenditure may be made in cash to an extent authorised by resolution of the council; and
 - (g) a council must keep an account of cash expenditure under the imprest system.

Writing-off money and assets

8. Rules in relation to writing off money and assets (property) including:
- (a) the council CEO is responsible for the safekeeping of all council property (including inventory items, materials and tools);
 - (b) the council CEO must ensure that adequate records are kept of council property;
 - (c) the council CEO must ensure that stocktakes of council property are carried out regularly in accordance with the Australian Accounting Standards and any applicable council policies;
 - (d) if a council is satisfied, on the certificate in writing of the CEO, that money has been misappropriated or cannot be found, the council may authorise the writing off of the relevant amount in the accounts of the council; and
 - (e) if a council is satisfied, on the certificate in writing of the CEO, that an item of property has been misappropriated, destroyed, damaged beyond economical repair or cannot be found, the council may authorise the writing off of the item in the accounts of the council.

Rates

9. Before a council adopts its budget for a financial year, the council CEO must check all available records to ensure that all rateable land is recorded in the assessment record and certify, in writing, to the council that, to the best of the CEO's knowledge, information and belief, the assessment record is a comprehensive record of all rateable land within the council area.
10. Matters to be included in the rates record for each allotment or rateable land are all rates and charges levied on the allotment, the interest imposed, the amount of rates written-off (if any) and the amount of payments made.
11. Matters to be included in the rates notice include:
- (a) the name of the ratepayer to whom the notice is addressed;
 - (b) the number and description of the allotment to which the notice relates;
 - (c) particulars of the amount payable (including any interest and penalties accrued or imposed up to the date of the notice);
 - (d) the basis of calculation of the rates (including, where relevant, the valuation);
 - (e) a description of the ways to make payment;
 - (f) a short statement of the consequences of a failure to pay by the due date; and
 - (g) a statement setting out the process to apply to correct an entry in the assessment record.

Writing-off debts

12. Requirements for record keeping and writing-off debts, including:
- (a) the council CEO must ensure that proper records are kept of debts owed to the council;
 - (b) the records must be kept in an electronic form and must be capable of being arranged according to the category of the debt (distinguishing in particular between debts for, or related to, rates and other debts) and according to the age of the debt;
 - (c) a council may, by resolution, write-off unpaid rates or some other debt owed to the council;
 - (d) however, a resolution is not to be passed by a council unless the council CEO certifies in writing: that there is some doubt whether the rates were properly imposed, or are recoverable at law; or it would be impracticable or uneconomical to recover the rates, if the debt is for rates; or that the CEO has made all reasonable efforts to recover the debt and it is not reasonably possible to recover it, if the debt falls within some other; and
 - (e) the writing-off of a debt does not prevent the council from subsequently taking action for the recovery of the debt.

Procurement

13. Requirement for a council to adopt, by resolution, a policy for the procurement of goods and services that take into account the following principles:
- (a) the enhancement of the capabilities of local enterprises and industries;
 - (b) the enhancement of the employment of Aboriginal people;
 - (c) value for money;
 - (d) environmental protection; and
 - (e) open and effective competition.
14. Rules in relation to quotations and tenders, including:
- (a) a council need not obtain quotations for the provision of supplies if the cost of the supplies is less than \$10,000;
 - (b) if a council proposes to obtain supplies at a cost of \$10,000 but not more than \$100,000 (exclusive of GST), the council must obtain written quotations from at least 3 possible suppliers;
 - (c) if it is not practicable to obtain quotations from 3 possible suppliers, the council must obtain as many as practicable and must record in writing its reasons for not obtaining the 3 quotations;
 - (d) if a council proposes to obtain supplies at a cost of more than \$100,000, but not more than \$150,000 (exclusive of GST), the council must make a public request for quotations from suppliers;
 - (e) a council must not enter into a contract for the provision of supplies (including third party procurement service) to the council at a cost of more than \$150,000 (exclusive of GST), unless it has first called for tenders for that contract by notice published in a newspaper circulating in the council's area and by notice on the council's website;
 - (f) quotations or tenders are not required for the provision of supplies consisting of, or related to the purchase of land, including the leasing of land or if the supplies are to be obtained under a contract to which any of the Territory, Commonwealth, a State or another Territory is a party to;
 - (g) quotations or tenders are not required if the supplies are to be obtained under a contract to which another council or a local government subsidiary is a party to only if obtaining the supplies under that particular contract has been authorised by resolution of the council and notice of the resolution has been published on the council's website;
 - (h) if a council obtains supplies under a period contract for a period that is more than one financial year, the threshold amounts for written quotations or tenders are calculated to be divided in respect of each financial year;
 - (i) if a council enters into a contract for supplies that contains an option for either party to extend the contract, the calculation of the threshold amounts for written quotations or tenders are calculated to assume the option is exercised; and
 - (j) a council must not enter into a contract that is for a period of more than 3 years, including any option to extend the contract, other than a lease of land.
15. A collective procurement agreement must set out:
- (a) the entities that constitute the group;
 - (b) the supplies that are to be obtained;
 - (c) which of the entities in the group is to be the lead entity for the group;
 - (d) the individuals who are to constitute the group's tender committee;
 - (e) multiple contract arrangements;
 - (f) partial acceptance arrangements;

Planned Content for the Regulations

- (g) the decision making process for acceptance of quotations or tenders for the group will be made, including any variations in that process necessary to accommodate the group's multiple contract arrangements and partial acceptance arrangements;
- (h) how administrative and other costs associated with the collective procurement are to be allocated between the members of the group;
- (i) the process for settling disputes between the entities in the group about the collective procurement; and
- (j) the process by which the agreement may be terminated.

Administrative regulations

16. In general, the content from the *Local Government (Administration) Regulations 2008* will be included in the new General Regulations, including the below topics.

Public access to meetings

17. Requirement for public access to council meetings, local authority meetings, council committee meetings (but not audit committee meetings) – unless exemptions apply.

Confidential business

18. Rules on the types of confidential business and requirements to review confidential items, including:
- (a) information about the employment of a particular individual as a member of the staff or possible member of the staff of the council that could, if publicly disclosed, cause prejudice to the individual;
 - (b) information about the personal circumstances of a resident or ratepayer;
 - (c) information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person, prejudice the maintenance or administration of the law, prejudice the security of the council, its members or staff, or prejudice the interests of the council or some other person;
 - (d) information subject to an obligation of confidentiality at law, or in equity; and
 - (e) information provided to the council on condition that it be kept confidential.

Records and registers

19. A list of council's primary records:
- (a) minutes of meetings of the council, local authorities, local boards and council committees;
 - (b) minutes of meetings of electors;
 - (c) the council's by-laws;
 - (d) the council's annual budgets and amendments to the council's annual budgets;
 - (e) the council's annual financial statements;
 - (f) the council's annual reports;
 - (g) the register of annual returns of interests;
 - (h) the register of declared gifts and benefits;
 - (i) the register of declared conflicts; and
 - (j) any other documents necessary for an understanding of the council's policies and operations.
20. A council's secondary records consist of other documents generated or received in the course of the council's operations.
21. Council must keep the following registers:
- (a) a register containing copies of all documents executed under the council's common seal;

Planned Content for the Regulations

- (b) a register of correspondence containing copies of all correspondence addressed to, or sent by, the council or its principal member; and
 - (c) a register in relation to each member of the council containing the member's name, whether the member was appointed or elected to the council, the date of the election or the date of the appointment, the ward the member represents, whether the member is a principal member, deputy principal member or ordinary member of the council and the date of the cessation of the member's membership (if applicable).
22. Matters for and review of register of declared conflicts, including:
- (a) if a council member is given approval by the Minister to participate in the consideration of or in the decision in relation to a matter the member has a conflict of interest, the register of declared conflicts must set out the date the member is given the approval; and
 - (b) the council CEO must update the register of declared conflicts within 5 business days after a meeting in which a conflict is declared.
23. The minutes of a meeting of an audit committee, a council, a council committee and a local authority must include the following information:
- (a) the date, time and place of the meeting (including the time of opening and closing the meeting);
 - (b) if the meeting is closed to the public, the time or times of the closure and the reasons for the closure;
 - (c) the motions (including motions for amendments to motions) moved at the meeting and the names of the mover and seconder of each motion;
 - (d) how the meeting deals with each motion;
 - (e) if the meeting is adjourned, the date, time and place to which the meeting is adjourned;
 - (f) for a meeting of a council, any council resolutions that take place at the meeting;
 - (g) if any confidential business was considered at a meeting, the name and position of each person who attended the meeting;
 - (h) if a member arrives at the meeting later than its time of opening, the time the member arrived at the meeting;
 - (i) if a member departs from the meeting earlier than its time of closing, the time the member departed the meeting; and
 - (j) if a member departs from the meeting earlier than its time of closing and returned to the meeting, the time the member returned to the meeting.
24. Custody, access and disposal of council records, including:
- (a) the council CEO is responsible for ensuring the proper custody of the council's records and must ensure that the council's records are properly filed and indexed to facilitate access;
 - (b) access is to be allowed to a council's records as authorised or required by the Act or any other law in force in the Territory or as required for the conduct of the council's business or the proper discharge by members of the audit committee, council, local authority, and council committee of their duties;
 - (c) a council may, not less than 6 years after the date of the last entry in a primary record, lodge that record in Northern Territory Archives Service; and
 - (d) a council may destroy or dispose of a secondary record if the record is no longer required for the conduct of the affairs of the council and the record is not required for audit purposes.

Closure of roads

25. Rules for the permanent closure of a road, including:
- (a) a requirement to give public notice of the proposal before the council seeks the consent of the Minister and the Minister for roads;
 - (b) the notice must include an invitation to any person who may object to the proposal to lodge a written objection to the proposal within a reasonable period (at least 28 days) stated in the notice;
 - (c) the proposal (which must include a plan delineating the road to be closed with reasonable accuracy and detail) must be accessible on the council's website and must be available for inspection by interested members of the public at the council's public office;
 - (d) the council must consider any objections lodged;
 - (e) if, after publishing a notice under this regulation, the council substantially modifies its proposal (either as a result of objections or for some other reason), the council must publish a fresh notice of the modified proposal; and
 - (f) when the council submits a proposal for permanent road closure to the Minister and the Minister for roads for consent, the proposal must be accompanied by a report setting out the steps taken by the council to comply with the regulation and copies of written objections (if any) received by the council to its proposal.

Other regulations

26. Aside from the above matters, the new General Regulations are anticipated to contain the below matters not covered under 2008 Regulations.

Major and minor assets

27. Major asset is defined as an asset with a value of or above \$10,000 (exclusive of GST) while a minor asset is defined as an asset with a value below \$10,000 (exclusive of GST).

Prescribed corporation

28. Clarifies that LGANT is prescribed corporation.

Absence from two consecutive meetings

29. Requirements for a council member to be determined as being absent without permission for 2 consecutive council meeting, including:
- (a) at the first meeting that a member is absent from the meeting without permission, the council must resolve that the member is absent from the meeting without permission and the resolution must refer to section 47(1)(o) of the Act;
 - (b) the member must be notified, in writing, of the resolution within 7 days of the making of the resolution and must include a copy of the minutes and a statement that if the member is absent without permission from the next ordinary meeting of the council, the member may be disqualified;
 - (c) if the member is absent from the next ordinary meeting of the council without permission, the council must resolve that the member is absent from the meeting without permission and the resolution must refer to section 47(1)(o) of the Act; and
 - (d) nothing prevents a council from revoking a resolution made under it if the member provides a reason to the council for the member's absence to the satisfaction of the council.

Convening meetings

30. A notice convening an audit committee, a council committee or a local authority must be given to the members of the audit committee, council committee or local authority at least 3 business days before the date appointed for the meeting and must be accessible on the council's website and posted on a

Planned Content for the Regulations

notice board at the council's public office least 3 business days before the date appointed for the meeting.

31. The agenda for a meeting of a council committee or a local authority must include any business papers to be considered at the meeting (including any business papers for confidential business).
32. Rules on the postponement of a meeting including:
- (a) where a meeting of an audit committee, a council, a council committee or local authority has been postponed to the following day due to lack of quorum, the notice of the postponement of the meeting and of the time and place to which the meeting has been postponed must be published on the council's website and posted on the notice board at the council's public office at least 4 hours before the appointed meeting; and
 - (b) where a meeting of an audit committee, a council, a council committee or local authority has been postponed to another day (for up to 21 days) due to lack of quorum, the notice of the postponement of the meeting and of the time and place to which the meeting has been postponed must be published on the council's website and posted on the notice board at the council's public office at least one business day within the date of the meeting being postponed.

Council member allowances

33. Rules about allowances for council members, including:
- (a) a council may set the allowances payable by the council each the financial year but may not be changed by the council within the financial year to increase the allowances;
 - (b) however, the council may decrease the allowances payable at any time;
 - (c) if the council sets the allowances to be less than the maximum amount of the allowances determined by the Remuneration Tribunal, the allowances payable must be equal at that amount for all members of the council;
 - (d) the ordinary allowance is paid monthly or in another manner resolved by council, in arrears and is set for the activities required for a member in the member's role, such as preparing for meetings (including considering the agenda and business papers for a meeting), attending ordinary meetings of the council, attending social functions as a member of the council, constituency responsibilities and representing the council outside the local government area (including delegations interstate and overseas);
 - (e) the extra meeting allowance is paid monthly or in another manner resolved by council, in arrears and is set for attendance at a meeting that is not an ordinary meeting of the council;
 - (f) a member may claim a portion of the extra meeting allowance in respect of the member's attendance at an extra meeting if the member was present for at least 75% of the time taken for the meeting and the time taken for the travel for the extra meeting if the member undertook at least 4 hours of travel (including any time in transit) for the meeting on a different day from which the meeting was held;
 - (g) the claim for extra meeting allowance must be made in a form approved by the council and council may require the member to make the member's claim within a specified period at the end of the meeting, but no claim may be made by the member more than 3 months after the end of the meeting;
 - (h) a council must, by resolution, adopt a policy that identifies the types of extra meetings for which the extra meeting allowance is payable and the amount that may be claimed by a member for each type of extra meeting;
 - (i) if a member does not use the member's extra meeting allowance in a financial year, the allowance or the remainder of the allowance is spent at the end of the financial year;
 - (j) the professional development allowance is set for a council member to attend conferences or training courses that enable the member to develop the member's capabilities in the member's role;

Planned Content for the Regulations

- (k) a council must, by resolution, adopt a policy that identifies the types of conferences or training that may be attended or undertaken by a member using the professional development allowance;
- (l) a council member may claim a portion of the member's professional development allowance for the costs (including travel, accommodation and meals) in attending a training course approved by the Department or any training, mediation or counselling recommended by the council, a council panel, a prescribed corporation panel or as ordered by NTCAT as a result of a complaint of a breach of the code of conduct;
- (m) the professional development allowance is paid by a council in relation to a member by deducting from the member's unclaimed allowance entitlement the amount paid directly by the council for costs of any conference, training, mediation or counselling attended or undertaken by the member, or reimbursing a member for the costs in attending any conference, training, mediation or counselling attended or undertaken by the member.

Annual return of interests

34. The details for an annual return of interests for council members, council CEO, council staff, chief executive and senior staff of a local government subsidiary include the following:
- (a) if the person has a shareholding in a public or private company (including a holding company) – the name of the company;
 - (b) if the person has an interest as a trustee or beneficiary in a family or business trust (but not an interest as a trustee in a trust in which neither the person, nor a related person to a person, is a beneficiary or an interest in a land trust under the *Aboriginal Land Rights (Northern Territory) Act 1976*) – the name of the trust, the nature of its operation and the nature of the interest;
 - (c) if the person has an interest as an owner of real estate – the location (suburb or area only) and the purpose for which it is owned;
 - (d) if the person has an interest in a registered company directorship – the name of the company;
 - (e) if the person has an interest in a partnership – the name of the partnership, the nature of the interest and the activities of the partnership;
 - (f) if the person has an affiliation with a political party or body – the name of the party or body;
 - (g) if the person has membership in an organisation – the name of the organisation;
 - (h) if the person has any other interest where a conflict of interest with a member's public duties could foreseeably arise or be seen to arise – the nature of the interest;
 - (i) if the person has any other substantial source of income – the nature of the source of the income.

Review of council delegations

35. Requirement for a council to review any delegation of its functions and powers within 6 months after a general election for the council.

Code of conduct complaints

36. Procedures for code of conduct complaints include the following:
- (a) the council CEO must, within 3 business days of receiving the complaint, give the respondent written notice of the complaint, a copy of the complaint and a statement that the respondent may request the council refer the complaint to a third party under or direct the council to refer the complaint to LGANT, within 14 days;
 - (b) if the complainant is a member of the council, the council CEO must give the complainant a statement that the complainant may request the council refer the complaint to a third party or direct the council to refer the complaint to LGANT;
 - (c) if the complainant is not a member of the council, the council CEO must give the complainant a statement that the complainant may request the council refer the complaint to a third party; and

Planned Content for the Regulations

- (d) at each ordinary meeting of the council, the council CEO must give the council a report containing the procedural progress of each complaint in relation to a council member for the council and the item of the code of conduct allegedly breached by the member.

Appointing a CEO

37. The requirements for appointment to office of CEO include:

- (a) the position is to be publicly advertised, including by newspaper circulating in the area;
- (b) the advertisement must set out the eligibility requirements under section 166 of the Act;
- (c) the recruitment panel must contain at least 1 person who is independent from the council;
- (d) the panel obtains written references for an applicant's past 3 years of work history from the applicant's supervisors or managers (or, if the applicant was a CEO of another council, the principal member of the council);
- (e) the panel verifies the applicant's qualifications and professional memberships; and
- (f) the panel makes enquiries to determine the applicant's eligibility with reference to section 166 of the Act;
- (g) the contract for a CEO must include clauses on contract commencement and expiry dates, a probation period of 6 months, all cash and non-cash benefits and entitlements, performance reviews, termination, leave entitlement, notification requirements for taking leave; and
- (h) if there is a vacancy in the office of the CEO, the council may appoint a temporary CEO for a period specified by the council or until a CEO is appointed.

Conditionally rateable land

38. A council's submission to the Minister in relation to conditionally rateable land must include:

- (a) a report on the council's consultation with the pastoral or mining industries (as applicable) about the levels of conditional rates the council is proposing;
- (b) a list of the council services that the residents of, or workers on, conditionally rateable land have the opportunity to utilise;
- (c) a comparative analysis of the amount of rates contributed to the council by different categories of ratepayer;
- (d) the projected impact of the proposed change to the levels of conditional rates on the council's budget and service provision; and
- (e) a business case setting out how revenue from the proposed levels of conditional rates would be expended (as applicable).

Exemption from requirements

39. The Department CEO may, on application by a council or on their own initiative, exempt a council or councils or a local government subsidiaries from complying with the requirements relating to:

- (a) accounting records;
- (b) annual financial statement;
- (c) certification and delivery of annual financial statement, monthly financial reports to council;
- (d) annual report in relations to rates in arrears;
- (e) a council committee carrying out financial functions;
- (f) authorised accounts;
- (g) disbursements from authorised accounts;
- (h) cash expenditures;

Planned Content for the Regulations

- (i) requirement for the advertisement for a vacancy in the office of the CEO setting out the eligibility requirements under section 166 of the Act;
- (j) procurement policy; or
- (k) quotations and tenders including the period of the contract and contract with option to extend.

Miscellaneous matters

- 40. A requirement for the CEO, each year, to give the council a report setting out any allotment for which rates have been in arrears for more than 2 years, any conditionally rateable allotment for which rates have been in arrears for more than 2 years and the actions taken to recover the rates in arrears.
- 41. A requirement for council to provide a recognised authority (the Minister, the Department, Territory or Commonwealth agency, or other authority) with information related to the administration of the Act or any other law of the Territory or the Commonwealth in a manner and within the time specified in the written request by the authority.
- 42. The prescribed business or industry to which land can be classified as urban farm land is the business or industry of breeding, raising or keeping livestock (including poultry, bees, fish, reptiles and crustaceans) or growing of fruit, vegetables or other crops.
- 43. The General Regulations will also cover municipal parking rates, which are essentially the *Local Government (Darwin Parking Local Rates) Regulations 1982*. This will only apply to City of Darwin and there are no significant changes made to the Regulations.

New Local Government (Electoral) Regulations

- 1. The content from the current *Local Government (Electoral) Regulation 2008* will remain largely unchanged, aside from specific changes to align with recent amendments to the *Electoral Act 2004* and responding to the recommendations of the Northern Territory Electoral Commission's '2017 NT Council Elections Report' (October 2019).
- 2. Specific matters to be updated in the new Electoral Regulations are outlined below.

Nomination requirements

- 3. Requirements for a nomination include:
 - (a) the name of the nominee, which can be: the surname and the given name, or one or more of the given names, under which the nominee is enrolled or entitled to be enrolled;
 - (b) the occupation of the nominee;
 - (c) include a statement that the nominee consents, if elected, to act in the capacity in which the nominee is nominated as a candidate for election;
 - (d) be signed by the nominee and at least one other person who is eligible to vote at an election in the relevant local government area;
 - (e) the nomination must be accompanied by a recent photograph of the nominee that is a full faced vertical portrait of the nominee's head and shoulders;
 - (f) the returning officer may reject a nomination if the nomination is not substantially in accordance with the requirements of the regulations, the nominee is not enrolled, or entitled to be enrolled, at the close of the roll for the election, the name of the nominee is not that under which the nominee is enrolled or entitled to be enrolled or the nominee's name is obscene, frivolous or has been assumed for a political purpose;
 - (g) the returning officer must not reject a nomination on the ground that it is not accompanied by a photograph; and
 - (h) the returning officer must give a nominee whose nomination is rejected written notice of the rejection and the reasons for it and the nominee's right to dispute the validity of the election.

Ballot paper requirements

4. Requirements in relation to a ballot paper include:
 - (a) if a ballot paper is to be prepared for the election – the returning officer must determine by lot, in public at a place decided by the returning officer, the order of the candidates' names on the ballot paper;
 - (b) a ballot paper must have the name of each candidate for election to the relevant office and either: a photograph of each candidate adjacent to the candidate's name on the ballot paper; or for a candidate for whom a photograph has not been supplied, the words 'photograph not supplied' and a square printed adjacent to the candidate's photograph; and
 - (c) clarification that an assistant for a voter may place the ballot paper in the envelope bearing the postal vote certificate, seal the envelope and send or deliver the envelope to the returning officer.

Scrutiny of votes

5. Rules on scrutineers at voting centres and scrutiny centre include:
 - (a) one scrutineer per candidate is entitled to be present at a particular voting centre while the voting centre is open for voting; and
 - (b) one scrutineer per candidate is entitled to be present at each counting table at each scrutiny centre while the scrutiny and counting of ballot papers is conducted at the centre.

Postal voting and mandatory postal vote elections

6. Clarifications regarding postal voting including:
 - (a) a person may apply (in the approved form) to the returning officer for replacement postal voting papers if the person claims that postal voting papers have been issued or issued and sent to them and the papers have been lost damaged or destroyed; and
 - (b) when the application has been received by the returning officer, an authorised officer must make a notation, on the postal vote certificate, that the postal voting papers are issued in replacement of other postal voting papers and must issue the replacement postal voting papers to the applicant.
7. Provisions relating to the procedure for mandatory postal vote elections, including:
 - (a) the public notice given about a mandatory postal vote election must also include the date of the municipal's council resolution to hold such an election, the approximate date on which the postal voting papers are likely to be issued and sent to electors, an explanation of the procedures for postal voting and any other information that the returning officer considers appropriate;
 - (b) a candidate may lodge a candidate statement of no more than 150 words and a photograph of the candidate that complies with the regulations, however, the statement must not include a reference to another candidate in the election, unless that other candidate has consented in writing to the reference, or a claim of endorsement or support from a party, organisation or person unless the organisation or person has consented in writing to the claim being included;
 - (c) before 12 noon on the 2nd day after the determination day, the following documents must be lodged:
 - the candidate's statement;
 - a signed declaration by the candidate that their statement is true and correct, does not contain defamatory statement, does not contain material that may mislead or deceive a voter in the casting of a vote and that the candidate understands that they are liable to be prosecuted if the statement contains a defamatory statement or material that may mislead or deceive a voter in the casting of a vote; and
 - if the documents are lodged by a person authorised in writing to do so by the candidate – the authorisation.

Planned Content for the Regulations

- (d) the lodgement of the documents must be done by the candidate personally or by a person authorised in writing to do so by the candidate and by hand delivery of the documents to an authorised officer at an office of the returning officer or another place approved by the returning officer, or by the electronic means approved by the returning officer;
- (e) the returning officer must reject a candidate statement if the returning officer is of the opinion that the candidate statement does not meet the requirements of the regulations or contains offensive or obscene material;
- (f) a rejection of the candidate statement by the returning officer must be made in writing before 12 noon on the 3rd day after the determination day and state the reason for the rejection, which part of the candidate statement requires amendment, and that the candidate may lodge an amended candidate statement before 12 noon on the 4th day after the determination day;
- (g) if an indication of preferences is rejected under by the returning officer, a candidate who wishes to lodge an amended indication of preferences may do so if it is lodged before 12 noon on the 4th day after the determination day, by the candidate or a person authorised in writing by the candidate and if the amended indication of preferences is also rejected under the regulations, the candidate is not entitled to lodge an indication of preferences;
- (h) a person may apply, in the approved form, to the returning officer for postal voting papers to be issued to the person if the person claims to be entitled to vote in the election and the person's name does not appear on the relevant electoral roll, and the application must be made after the electoral roll closes and before election day;
- (i) an elector whose name appears on a relevant electoral roll is taken to be an elector in a mandatory postal vote election;
- (j) a person who claims to be entitled to vote in a mandatory postal vote election may apply to the returning officer, in the approved form, for replacement postal voting papers, if the person claims:
- the person has not received postal voting papers, and the person's address stated in the application is not the address that has previously been associated with the person, either on the electoral roll or in the application under the regulations and is an address within the area of the mandatory postal vote election;
 - the person is not a person mentioned above but has nevertheless not received postal voting papers; or
 - postal voting papers have been issued, or issued and sent, to the person and the papers have been lost, damaged or destroyed.
- (k) the postal vote certificate printed on the envelope that is issued to an applicant must contain the person's name, a space for their signature, a space for inserting the date when the envelope bearing the certificate is received by the authorised officer, a space for inserting their address, a space for inserting their date of birth and a space for inserting the basis on which the person claims to be entitled to vote in the mandatory postal vote election;
- (l) postal voting papers must be issued and sent not later than the day that is 15 days before election day for a mandatory postal vote election, unless the person to whom they are to be sent has made an application for replacement postal voting papers;
- (m) the authorised officer must initial the ballot paper issued by the officer; if replacement postal voting papers were issued, the officer must number the postal vote certificate with the number (if any) for the person on the electoral roll, and record the issue of the postal voting papers, or replacement postal voting papers, to the person on the electoral roll; or follow other procedures approved as an alternative by the Electoral Commissioner.

Miscellaneous matters

8. Clarification that an election for the principal member of a council fails wholly if any candidate for principal member dies before the end of election day.
9. The penalty for failure to vote is reduced to \$25 to align with the *Electoral Act 2004*.
10. General changes to terminology are anticipated to include:
 - (a) from 'polling day' to 'election day';
 - (b) from 'polling period' to 'voting period';
 - (c) from 'polling place' to 'voting centre';
 - (d) from 'mobile polling' to 'mobile voting';
 - (e) from 'mobile polling period' to 'mobile voting period'; and
 - (f) from 'mobile polling place' to 'mobile voting centre'.

Draft

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Resource No. 14

Planned Content for the Guidelines

Content is subject to change – councils will be consulted regarding the draft regulations
Your comments are welcome and can be emailed to LGLaw.DLGHCD@nt.gov.au

New Local Government Guidelines

- It is anticipated that there will be five guidelines under the new *Local Government Act 2019* that will commence on 1 July 2020.
- Where appropriate, the requirements and rules in the current guidelines under the *Local Government Act 2008* have been included in the content for the new Local Government Act and Regulations.

Guideline 1: Local Authorities

- To replace **Guideline 8: Regional Councils and Local Authorities**.
- Some of the provisions in the current Guideline 8 have been inserted into the *Local Government Act 2019* and / or been retained in the new Guideline. The main changes in this Guideline are:
 - (a) 'provisional meeting' means – at the time and place set for a local authority meeting when a quorum has not been established – at least one third of members are present;
 - (b) requirement for a council to establish and maintain an up-to-date register, accessible on the council's website and at the council's public office, of the members of its local authorities:
 - the register is to include: the local authority of each member; the member's name; the date of appointment of the member; the date of cessation (if applicable); and whether they are a member of council or otherwise a community member within the local authority area;
 - (c) additional items to be part of the agenda for local authority meetings – these are any declarations of conflict of interests by members and a current financial report for the local authority area;
 - (d) the minutes of a local authority meeting must number, date and reference each decision in such a way that identifies it as decision of the local authority, as opposed to a provisional decision;
 - (e) a local authority can ratify a provisional decision at a local authority meeting, and if it chooses to do so, it becomes a decision of the local authority;
 - (f) the minutes of a provisional meeting must number, date and reference each decision in such a way that identifies it as a provisional decision;
 - (g) a copy of the minutes from provisional meetings must, within 10 business days after the date of the meeting, be made available;
 - (h) the council must report back to the local authority on its response to provisional meeting minutes.

Guideline 2: Appointing a CEO

- To replace **Guideline 2: Appointing a CEO**.
- Some of the provisions in the current Guideline 2 will be inserted into the Local Government General Regulations and / or been retained in the new Guideline. The main changes in this Guideline are:
 - (a) requirement for council to approve a recruitment process – this must be followed when appointing a CEO;

Planned Content for the Guidelines

- (b) as a minimum, the recruitment process must: address reviewing the CEO's job description (including desired and essential skills, abilities, knowledge and qualifications); approving the proposed contract which contains an agreed salary package covering cash and non-cash benefits and any limitations or entitlements over private use of council assets; and the composition of the recruitment panel;
- (c) the council must consider the use of a professional recruitment agency when appointing a CEO and must make this decision by council resolution;
- (d) the salary package (as approved by council resolution and subsequently advertised) must not be increased when offering a contract;
- (e) where a recruitment panel is used, the recruitment panel is to provide a report, a list of all applicants and copies of all applicant documents to the council;
- (f) if an applicant identifies that they have a conflict of interest, then the council must give due consideration as how the conflict of interest will be managed;
- (g) if an applicant with a conflict is appointed as the CEO, upon their appointment all conflicts of interest must be recorded.

Guideline 3: Borrowing

- To replace **Guideline 5: Borrowing**.
- While there are some provisions in the current Guideline 5 that are carried over into the new Guideline, the Guideline will cover the following matters:
 - (a) extends the requirements on borrowing to local government subsidiaries as provided for in the *Local Government Act 2019*;
 - (b) definition of a minor transaction (\$200,000 for municipal and regional councils as well as CouncilBIZ and Latitude 12 – \$50,000 for shire councils); a 'minor transaction' includes the cumulative value of all credit card credit limits;
 - (c) a requirement to exercise due care and diligence that a prudent person would exercise when borrowing funds;
 - (d) consideration must be given to the type of borrowing, the type of interest rate and the amount of overdraft facility (if applicable);
 - (e) an obligation on each council member to fully understand the terms and conditions of any borrowing before the council enters into any borrowing contract – this obligation is on each constituent council if a local government subsidiary is to borrow;
 - (f) the council's annual budget and long-term financial plans must include: the amount of any projected borrowings by the council; the proposed lender or provider of financial accommodation; the purpose of the projected borrowings; and the terms of the loan or financial accommodation;
 - (g) the procedure for seeking the Minister's approval to borrow (including a formal letter, a business case to support the borrowing and documents to accompany the letter).

Guideline 4: Dealing with and Disposal of Property

- To replace **Guideline 7: Disposal of Property**.
- While there are some provisions in the current Guideline 7 that are carried over into the new Guideline, the Guideline will cover the following matters:
 - (a) a requirement for full accountability for the acquisition, management, sale, disposal and write-off of any council asset – this will require a council to have clear approval processes and procedures for all of these actions;
 - (b) the writing-off of assets (which are lost, stolen, unserviceable, obsolete or condemned);
 - (c) for write-off purposes – the value of the asset is the carrying amount, including any residual value (for recognised assets), or otherwise the fair value, where fair value provides a better estimate of the current value of the asset;
 - (d) requirement to report to and get approval of the council for the sale or disposal of any major asset;
 - (e) all sale and disposal of council assets must be in accordance with sound contracting principles and must be conducted in a fair, accountable and transparent manner that is capable of withstanding public scrutiny;
 - (f) a council must in the first instance dispose of a major asset by a tender or public auction; if the major asset offered for sale by tender or public auction is not sold, then the council can formally approve an alternative method of disposal;
 - (g) providing for the methods of sale or disposal of assets, which include: public auction; direct sale by advertising a public notice; seeking quotations; seeking tenders; or any other method deemed appropriate by the council, provided the method confers a community benefit.

Guideline 5: Budget reporting

- This is a New Guideline which will cover the following matters:
 - (a) fees can be in grouped categories (rather than individual fees) in the council budget;
 - (b) the approved form for the annual budget.