



ORDINARY MEETING OF COUNCIL SUPPLEMENTARY ITEMS

To be held at 5pm on

Tuesday 17 May 2022

Council Chambers

11 Manning Street, KIAMA NSW 2533

Members

Mayor

Councillor N Reilly

Deputy Mayor

Councillor I Draisma

Councillor M Brown

Councillor M Croxford

Councillor J Keast

Councillor S Larkins

Councillor K Renkema-Lang

Councillor K Rice

Councillor W Steel

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16 ADDENDUM TO REPORTS

16.1 Attachment for item 9.1 - Audit, Risk and Improvement Committee meeting minutes - 6 May 2022

Responsible Director: Office of the Chief Executive Officer

Due to an administrative error the minutes of the Audit, Risk and Improvement Committee meeting held on 6 May 2022 were not attached to the report at item 9.1 of the business paper. Those minutes referred to in the resolution are attached here.

Attachments

- 1 Minutes: Audit, Risk and Improvement Committee - 06/05/2022 [↓](#)



**MINUTES OF THE
EXTRAORDINARY MEETING OF THE
AUDIT, RISK AND IMPROVEMENT
COMMITTEE**

commencing at 3pm on

FRIDAY 6 MAY 2022

Council Chambers
11 Manning Street, KIAMA NSW 2533

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE 6 MAY 2022

**MINUTES OF THE
AUDIT, RISK AND IMPROVEMENT COMMITTEE
HELD IN THE COUNCIL CHAMBERS, KIAMA,
ON FRIDAY 6 MAY 2022 AT 3PM**

PRESENT: Mr D Pendleton (Chair), Mr J Mitchell (by Zoom), Ms R Wheatley, and Councillors Reilly (Mayor), Keast and Renkema-Lang

IN ATTENDANCE: Jane Stroud (CEO), Elizabeth Alley (CFO), Mike Dowd (Director Engineering and Works), Jessica Rippon (Director Environmental Services), Graeme Gherashe (Chair Finance Advisory Committee), Councillor Kathy Rice (observer) and Councillor Warren Steel (observer)

BY ZOOM: Paul Cornall (Forsyths), Lisa Berwick (Audit NSW), Mubashshir Hassan (Audit NSW), Joanne Sabena (Chair Blue Haven Advisory Board), Jacob Stoner (Forsyths), David Salmon (Deloitte), Chaitanya Mawji (Deloitte) and Councillor Mark Croxford (observer)

1 APOLOGIES

Councillor Brown

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Chair declared the meeting open and acknowledged the traditional owners.

3 CONFLICTS OF INTEREST

Nil.

4 ARIC MANAGEMENT PRESENTATION

4.1 Forsyths presentation - Forensic Audit Report

Forsyths presented their forensic audit findings.

Cr Reilly entered the meeting at 3.21pm

Cr Steel left the meeting at approximately 3.30pm

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE 6 MAY 2022

5 DISCUSSION OF FORENSIC AUDIT REPORT

Findings of the forensic audit were discussed by report sections.

5.1 Forensic audit - developer contributions

Council actions:

- Director Environmental Services is currently working on enhancement of control procedures and review of the existing plans, which will include a Development Contribution Officer role to enable oversight of the plans and framework, and staff education
- The Finance team is developing policy for the administration of development contributions and invoicing of all charges
- Internal auditor has recently completed on audit of developer contributions
- Proposals for strategic land holdings will be discussed at Council's extraordinary meeting on 12 May

5.2 Forensic audit - cash management

Council actions:

- An internal working group (ELT and Manager Commercial Services) has been formed to work through a list of asset sales and policies, eg Market-led proposals.
- The internal working group examining: timeframes for each proposal to eventuate into sale, values, planning requirements, strategic sites options analysis, and a resolution to start looking at these proposals.
- The 2022/23 budget is being set from the ground up by staff which means better ownership and buy-in to maintain. Finance staff will be monitoring on a regular basis and improved cost coding will assist with this.
- An additional extraordinary Council meeting will be scheduled to consider the budget and delivery program/operational plan.
- A forward budget estimate register has been established to ensure items resolved during the year are included in budget considerations.
- The Audit Office will work with Council on sharing documents and a list of tasks moving forward.
- The Chief Financial Officer took a question in notice in relation to repayment of s7.11 contributions by instalment and whether this is possible.
- Risk workshops are planned with the involvement of Councillors and Committee members.
- Audit Office requested a strategic liquidity plan be developed.

Cr Croxford left the meeting at approximately 4.58pm

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE 6 MAY 2022

5.3 Forensic audit - historical annual financial work papers

Council actions:

- Council has established a 5 year program for all asset classes and set schedules for valuations

5.4 Forensic audit - operational contract for Blue Haven

Council actions:

- An immediate priority is to update the Blue Haven contract register to comply with local government requirements. This is a large body of work and the register needs to be live on the website, reported annually and listed in the annual report

5.5 Forensic audit – other matters

Council actions:

- A review of the risk register will be undertaken at the next Audit, Risk and Improvement Committee meeting and reflect workforce capacity and capability within the current risk profile

6 KIAMA COUNCIL GOVERNANCE

Council actions:

- There will be no changes to the Finance Advisory Committee.
- The remit/scope of the Blue Haven Advisory Board will be strengthened by resolved focus and a report will go to the extraordinary Council meeting on 12 May 2022.

7 CLOSURE

There being no further business the meeting closed at 5.51pm.

These Minutes were confirmed at the Ordinary Meeting of Council held on 17 May 2022.

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Chair

16.2 Extraordinary Meeting on 12 May 2022

Attachments

- 1 Minutes: Extraordinary Council - 12/05/2022 [↓](#)

Enclosures

Nil

RECOMMENDED

That the Minutes of the Extraordinary Council Meeting held on 12 May 2022 be received and accepted.



MINUTES OF THE EXTRAORDINARY MEETING OF COUNCIL

commencing at 5pm on

THURSDAY 12 MAY 2022

Council Chambers
11 Manning Street, KIAMA NSW 2533

MINUTES OF THE EXTRAORDINARY MEETING

12 MAY 2022

**MINUTES OF THE EXTRAORDINARY MEETING
OF THE COUNCIL OF THE MUNICIPALITY OF KIAMA
HELD IN THE COUNCIL CHAMBERS, KIAMA
ON THURSDAY 12 MAY 2022 AT 5PM**

PRESENT: Mayor – Councillor N Reilly,
Deputy Mayor – Councillor I Draisma,
Councillors M Brown, K Rice, W Steel, J Keast, S Larkins,
K Renkema-Lang and M Croxford

IN ATTENDANCE: Chief Executive Officer, Director Environmental Services, Chief
Financial Officer and Director Engineering and Works

OBSERVER: Office of Local Government Case Manager

1 APOLOGIES

Nil.

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Mayor declared the meeting open and acknowledged the traditional owners.

3 DECLARATIONS OF INTEREST

Nil.

4 CONFIDENTIAL SUMMARY

Public Representations:

The Mayor called for representations regarding issues which had been proposed to be disclosed in Confidential Committee of the Whole. No such representations were received.

4.1 Exclusion Of Press And Public:

22/0570C

Resolved that at this time, 5.01pm, in accordance with Sections 10 and 10A of the Local Government Act, 1993 as amended, Council close the meeting of the

MINUTES OF THE EXTRAORDINARY MEETING

12 MAY 2022

Confidential Committee of the Whole to the Press and Public to deal with the following matters on the grounds as detailed below.

4.1 FORENSIC ACCOUNTING ASSESSMENT

Reason for Confidentiality: This matter deals with details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property as per Section 10A(2)(f) of the Local Government Act and advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege as per Section 10A(2)(g) of the Local Government Act.

4.2 REFINEMENTS TO THE BLUE HAVEN ADVISORY BOARD POLICY

Reason for Confidentiality: This matter deals with advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege as per Section 10A(2)(g) of the Local Government Act.

(Councillors Steel and Brown)

For: Councillors Brown, Croxford, Draisma, Keast, Larkins, Reilly,
Renkema-Lang, Rice and Steel

Against: Nil

5 CONFIDENTIAL REPORTS

5.1 Forensic accounting assessment

It was **moved** by Councillor Brown and seconded by Councillor Steel that Council:

1. Receive the confidential forensic accounting assessment report of historic data, noting the findings and actions which will be required to be updated in the Strategic Improvement Plan for Kiama Municipal Council.
2. For the purposes of protecting and sustaining the core role of the local government authority that delegated authority be given to the Chief Executive Officer to sign all documentation associated with the contract to McVay Real Estate for the purposes of undertaking a sale through public tender for Blue Haven Lot 71 DP831089 and Lot 2 DP1215276.
3. List for inclusion in the conditions of the contract with McVay Real Estate specified at two (2) above, the following:
 - The high standard in quality of care for the residents and families of the Blue Haven Residential Aged Care Facility be maintained, protected and uninterrupted and continue to meet the requirements of the Federal Government Aged Care Act 1997 requirements.
 - The good reputation and care invested in our Blue Haven Independent Living Unit Community be maintained, protected, uninterrupted and continue to meet the requirements of the Retirement Villages Act 1999.

MINUTES OF THE EXTRAORDINARY MEETING

12 MAY 2022

- The good reputation, working environment, and conditions for Blue Haven Staff of Kiama Municipal Council be maintained and protected.
 - The probity lawyers are appointed to act in Council's interest and sound tender processes are used to ensure compliance with the Local Government Act.
4. Develop for consideration at the next extraordinary meeting of Council a strategic liquidity plan for submission to the Audit Office and the Office of Local Government.

At the request of Councillor Larkins and by consent, the motion was varied to read as follows –

That Council:

1. Receive the confidential forensic accounting assessment report of historic data, noting the findings and actions which will be required to be updated in the Strategic Improvement Plan for Kiama Municipal Council.
2. That following improvements in Kiama Municipal Council's financial position and preferably by the 2023-2024 financial year, that the forensic accounting assessment report be publicly released, subject to legal advice.
3. For the purposes of protecting and sustaining the core role of the local government authority that delegated authority be given to the Chief Executive Officer to sign all documentation associated with the contract to McVay Real Estate for the purposes of undertaking a sale through public tender for Blue Haven Lot 71 DP831089 and Lot 2 DP1215276.
4. List for inclusion in the conditions of the contract with McVay Real Estate specified at two (2) above, the following:
 - The high standard in quality of care for the residents and families of the Blue Haven Residential Aged Care Facility be maintained, protected and uninterrupted and continue to meet the requirements of the Federal Government Aged Care Act 1997 requirements.
 - The good reputation and care invested in our Blue Haven Independent Living Unit Community be maintained, protected, uninterrupted and continue to meet the requirements of the Retirement Villages Act 1999.
 - The good reputation, working environment, and conditions for Blue Haven Staff of Kiama Municipal Council be maintained and protected.
 - Probity lawyers are appointed to act in Council's interest and sound tender processes are used to ensure compliance with the Local Government Act.
5. Develop for consideration at the next extraordinary meeting of Council a strategic liquidity plan for submission to the Audit Office and the Office of Local Government (including accelerating the sale of appropriate englobo parcels of land identified in the Property Divestment Opportunity Register).

At the request of Councillor Renkema-Lang, and by consent, the motion was varied to read as follows –

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12 MAY 2022

1. Receive the confidential forensic accounting assessment report of historic data, noting the findings and actions which will be required to be updated in the Strategic Improvement Plan for Kiama Municipal Council.
2. That following improvements in Kiama Municipal Council's financial position and preferably by the 2023-2024 financial year, that the forensic accounting assessment report be publicly released, subject to legal advice.
3. For the purposes of protecting and sustaining the core role of the local government authority that delegated authority be given to the Chief Executive Officer to sign all documentation associated with the contract to McVay Real Estate for the purposes of undertaking a sale through public tender for Blue Haven Lot 71 DP831089 and Lot 2 DP1215276.
4. List for inclusion in the conditions of the contract with McVay Real Estate specified at two (2) above, the following:
 - The high standard in quality of care for the residents and families of the Blue Haven Residential Aged Care Facility be maintained, protected and uninterrupted and continue to meet the requirements of the Federal Government Aged Care Act 1997 requirements.
 - The good reputation and care invested in our Blue Haven Independent Living Unit Community be maintained, protected, uninterrupted and continue to meet the requirements of the Retirement Villages Act 1999.
 - The good reputation, working environment, and conditions for Blue Haven Staff of Kiama Municipal Council be maintained and protected.
 - Probity lawyers are appointed to act in Council's interest and sound tender processes are used to ensure compliance with the Local Government Act.
5. Develop for consideration at the next extraordinary meeting of Council a Strategic Liquidity Plan for submission to the Audit Office and the Office of Local Government (including accelerating the sale of appropriate englobo parcels of land identified in the Property Divestment Opportunity Register).
6. Delegate to the Chief Executive Officer to advise TCorp of the above decisions and commence discussions and negotiations on acceptable loan repayment options.

At the request of Councillor Rice, and by consent, the motion was varied to read as follows –

That Council:

1. Receive the confidential forensic accounting assessment report of historic data, noting the findings and actions which will be required to be updated in the Strategic Improvement Plan for Kiama Municipal Council.
2. That following improvements in Kiama Municipal Council's financial position and preferably by the 2023-2024 financial year, that the forensic accounting assessment report be publicly released, subject to legal advice.
3. For the purposes of protecting and sustaining the core role of the local government authority that delegated authority be given to the Chief Executive Officer to sign all documentation associated with the contract to McVay Real

MINUTES OF THE EXTRAORDINARY MEETING

12 MAY 2022

- Estate for the purposes of undertaking a sale through public tender for Blue Haven Lot 71 DP831089 and Lot 2 DP1215276.
4. List for inclusion in the conditions of the contract with McVay Real Estate specified at two (2) above, the following:
 - The high standard in quality of care for the residents and families of the Blue Haven Residential Aged Care Facility be maintained, protected and uninterrupted and continue to meet the requirements of the Federal Government Aged Care Act 1997 requirements.
 - The good reputation and care invested in our Blue Haven Independent Living Unit Community and Home Care Support Services be maintained, protected, uninterrupted and continue to meet the requirements of the Retirement Villages Act 1999.
 - The good reputation, working environment, and conditions for Blue Haven Staff of Kiama Municipal Council be maintained and protected.
 - Probity lawyers are appointed to act in Council's interest and sound tender processes are used to ensure compliance with the Local Government Act.
 5. Develop for consideration at the next extraordinary meeting of Council a strategic liquidity plan for submission to the Audit Office and the Office of Local Government (including accelerating the sale of appropriate englobo parcels of land identified in the Property Divestment Opportunity Register).
 6. Delegate to the Chief Executive Officer to advise TCorp of the above decisions and commence discussions and negotiations on acceptable loan repayment options.

22/0580C

The motion as varied by consent **was resolved** being that Council:

1. Receive the confidential forensic accounting assessment report of historic data, noting the findings and actions which will be required to be updated in the Strategic Improvement Plan for Kiama Municipal Council.
2. That following improvements in Kiama Municipal Council's financial position and preferably by the 2023-2024 financial year, that the forensic accounting assessment report be publicly released, subject to legal advice.
3. For the purposes of protecting and sustaining the core role of the local government authority that delegated authority be given to the Chief Executive Officer to sign all documentation associated with the contract to McVay Real Estate for the purposes of undertaking a sale through public tender for Blue Haven Lot 71 DP831089 and Lot 2 DP1215276.
4. List for inclusion in the conditions of the contract with McVay Real Estate specified at two (2) above, the following:
 - The high standard in quality of care for the residents and families of the Blue Haven Residential Aged Care Facility be maintained, protected and uninterrupted and continue to meet the requirements of the Federal Government Aged Care Act 1997 requirements.

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- The good reputation and care invested in our Blue Haven Independent Living Unit Community and Home Care Support Services be maintained, protected, uninterrupted and continue to meet the requirements of the Retirement Villages Act 1999.
 - The good reputation, working environment, and conditions for Blue Haven Staff of Kiama Municipal Council be maintained and protected.
 - Probity lawyers are appointed to act in Council's interest and sound tender processes are used to ensure compliance with the Local Government Act.
5. Develop for consideration at the next extraordinary meeting of Council a strategic liquidity plan for submission to the Audit Office and the Office of Local Government (including accelerating the sale of appropriate englobo parcels of land identified in the Property Divestment Opportunity Register).
6. Delegate to the Chief Executive Officer to advise TCorp of the above decisions and commence discussions and negotiations on acceptable loan repayment options.

(Councillors Brown and Steel)

For: Councillors Brown, Croxford, Draisma, Larkins, Reilly, Renkema-Lang and Steel

Against: Councillors Keast and Rice

5.2 Refinements to the Blue Haven Advisory Board Policy

It was **moved** by Councillor Brown and seconded by Councillor Croxford that Council:

1. Extends its thanks to the Blue Haven Advisory Board for their continued work as an advisory board to the local government authority of Kiama Municipal Council, who is the approved provider for aged care services operating under the Local Government Act.
2. Agree that the Blue Haven Advisory Board shall monitor and provide focused skilled expertise and advice to Council through its Chief Executive Officer on the following:
 - The standard of clinical care provided by the Blue Haven residential aged care facility;
 - The development of the Blue Haven aged care facility operating model, including the identification of opportunities for efficiency and the delivery of financial sustainability;
 - Blue Haven's progress toward achieving compliance with the Aged Care Quality and Safety Standards; and
 - Opportunities to maximise the value of Blue Haven.

MINUTES OF THE EXTRAORDINARY MEETING

12 MAY 2022

Councillor Renkema-Lang raised a **point of order** in relation to Councillor Croxford's comments during the debate regarding point 2 of the amended motion. Councillor Croxford retracted his comments.

22/059OC

An amendment was moved by Councillor Rice and seconded by Councillor Rankema-Lang that Council:

1. Extends its thanks to the Blue Haven Advisory Board for their continued work as an advisory board to the local government authority of Kiama Municipal Council, who is the approved provider for aged care services operating under the Local Government Act.
2. Council notes the recent resignation of former General Manager, Michael Forsyth and specifically thanks him for his service to the Board
3. Agree that the Blue Haven Advisory Board shall monitor and provide focused skilled expertise and advice to Council through its Chief Executive Officer on the following:
 - The standard of clinical care provided by the Blue Haven residential aged care facility;
 - The development of the Blue Haven aged care facility operating model, including the identification of opportunities for efficiency and the delivery of financial sustainability;
 - Blue Haven's progress toward achieving compliance with the Aged Care Quality and Safety Standards; and
 - Opportunities to maximise the value of Blue Haven.

(Councillors Rice and Renkema-Lang)

For: Councillors Brown, Croxford, Draisma, Keast, Larkins, Reilly,
Renkema-Lang, Rice and Steel

Against: Nil

Adoption of Report

The Chief Executive Officer formally reported the recommendations of the Confidential Committee of the Whole more particularly set out above.

22/060OC

Resolved that that the Confidential Committee of the Whole recommendations numbered 22/058OC to 22/059OC be confirmed and adopted.

(Councillors Renkema-Lang and Keast)

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12 MAY 2022

For: Councillors Brown, Croxford, Draisma, Keast, Larkins, Reilly,
Renkema-Lang, Rice and Steel

Against: Nil

6 CLOSURE

There being no further business the meeting closed at 6.13pm.

These Minutes were confirmed at the Ordinary Meeting of Council
held on 17 May 2022.

.....
Mayor

Item 16.2

Attachment 1