

minutes

FINANCE AND AUDIT COMMITTEE



Please be advised that a **Finance and Audit Committee** meeting commenced at **5.30pm** on **Monday 25 June 2018** in meeting room 1 at the administration building, 99 Shepperton Road, Victoria Park.

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

ANTHONY VULETA
CHIEF EXECUTIVE OFFICER

28 June 2018

(To be confirmed 23 July 2018)

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(To be confirmed 23 July 2018)

1. OPENING

Cr Brian Oliver opened the meeting at 5.30pm.

2. ATTENDANCE

Members:

Banksia Ward:

Cr K (Karen) Vernon
Cr C (Claire) Anderson

Jarraah Ward:

Cr B (Brian) Oliver (Presiding Member)

Deputy:

Cr B (Bronwyn) Ife

Observer:

Mayor T (Trevor) Vaughan

Chief Financial Officer

Mr N (Nathan) Cain

Chief Operations Officer

Mr B (Ben) Killigrew

Manager Stakeholder Relations

Ms C (Carrie) Parsons

Principal Governance Advisor

Mr R (Russel) Fishwick

Secretary

Ms A (Amy) Noon

Apologies

Nil

Approved Leave of Absence

Cr J (Jennifer) Ammons Noble

3. DECLARATIONS OF INTEREST

Declaration of Financial Interests

Nil

Declaration of Proximity Interest

Nil

(To be confirmed 23 July 2018)

Declaration of Interest affecting impartiality

Name/Position	Russel Fishwick, Principal Governance Advisor
Item No/Subject	8.4 – Review of wards and representation 2018
Nature of Interest	Interest that may affect impartiality
Extent of Interest	Member of Local Government Advisory Board

4. TERMS OF REFERENCE**1. Name**

Finance and Audit Committee

2. Purpose

The Town's Strategic Community Plan notes four components of the mission statement, namely –

- Social – To promote sustainable connected, safe and diverse places for everyone.
- Economic – To promote sustainable diverse, resilient and prosperous places for everyone.
- Environment – To promote sustainable liveable, healthy and green places for everyone.
- Civic leadership – To show leadership by communicating with, empowering and supporting people in the community.

The primary purpose of this committee shall be the civic leadership component of the Town's mission statement, which is to show leadership by communicating with, empowering and supporting people in the community.

3. Scope

The committee will primarily focus on the following key civic leadership strategic outcomes–

- Well thought out and managed projects that are delivered successfully.
- Appropriate information management that is easily accessible, accurate and reliable.
- Innovative, empowered and responsible organisational culture with the right people in the right jobs.
- Finances are managed appropriately, sustainably and transparently for the benefit of the community.
- Visionary civic leadership with sound and accountable governance that reflects objective decision making.
- Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

(To be confirmed 23 July 2018)

Wherever possible, the committee will seek opportunities to address the following additional strategic outcomes –

- Everyone receives appropriate information in the most efficient and effective way for them.
- Appropriate devolution of decision making and service provision to an empowered community.
- People have positive exchanges with the Town that inspires confidence in the information and the timely service provided.
- A community that is authentically engaged and informed in a timely manner.

4. Deliverables

The committee will –

- Provide strategic leadership in the development and regular review of policies and strategies that are inclusive, empowering and build capacity of the Town of Victoria Park community.
- Provide guidance and assistance to Council as to the carrying out its functions in relation to audits in compliance with the *Local Government Act 1995*.
- Ensure Council maintains its financial capacity to deliver programs and services.
- Provide advice to Council in relation to matters related to the scope of the committee.

Specifically the committee will ensure delivery of the following –

- Annual review of policies, strategies and plans related to the scope of the committee.
- Annual compliance audit.
- Annual risk management audit.

5. Reporting

Although any service area of the Town may report through this committee on matters associated with the primary purpose and scope, the following service areas of council are likely to predominantly feature –

- Customer Relations
- Financial Services
- Human Resources
- Information Systems
- Leadership and Governance
- Project Management

6. Governance

The committee is a Council-created committee formed under Subdivision 2 (Committees and their meetings) of the *Local Government Act 1995* and is governed by the provisions of the *Town of Victoria Park Standing Orders Local Law 2011* and the *Local Government Act 1995* and its regulations.

The committee will comprise a maximum of four (4) Elected Members (being two (2) Elected Member representatives from each of the Town's two (2) wards with five (5) Elected Members being appointed in a hierarchical order as alternate deputy members) and up to two (2) other persons (that may be co-opted from time-to-time for such period, or in relation to such matters, as determined, where that person's experience, skills or qualifications would enable him or her to make a contribution to the committee's functions).

(To be confirmed 23 July 2018)

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

7. Meeting arrangements

The committee shall convene in accordance with the annual adopted meeting schedule.

8. Authority

The committee has no delegated power. The committee may only make recommendations to Council for a decision.

9. Review

The committee and committee terms of reference will be reviewed from time-to-time and immediately following each local government election.

5. CONFIRMATION OF MINUTES

RESOLVED:

Moved: Cr Anderson

Seconded: Cr Oliver

That the minutes of the Special Finance and Audit Committee meeting, held on 24 May 2018, be confirmed.

The motion was put and

Carried (3:0)

In favour of the motion: Cr Ife; Cr Anderson; and Cr Oliver

RESOLVED:

Moved: Cr Anderson

Seconded: Cr Oliver

That the minutes of the Finance and Audit Committee meeting, held on 28 May 2018, be confirmed.

The motion was put and

Carried (3:0)

In favour of the motion: Cr Ife; Cr Anderson; and Cr Oliver

(To be confirmed 23 July 2018)

6. METHOD OF DEALING WITH AGENDA BUSINESS

RESOLVED:

Moved: Cr Ife

Seconded: Cr Anderson

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

The motion was put and

Carried (3:0)

In favour of the motion: Cr Ife; Cr Anderson; and Cr Oliver

7. PRESENTATIONS

7.1 Deputations

Nil.

Cr Karen Vernon joined the meeting at 5.32pm.

(To be confirmed 23 July 2018)

8. REPORTS**8.1 Schedule of accounts for 31 May 2018**

File Reference:	FIN/11/0001~09
Appendices:	Yes
Attachments:	No

Date:	11 May 2018
Reporting Officer:	A. Thampoe
Responsible Officer:	N. Cain
Voting Requirement:	Simple majority
Executive Summary:	
Recommendation - That the Finance and Audit Committee recommends that Council, acknowledges the Schedule of Accounts paid for the month ended 31 May 2018.	
<ul style="list-style-type: none"> • The accounts paid for 31 May 2018 as included in the appendices. • Direct lodgement of payroll payments to the personal bank accounts of employees are also included. 	

TABLED ITEMS:

Nil

BACKGROUND:

Council has delegated to the Chief Executive Officer the authority to make payments from the Municipal and Trust funds in accordance with the *Local Government (Financial Management) Regulations 1996*.

Under Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, where a local government has delegated to the Chief Executive Officer the exercise of its power to make payments from the Municipal fund or the Trust fund, each payment from the Municipal fund or the Trust fund is to be noted on a list compiled for each month showing:

- a) The payee's name;
- b) The amount of the payment;
- c) The date of the payment; and
- d) Sufficient information to identify the transaction.

That list should then be presented at the next Ordinary Meeting of the Council following the preparation of the list, and recorded in the minutes of the meeting at which it is presented.

DETAILS:

The list of accounts paid in accordance with *Regulation 13(1) of the Local Government (Financial Management) Regulations 1996* is contained within the Appendices, and is summarised as thus -

(To be confirmed 23 July 2018)

Fund	Reference	Amounts
Municipal Account		
Automatic Cheques Drawn	608351 - 608371	32,474
Creditors – EFT Payments		5,528,287
Payroll		1,029,386
Bank Fees		5,125
Corporate MasterCard		11,402
		6,606,674
Trust Account		
Automatic Cheques Drawn	3567 - 3580	48,882
		48,882

Legal Compliance:

Section 6.10 (d) of the Local Government Act 1995 refers, ie.-

6.10. Financial management regulations

Regulations may provide for —

- (d) the general management of, and the authorisation of payments out of —
- (i) the municipal fund; and
 - (ii) the trust fund,
- of a local government.

Regulation 13(1), (3) & (4) of the Local Government (Financial Management) Regulations 1996 refers, ie.-

13. Lists of Accounts

- (1) If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —
- (a) the payee's name;
 - (b) the amount of the payment;
 - (c) the date of the payment; and
 - (d) sufficient information to identify the transaction.
- (3) A list prepared under subregulation (1) is to be —
- (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and
 - (b) recorded in the minutes of that meeting.

Policy Implications:

Nil

Risk Management Considerations:

Three risks have been identified as outlined.

(To be confirmed 23 July 2018)

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Compliance: Council not accepting Schedule of Accounts	Moderate	Unlikely	Moderate	Provide reasoning and detailed explanations to Council to enable informed decision making.
Financial Impact: Misstatement or significant error in Schedule of Accounts	Major	Unlikely	Moderate	Daily and monthly reconciliations. Internal and external audits.
Financial Impact: Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties

Strategic Plan Implications:

CL6 – Finances are managed appropriately, sustainably and transparently for the benefit of the community.

CL 10 – Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

Financial Implications:Internal Budget:

Nil

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

(To be confirmed 23 July 2018)

COMMENT:

All accounts paid have been duly incurred and authorised for payment as per approved purchasing and payment procedures and it is therefore recommended that the Committee recommend to the Council to accept and confirm the payments, as included in the appendices.

In anticipation that the Committee will ask questions about the schedule of accounts, please note that these questions and answers will be included in the appropriate Elected Members Briefing Session agenda and Ordinary Council Meeting agenda.

FURTHER COMMENT:

The members of the Finance and Audit Committee sought further information on a number of payments made in May 2018. The following list represents the questions and answers associated with the request for further information.

- Can you please provide details for the following payments?
 - Anditi P/L Photography & Imaging - \$16,720
Aerial imagery interpretation and report for the Town of Victoria Park as part of the Urban Forest Strategy.
 - Aust. Institute of Criminology - Training Services - \$800
Conference registration for an employee to attend the Crime Prevention and Communities conference.
 - East Perth Women's Football Club - Kidsport Program - \$150. Would also like to know if this is an adult sports club?
Kidsport eligibility is for applicants aged up to 18 years. East Perth Women's Football Club is open to participants aged from 14 years that are female. This particular applicant was not over 18 years old therefore she was eligible for the funding.
 - Flight Centre - Travelling Expenses
 - \$677
Return flights to Melbourne for onsite Economic Development consultant.
 - \$1,823
Return flights to Melbourne and accommodation for an employee to attend Criminology – Crime Prevention and Communities conference.
 - Gladstone MRM Software & IT Solutions – Annual Licensing and Software Support - \$14,572.14
Gladstone point of sale system for the Aqualife and Leisurelife centres.
 - Major Motors - Plant Supply & Servicing - \$101,906.55
Purchase of heavy plant vehicle (truck) as per approved capital projects.

(To be confirmed 23 July 2018)

- Melville Subaru - Transport Services - \$27,452.20
*Purchase of fleet vehicle as per approved capital projects.
The standard description for this supplier has been updated to "Plant Supply & Servicing".*
- Mr D Ansted - Art and Event –\$8,140
Art acquisition from Staff Room 2018.
- Regents Isuzu - Plant Supply - \$35,029
Fleet vehicle purchase as per approved capital projects.
- Subaru Osborne Park - Equipment Supply & Repair - \$27,281
*Fleet vehicle purchase as per approved capital projects.
The standard description for this supplier has been updated to "Plant Supply & Servicing".*
- The below payments seem much higher than usual. Could you please provide some details?
 - AWB Building Co - Facility Maintenance Services
 - \$27,131.50
Victoria Park Bowling Club refurbishment as per approved capital projects.
 - \$32,523.70
Victoria Park Bowling Club refurbishment as per approved capital projects.
 - \$17,319.23
Chemical shed replacement at Aqualife Centre as per approved capital projects.
 - Carpets Online Facility - Maintenance Services - \$55,165.00
Replacement of flooring at Leisurelife Centre as per approved capital projects.
 - Civica - Software & IT Solutions - \$91,841.17
*The total is made up of two invoices.
\$86,626.07 – Annual license fee for Civica software.
\$5,215.10 – Onsite consultant for assistance with infringement module.*
 - LD Total Landscaping- Materials & Services - \$222,653.99
GO Edwards park upgrade as per approved capital projects.
 - Maia Financial - Equipment Hire
 - \$13,045.90
Lease payments for cardio gymnasium equipment at Leisurelife.
 - \$40,358.04
Lease payments for public Wi-Fi, espresso coffee machine for the public at Aqualife and spin bikes at Leisurelife.
 - \$14,023.56
Lease of desktop computers.

(To be confirmed 23 July 2018)

- Rosevale Electrical - Electrical Services
 - \$5,685
Made up of 11 invoices for electrical maintenance at centres including Leisurelife, Aqualife , the depot and Digital Hub.
 - \$27,836
Made up of 10 invoices relating to electrical maintenance but does include high value payments of \$5,000 for the repair of the fire panel at Edward Millen House and \$17,820 for the annual electrical testing of emergency lighting and RCD at all Town properties.
 - \$440
Maintenance at Higgins Park clubrooms as three external lights were damaged due to vandalism and needed fixing.
 - \$40,976.10
Made up of four invoices for electrical maintenance, including one invoice for \$39,641.80 for the upgrade of the fire monitoring system at the administration centre, as per approved capital projects.
 - \$19,659.20
Made up of four invoices for electrical maintenance, including one invoice of \$18,892.50 for the replacement of LED lighting at the Aqualife Centre as per approved capital projects.

- Why were Perth Cricket Club paid \$34,320 for Facility Maintenance Services? How much do we pay them each year, and what is the origin of those arrangements?
The Perth Cricket Club are provided with monthly payments for grounds maintenance at Fletcher Park as per tender TVP16/09, which was approved at the OCM on 11 October 2016. The total per year is \$187,200 (ex GST). The standard description is showing Facility Maintenance Services as the tender was for maintenance of Fletcher Park. This is not a contribution, but a payment for Perth Cricket Club who maintain the grounds.

- Why were Perth Football Club paid \$27,500 for Contributions? How much do we pay them each year, and what is the origin of those arrangements?
The Perth Football Club originally requested \$25,000 as an annual contribution in 2003 and this was approved by Council at the OCM on 20 May 2003. The Perth Football Club asked for a further \$25,000 annual contribution in 2010 which was approved by Council at the OCM on 15 June 2010 with the condition that the club demonstrate their expenditure on maintenance over the leased area. The funding was specified to be to the end of the then current lease (30 June 2015).

The Deed of Partial Surrender of Lease (dated 1 July 2016) specifies that the lease remains in force with respect to the premises, less the West Coast Eagles area, in accordance with the holding over provisions in clause 11.2 of the lease.

It should be noted that whilst the OCM resolution of 15 June 2010 specifies that the financial assistance be provided “to the end of the current lease period”, there is no binding clause within the lease to compel Council to continue providing that assistance.

(To be confirmed 23 July 2018)

RESOLVED:

Moved: Cr Anderson

Seconded: Cr Ife

The Finance and Audit Committee recommends to Council that pursuant to Regulation 13 of the *Local Government (Financial Management) Regulations 1996 (as amended)*, Council confirm:

- 1. The accounts paid for 31 May 2018 as included in the appendices; and**
- 2. Direct lodgement of payroll payments to the personal bank accounts of employees.**

The motion was put and

Carried (4:0)

In favour of the motion: Cr Anderson; Cr Ife; Cr Vernon and Cr Oliver

(To be confirmed 23 July 2018)

8.2 Financial statements for the month ending 31 May 2018

File Reference:	FIN/11/0001~09
Appendices:	No
Attachments:	Yes

Date:	19 June 2019
Reporting Officer:	A. Thampoe
Responsible Officer:	N. Cain
Voting Requirement:	Absolute Majority

Executive Summary:

Recommendation - That the Finance and Audit Committee recommends that Council, accepts the Financial Activity Statement Report – 31 May 2018 as attached to and forming part of this report.

- The Financial Activity Statement Report is presented for the month ending 31 May 2018. The report complies with the requirements of Regulation 34 (Financial activity statement report) of the *Local Government (Financial Management) Regulations 1996*.

TABLED ITEMS:

Nil

BACKGROUND:

Each month officers are required to prepare monthly financial reports, covering prescribed information, and present these to Council for acceptance.

DETAILS:

Presented is the Financial Activity Statement Report – 31 May 2018.

Revenue

Operating Revenue and Non-Operating Revenue – Material variances are identified where, for the period being reported, the actual varies to the budget by an amount of (+) or (-) \$25,000 and, in these instances, an explanatory comment has been provided.

Expense

Operating Expense, Capital Expense and Non-Operating Expense – Material variances are identified where, for the period being reported, the actual varies to the budget by an amount of (+) or (-) \$25,000 and, in these instances, an explanatory comment has been provided.

For the purposes of explaining each material variance, a three-part approach has been applied. The parts are –

1. Period Variation
Relates specifically to the value of the variance between the Budget and Actual figures for the period of the Report.

(To be confirmed 23 July 2018)

2. Primary Reason(s)
Explains the primary reason(s) for the period variance. Minor contributing factors are not reported.
3. End-of-Year Budget Impact
Forecasts the likely financial impact on the end-of-year financial position. It is important to note that figures in this part are 'indicative only' at the time of reporting, for circumstances may subsequently change prior to the end of the financial year.

Legal Compliance:

Regulation 34 (Financial activity statement report) of the *Local Government (Financial Management) Regulations 1996* states –

- (1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —*
 - (a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*
 - (b) *budget estimates to the end of the month to which the statement relates;*
 - (c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
 - (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
 - (e) *the net current assets at the end of the month to which the statement relates.*
- (2) *Each statement of financial activity is to be accompanied by documents containing —*
 - (a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*
 - (b) *an explanation of each of the material variances referred to in subregulation (1)(d); and*
 - (c) *such other supporting information as is considered relevant by the local government.*
- (3) *The information in a statement of financial activity may be shown —*
 - (a) *according to nature and type classification; or*
 - (b) *by program; or*
 - (c) *by business unit.*
- (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —*
 - (a) *presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*
 - (b) *recorded in the minutes of the meeting at which it is presented.*
- (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

(To be confirmed 23 July 2018)

Section 6.8 of the *Local Government Act 1995* (Expenditure from municipal fund not included in annual budget) states –

- (1) *A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure –*
- (a) *is incurred in a financial year before the adoption of the annual budget by the local government; or*
 - (b) *is authorised in advance by resolution*; or*
 - (c) *is authorised in advance by the Mayor or president in an emergency.*

* *Absolute majority required.*

(1a) *In subsection (1) –*
additional purpose means a purpose for which no expenditure estimate is included in the local government’s annual budget.

- (2) *Where expenditure has been incurred by a local government –*
- (a) *pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and*
 - (b) *pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.*

Policy Implications:

Nil

Risk Management Considerations:

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Financial impact: Council not accepting budget amendment recommendation	Moderate	Unlikely	Moderate	Provide reasoning and detailed explanations to Council to enable informed decision making.
Compliance: Financial statement not complying with the requirements of the <i>Local Government (Financial Management) Regulations 1996</i>	Moderate	Unlikely	Moderate	Internal review of monthly Financial activity statement. External audits of monthly financial statements.

(To be confirmed 23 July 2018)

Financial impact: Misstatement or significant error in financial statements	Major	Unlikely	Moderate	Daily and monthly reconciliations. Internal and external audits.
Financial impact: Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties.

Strategic Plan Implications:

CL6 – Finances are managed appropriately, sustainably and transparently for the benefit of the community.

CL 10 – Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

Financial Implications:Internal Budget:

The Statement of Financial Activity, as contained in the body of the Financial Activity Statement Report, refers and explains.

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

It is recommended that the Financial Activity Statement Report – 31 May 2018 be accepted.

(To be confirmed 23 July 2018)

CONCLUSION:

The Financial Activity Statement Report – 31 May, complies with the requirements of Regulation 34 (Financial activity statement report) of the *Local Government (Financial Management) Regulations 1996*. It is therefore recommended that the Financial Activity Statement Report – 31 May be accepted.

RESOLVED:**Moved: Cr Ife****Seconded: Cr Vernon**

The Finance and Audit Committee recommends to Council that pursuant to Regulation 34 of the *Local Government (Financial Management) Regulations 1996*, accepts the Financial Activity Statement Report – 31 May 2018 as attached to, and forming part of, this report.

The motion was put and**Carried (4:0)****In favour of the motion: Cr Anderson; Cr Ife; Cr Vernon and Cr Oliver**



Financial Activity Statement Report

For the month ended 31 May 2018



Contents

Statement of Financial Activity Variances

Proposed Budget Amendments

Accounting Notes

Business Unit Definitions

Statement of Financial Activity

Net Current Funding Position

Cash and Cash Investments

Receivables (Rates and Sundry Debtors)

Grants and Contributions

Reserve Funds

Capital Items

(To be confirmed 23 July 2018)

Statement of Financial Activity Variances

Material Variances Defined

For the purposes of reporting the material variances in the Statement of Financial Activity (by Business Unit) (as contained in this document), the following indicators, as resolved, have been applied –

Revenues (Operating and Non-Operating)

Business Unit material variances will be identified where, for the period being reviewed, the actual varies to budget by an amount of (+) or (-) \$25,000 and, in these instances, an explanatory comment will be provided.

Expenses (Operating, Capital and Non-Operating)

Business Unit material variances will be identified where, for the period being reviewed, the actual varies to budget by an amount of (+) or (-) \$25,000 and, in these instances, an explanatory comment will be provided.

Before commenting on each of the specific material variances identified it is important to note that, whilst many accounts will influence the overall variance, only those accounts within the affected Business Unit that significantly contribute to the variance will be highlighted.

For the purposes of explaining each variance, a multi-part approach has been taken. The parts are –

1. Period Variation – Relates specifically to the value of the variance between the Budget and Actual figures for the period being reviewed.
2. Primary Reason – Explains the primary reasons for the period variance. As the review is aimed at a higher level analysis, only major contributing factors are reported.
3. Budget Impact – Forecasts the likely \$ impact on the year end surplus or deficit position. It is important to note that values in this part are indicative only at the time of reporting, for circumstances may subsequently change.

Material Variances Explained

The Financial statements are presented based on the new organisational structure

As shown in the in the Statement of Financial Activity (contained within this document), the following variances have been identified -

Revenue

Chief Executive Officer

No material variance to report

(To be confirmed 23 July 2018)

Community Planning

- **Environmental Health**

- The period variation is favourable to period budget by \$27,712.
- The variation predominantly relates to higher than anticipated income received from Noise approval monitoring fees and Food business fees.
- The impact on the year end position is estimated to be an increase in revenue of \$15,000.

- **Urban Planning**

- The period variation is favourable to period budget by \$35,518.
- The variation predominantly relates to higher than anticipated income received from development application fees and Subdivision fees.
- The impact on the year end position is estimated to be an increase in revenue of \$20,000.

Operations

- **Asset Planning**

- The period variation is unfavourable to period budget by \$35,421.
- The variation predominantly relates to lower than budgeted lease income due to some properties being vacant.
- The impact on the year end position is estimated to be a decrease in revenue of \$30,000.

- **Street Operations**

- The period variation is favourable to period budget by \$34,495.
- The variation predominantly relates to the final grant claim for two capital projects which were greater than budgeted for. The grants relate to Bishopsgate Street and Roberts Road Upgrade and Oat Street and Star Street upgrade. The positive variance is reduced by budget timing variances related to Hill View Terrace and Oat Street upgrade and Roberts Road and Orrong Road Intersection upgrade projects. These projects are staged over two financial years and therefore the associated grants for the second stage of the project will only be received next financial year.
- The impact on the year end position is estimated to be an increase in revenue of \$75,000.

Operating Expense

Chief Executive Office

- **Chief Executive Office**

- The period variation is favourable to period budget by \$50,138.
- The variation predominantly relates to underspend on "Think, Act, Plan, Participate (TAPP)" projects where there has been a change in project ownership due to staff resources. These projects have been reallocated to staff who will carry forward the projects to be completed next financial year.

(To be confirmed 23 July 2018)

- The impact on the year end position is estimated to be a reduction in expenditure of \$30,000.

- **Communication and Engagement**

- The period variation is favourable to period budget by \$56,228.
- The variation predominantly relates to vacancies within the area.
- The impact on the year end position is estimated to be a reduction in expenditure of \$50,000.

- **Human Resources**

- The period variation is favourable to period budget by \$68,967.
- The variation predominantly relates to lower than budgeted expenditure within the programs area.
- The impact on the year end position is estimated to be a reduction in expenditure of \$50,000.

Community Planning

- **Digital Hub**

- The period variation is favourable to period budget by \$35,952.
- The variation predominantly relates to vacancies within the area.
- The impact on the year end position is estimated to be a reduction in expenditure of \$40,000.

- **Economic Development**

- The period variation is favourable to period budget by \$68,093.
- The variation predominantly relates to vacancies within the area.
- The impact on the year end position is estimated to be a reduction in expenditure of \$60,000.

- **Place Management**

- The period variation is favourable to period budget by \$61,834.
- The variation predominantly relates to vacancies within the area.
- The impact on the year end position is estimated to be a reduction in expenditure of \$70,000.

Finance

- **Information Systems**

- The period variation is favourable to period budget by \$221,796.
- The variation is due to delays in project initiatives that could not be resourced within the budgeted timeframe.
- The impact on the year end position is estimated to be a reduction in expenditure of \$180,000.

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- **Leisurelife**

- The period variation is favourable to period budget by \$66,058.
- The variation predominantly relates to vacancies and rostering changes within the area.
- The impact on the year end position is estimated to be a reduction in expenditure of \$60,000.

- **Parking**

- The period variation is favourable to period budget by \$76,978.
- The variation predominantly relates to vacancies within the area and lower than anticipated consultancy cost to perform a review of paid parking to meet the objectives of the Corporate Business Plan.
- The impact on the year end position is estimated to be a reduction in expenditure of \$50,000.

Operations

- **Asset Planning**

- The period variation is favourable to period budget by \$362,567.
- The variation predominantly relates to savings made in maintenance works and costs savings made renewing furniture and equipment for Aqualife and Leisurelife. The variance also includes a \$190,000 budget timing variance relating to the Lathlain Precinct Redevelopment Project. This project is currently underway and is expected to continue through to the following financial year.
- The impact on the year end position is estimated to be a reduction in expenditure of \$200,000.

- **Street Improvement**

- The period variation is favourable to period budget by \$104,546.
- The variation is predominantly due to lower than anticipated expenditure relating issues associated with drainage / sumps and their investigations which have been minimum this financial year, thus budget being underspent. Vacancies within the area has also created a favourable variance to budget.
- The impact on the year end position is estimated to be a reduction in expenditure of \$60,000.

- **Street Operations**

- The period variation is favourable to period budget by \$348,600.
- The variation predominantly relates to lower than anticipated costs relating to footpath and drainage maintenance. There is also a budget timing variance relating to invoices that are yet to be received and paid.
- The impact on the year end position is estimated to be a reduction in expenditure of \$120,000.

(To be confirmed 23 July 2018)

Capital Expense

Chief Executive Office

No material variance to report.

Community Planning

No material variance to report.

Finance

No material variance to report.

Operations

- **Asset Planning**

- The period variation is favourable to period budget by \$1,459,199.
- The variation predominantly relates to delays in capital projects. Four major capital projects are currently progressing through the tender process. Works will commence towards the end of the financial year.
- The impact on the year end position is estimated to be a reduction in expenditure of \$900,000. Funds that are not spent will be carried forward to the next financial year.

- **Parks**

- The period variation is favourable to period budget by \$2,032,612.
- The variation relates to delays and budget timing of major capital projects. The most significant project being the new Lathlain Park with a total budget of \$1,500,000. This project will be carried forward to the next financial year. McCallum Park foreshore river wall project funds will be carried forward to secure an opportunity for additional external funding towards the park upgrade. Stage 1 of GO Edwards park redevelopment is complete and awaiting final invoices from supplier.
- The impact on the year end position is estimated to be a reduction in expenditure of \$1,500,000. Funds that are not spent will be carried forward to the next financial year.

- **Street Operations**

- The period variation is favourable to period budget by \$817,684.
- The variation relates to delays and budget timing of capital projects. Physical works for some projects have been completed, with invoices yet to be received. Upgrade to Hill View Terrace and Oats Street Intersection project and the Roberts Road and Orrong Road intersection project will be carried forward to the next financial year as they are staged over two years.
- The impact on the year end position is estimated to be a reduction in expenditure of \$600,000. Funds that are not spent will be carried forward to the next financial year.

Non-Operating Revenue

No material variance to report

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Non-Operating Expenses

No material variance to report

Proposed Budget Amendments

No budget amendments to report

Accounting Notes**Significant Accounting Policies**

The significant accounting policies that have been adopted in the preparation of this document are:

(a) Basis of Preparation

The document has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The document has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this document.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

(c) 2017- 2018 Actual Balances

Balances shown in this document as 2017 - 2018 Actual are subject to final adjustments.

(d) Rounding Off Figures

All figures shown in this document, other than a rate in the dollar, are rounded to the nearest dollar.

(e) Rates, Grants, Donations and Other Contributions

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

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(f) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

(g) Goods and Services Tax

Revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the statement of financial position are stated inclusive of applicable GST. The net amount of GST recoverable from, or payable to, the ATO is included with receivables on payables in the statement of financial position. Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown as short term borrowings in current liabilities.

(i) Trade and Other Receivables

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(j) Inventories

General

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised as at the time of signing an unconditional contract of sale. Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

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(k) Fixed Assets

Each class of fixed asset is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost, or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the period in which they are incurred.

Revaluation

Certain asset classes may be re-valued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes, where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Those assets carried at a re-valued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be re-valued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government. Council has elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a) (i) prohibits local governments from recognising such land as an asset. In respect of land under roads acquired on or after 1 August 2008, as detailed above, Local Government (Financial Management) Regulation 16 (a) (i) prohibits local governments from recognising such land as an asset.

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Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4 (2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 September 2008 is not included as an asset of the Council.

Depreciation of Non-Current Assets

All non-current assets having a limited useful life (excluding freehold land) are systematically depreciated over their useful lives in a manner that reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use. Depreciation is recognised on a straight-line basis, using rates that are reviewed each reporting period. Major depreciation periods are:

Buildings		40 years
Furniture and Equipment		5 – 10 years
Plant and Machinery		2 – 10 years
Sealed Roads	- Clearing and Earthworks	Not depreciated
	- Construction and Road Base	5 – 80 years
	- Original Surface / Major Resurface	5 – 80 years
Drainage		5 – 80 years
Pathways		5 – 80 years
Parks and Reserves		5 – 80 years

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Capitalisation Threshold

Expenditure on capital items under \$2,000 is not individually capitalised. Rather, it is recorded on an Asset Low Value Pool listing.

(I) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

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Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a. the amount in which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method; and
- d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current. They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for

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impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain, or loss, pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an impairment test is carried out on

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the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116). For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset. At the time of adopting the Annual Budget, it was not possible to estimate the amount of impairment losses (if any) as at 30 June 2018. In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Annual Budget.

(n) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(p) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(q) Provisions

Provisions are recognised when:

- a. The Council has a present legal or constructive obligation as a result of past events;
- b. for which it is probable that an outflow of economic benefits will result; and
- c. that outflow can be reliably measured.

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Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(r) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on the Council's intentions to release for sale.

(s) Comparative Figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current reporting period.

(t) Budget Comparative Figures

Unless otherwise stated, the Budget comparative figures shown in this Budget document relate to the original Budget estimate for the relevant item of disclosure.

Service Unit Definitions

The Town operations, as disclosed in this report, encompass the following service-oriented Business Units –

Chief Executive Office

Chief Executive Office

The Chief Executive Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Chief Executive Office functional area.

Communications and Engagement

Communications and Engagement manages the brand and reputation of the Town. This is achieved through developing clear and accessible messaging, consulting with the community, delivering key messages through various channels and working to reach the appropriate audiences through strategically executed marketing, engagement and communication planning..

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Customer Relations

Customer Relations manages the Customer Service Contact Centre, which is the first point of contact for the organisation, and monitors performance against the Town's Customer Service Charter.

Leadership and Governance

The Leadership and Governance Service Area is committed to responsibly managing the Town on behalf of the residents and ratepayers of the District through collaboration, knowledge-sharing and good governance.

Human Resources

Human Resources is responsible for the development and implementation of occupational health and safety compliance, staff development, employee relations, recruitment and payroll services of the Town.

Community Planning

Building Services

Building Services provide services to ensure buildings are safe, liveable, accessible and sustainable, and meet statutory requirements.

Community Development

The Community Development team's vision is an empowered Victoria Park, which will be achieved through the mission of community capacity building.

Community Planning Office

The Community Planning Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Community Planning functional area.

Digital Hub

The Digital Hub provides free digital literacy and online training for the local community, not-for-profit organisations and local business operators.

Economic Development

Economic Development seeks to increase the economic growth of the district through fostering business attraction and retention, tourism, marketing, community initiatives and creating robust relationships.

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Environmental Health

Environmental Health seeks to promote good standards of public health via the many hospitality outlets in the area and the community in general.

General Compliance

The General Compliance Area liaise with and direct property owners and developers to ensure built-form building and planning requirements are adhered to at all times.

Healthy Community

The Healthy Community team connect people to services, resources, information, facilities, and experiences that enhance their physical and social health and wellbeing.

Library Services

Library Services plays a pivotal role in providing our community with access to resources, knowledge and technology in a safe, nurturing environment.

Place Management

The Place Management Service Area implements programs, that are suitable for the particular targeted section of the community, to improve places within the District or, where the community is satisfied with the standard of operation, to maintain the already attained standard.

Strategic Town Planning

Strategic Town Planning develops strategies for the future growth of the Town, with the aims of creating a vibrant community and improving the quality of life for residents.

Urban Planning

Urban Planning assesses applications for development approval and subdivision, provides advice to the community and ensures land is appropriately used and developed.

Finance

Aqualife

The Aqualife Centre aims to improve community health and wellbeing; and to provide a safe and welcoming environment for the community to meet and socialise, primarily through aquatic recreation.

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Budgeting

The Budgeting Area includes the administration of non-cash expenditure and revenue associated with local government accounting requirements, including profit and loss and depreciation.

Corporate Funds

The Corporate Funds are includes the management of loans, reserve fund transfers, restricted and trust funds, rate revenue and corporate grants funding.

Finance Office

The Finance Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Finance functional area.

Financial Services

The key role of Financial Services is to manage and control the Town's finances in a sound and prudent manner.

Information Systems

Information Systems assists the Town in operating efficiently with the smooth running of essential business computer programs and systems.

Leisurelife

The Leisurelife Centre aims to improve community health and wellbeing, and to provide a safe and welcoming environment for the community to meet and socialise, primarily through active recreation.

Parking

The Parking Management section guides future parking initiatives within the Town, ensuring equitable access for everyone, whilst also monitoring existing parking areas and ensuring a safer community.

Rangers

Ranger Services offer a 24 hours-a-day / 7 days-a-week service to help ensure community safety in the areas of Dog and Cat management and Local Law enforcement.

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Operations

Asset Planning

Asset Planning provides services to manage and maintain Council facilities and their related assets.

Environment

The Environment Area is committed to preserving and enhancing natural areas and recognises not only the ecological benefits of protecting natural assets, but also the social and recreational benefits as well.

Fleet Services

Fleet Services oversees the various items of light fleet, heavy fleet and plant and equipment.

Operations Office

The Operations Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Operations functional area.

Parks and Reserves

The Parks and Reserves Section delivers high quality horticultural works to parks, reserves and streetscapes.

Project Management

Project Management assists in improving the standards of project management and project delivery, and delivers nominated projects on behalf of the Town.

Street Improvement

Street Improvement provides engineering advice, design, planning, and road safety initiatives.

Street Operations

Street Operations ensure the maintenance and renewal of roads, pathways, drainage and associated assets.

Waste

Waste Management implements waste collection, minimisation and disposal in a sustainable manner.

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Statement of Financial Activity
For the period 1 July 2017 to 31 May 2018

Particulars	Material Variance		Revised Budget	31 May 2018		
	\$	%		Year-to-Date Budget	Year-to-Date Actual	
	\$	%	\$	\$	\$	
Revenue						
Chief Executive Office			5,500	3,710	11,732	
Chief Executive Office			500	0	1,641	
Communications and Engage			1,000	880	5,820	
Customer Relations			0	0	0	
Human Resources			3,000	2,830	2,744	
Leadership and Governance			1,000	0	1,527	
Community Planning			1,460,500	1,293,680	1,372,794	
Building Services			333,000	320,990	313,329	
Community Development			405,000	317,360	332,798	
Community Planning Office			1,000	440	1,837	
Digital Hub			1,500	1,050	479	
Economic Development			0	0	0	
Environmental Health	27,712	▲	10.6%	286,000	262,430	290,142
General Compliance			0	0	7,292	
Healthy Community			30,500	27,380	26,147	
Library Services			33,500	30,580	32,157	
Place Management			0	0	0	
Strategic Town Planning			500	500	146	
Urban Planning	35,518	▲	10.7%	369,500	332,950	368,468
Finance			54,177,326	53,098,958	53,179,263	
Aqualife			2,300,000	2,055,840	2,045,042	
Budgeting			4,000	1,100	22,941	
Corporate Funds			46,045,826	45,599,860	45,615,598	
Finance Office			1,000	880	1,320	
Financial Services			747,500	746,040	764,749	
Information Systems			13,000	11,880	1,792	
Leisurelife			2,209,500	2,052,868	2,065,728	
Parking			2,735,500	2,525,100	2,532,524	
Ranger services			121,000	105,390	129,569	
Operations			7,010,000	6,169,145	6,215,287	
Asset Planning	35,421	▼	15.2%	258,500	232,480	197,059
Environment			0	0	9,930	
Fleet Services			10,000	0	21,164	
Operations Office			2,802,500	2,791,180	2,774,816	
Parks and Reserves			257,000	53,170	41,341	
Project Management			850,000	850,000	858,493	
Street Improvement			47,500	23,826	46,696	
Street Operations	34,495	▲	2.4%	1,978,000	1,450,139	1,484,634
Waste Services			806,500	768,350	781,154	
Total Revenue			62,653,326	60,565,493	60,779,075	

(To be confirmed 23 July 2018)



Statement of Financial Activity
For the period 1 July 2017 to 31 May 2018

Particulars	\$	Material Variance		Revised Budget \$	31 May 2018	
			%		Year-to-Date Budget \$	Year-to-Date Actual \$
Operating Expense						
Chief Executive Office				(4,405,000)	(3,775,347)	(3,597,960)
Chief Executive Office	50,138	▼	5%	(1,063,500)	(964,462)	(914,324)
Communications and Engage	56,228	▼	8%	(769,500)	(682,505)	(626,277)
Customer Relations				(821,000)	(695,105)	(681,284)
Human Resources	68,967	▼	8%	(1,107,000)	(812,643)	(743,676)
Leadership and Governance				(644,000)	(620,632)	(632,398)
Community Planning				(8,504,000)	(7,004,456)	(6,793,356)
Building Services				(531,500)	(469,811)	(454,363)
Community Development				(2,065,000)	(1,682,875)	(1,667,116)
Community Planning Office				(1,368,000)	(1,023,665)	(1,008,150)
Digital Hub	35,952	▼	23%	(170,500)	(156,783)	(120,831)
Economic Development	68,093	▼	37%	(193,000)	(183,298)	(115,205)
Environmental Health				(648,500)	(586,048)	(603,838)
General Compliance				(158,500)	(153,500)	(163,632)
Healthy Community				(238,500)	(224,749)	(235,414)
Library Services				(1,179,000)	(1,088,759)	(1,097,098)
Place Management	61,834	▼	77%	(154,000)	(80,000)	(18,166)
Strategic Town Planning				(761,500)	(464,471)	(439,921)
Urban Planning				(1,036,000)	(890,497)	(869,622)
Finance				(21,134,000)	(20,432,512)	(20,038,740)
Aqualife				(2,824,500)	(2,495,544)	(2,481,700)
Budgeting				(7,461,000)	(8,692,452)	(8,717,190)
Corporate Funds				(530,500)	(411,112)	(393,494)
Finance Office				(719,500)	(654,118)	(678,425)
Financial Services				(1,128,000)	(940,411)	(916,873)
Information Systems	221,136	▼	10%	(2,819,000)	(2,218,461)	(1,997,325)
Leisurelife	66,058	▼	3%	(2,758,500)	(2,396,491)	(2,330,433)
Parking	76,978	▼	4%	(2,050,000)	(1,887,647)	(1,810,669)
Ranger services				(843,000)	(736,276)	(712,632)
Operations				(22,880,000)	(20,484,525)	(19,684,783)
Asset Planning	362,567	▼	11%	(3,766,000)	(3,200,168)	(2,837,601)
Environment				(108,500)	(92,000)	(112,528)
Fleet Services				0	(8,589)	(8,009)
Operations Office				(3,583,000)	(3,487,145)	(3,471,506)
Parks and Reserves				(4,427,000)	(3,947,462)	(3,969,575)
Project Management				(1,014,500)	(757,033)	(756,046)
Street Improvement	104,546	▼	10%	(1,298,500)	(1,067,671)	(963,125)
Street Operations	348,600	▼	14%	(2,629,500)	(2,549,549)	(2,200,949)
Waste Services				(6,053,000)	(5,374,908)	(5,365,444)
Total Operating Expense				(56,923,000)	(51,696,840)	(50,114,839)

(To be confirmed 23 July 2018)



Statement of Financial Activity
For the period 1 July 2017 to 31 May 2018

Particulars	Material Variance		Revised Budget	31 May 2018		
	\$	%		Year-to-Date Budget	Year-to-Date Actual	
	\$	%	\$	\$	\$	
Capital Expense						
Chief Executive Office			0	0	0	
Chief Executive Office			0	0	0	
Communications and Engage			0	0	0	
Customer Relations			0	0	0	
Human Resources			0	0	0	
Leadership and Governance			0	0	0	
Community Planning			(20,000)	(20,000)	(16,020)	
Building Services			0	0	0	
Community Development			(20,000)	(20,000)	(16,020)	
Community Planning Office			0	0	0	
Digital Hub			0	0	0	
Economic Development			0	0	0	
Environmental Health			0	0	0	
General Compliance			0	0	0	
Healthy Community			0	0	0	
Library Services			0	0	0	
Place Management			0	0	0	
Strategic Town Planning			0	0	0	
Urban Planning			0	0	0	
Finance			(1,335,000)	(414,300)	(428,926)	
Aqualife			(23,000)	(23,000)	(8,091)	
Budgeting			0	0	0	
Corporate Funds			0	0	0	
Finance Office			0	0	0	
Financial Services			0	0	0	
Information Systems			(945,000)	(282,300)	(292,135)	
Leisurelife			0	0	0	
Parking			(367,000)	(109,000)	(128,700)	
Ranger services			0	0	0	
Operations			(14,526,700)	(11,649,286)	(7,302,601)	
Asset Planning	1,459,199	▼	42%	(3,687,500)	(3,454,350)	(1,995,151)
Environment				0	0	0
Fleet Services				(1,019,200)	(743,500)	(729,829)
Operations Office				0	0	0
Parks and Reserves	2,032,612	▼	72%	(3,786,000)	(2,814,400)	(781,788)
Project Management				(74,000)	(26,500)	(2,982)
Street Improvement				0	0	0
Street Operations	817,684	▼	18%	(5,949,000)	(4,610,536)	(3,792,852)
Waste Services				(11,000)	0	0
Total Capital Expense				(15,881,700)	(12,083,586)	(7,747,547)

(To be confirmed 23 July 2018)



Statement of Financial Activity
For the period 1 July 2017 to 31 May 2018

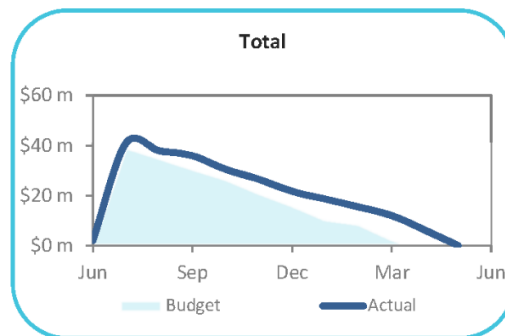
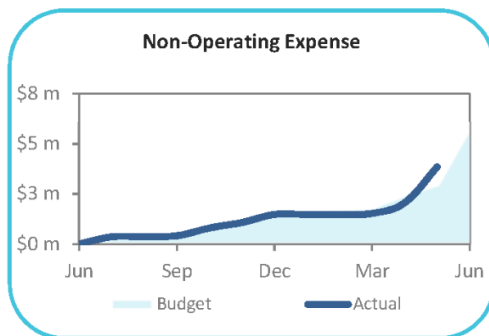
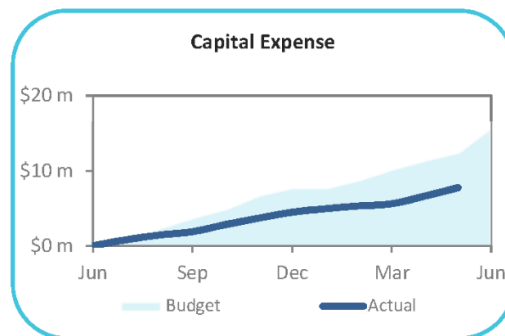
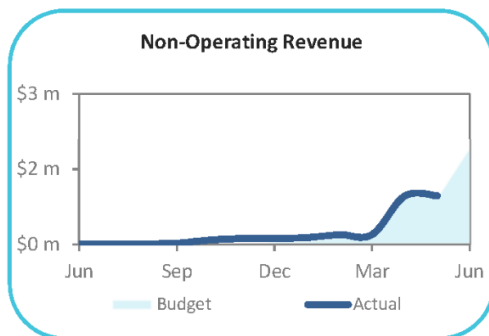
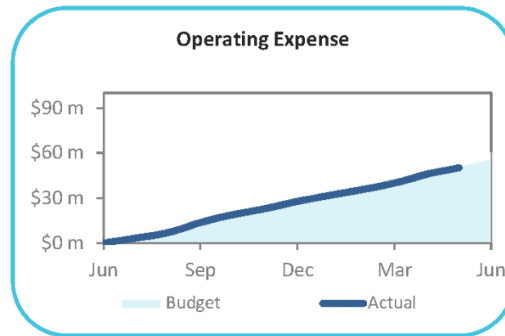
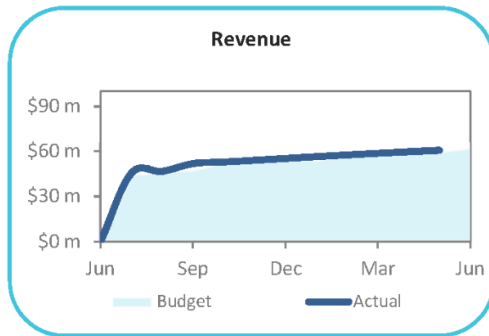
Particulars		Material Variance	31 May 2018		
			Revised Budget	Year-to-Date Budget	Year-to-Date Actual
	\$	%	\$	\$	\$
Non-Operating Revenue					
Finance			1,700,000	750,000	750,000
Corporate Funds			1,700,000	750,000	750,000
Operations			301,500	200,000	221,133
Fleet Services			301,500	200,000	221,133
Total Non-Operating Revenue			2,001,500	950,000	971,133
Non-Operating Expense					
Finance			(5,868,000)	(3,850,000)	(3,859,884)
Corporate Funds			(5,868,000)	(3,850,000)	(3,859,884)
Total Non-Operating Expense			(5,868,000)	(3,850,000)	(3,859,884)
Non-Cash Items Adjustments					
Profit and Loss			26,500	24,374	680,472
Depreciation			7,780,500	6,986,152	8,455,104
Total Non-Cash Items Adjustments			7,807,000	7,010,526	9,135,576
Suspense Items Yet To Be Applied				0	367,670
Opening Surplus / (Deficit)			6,210,874	6,210,874	6,210,874
Closing Surplus / (Deficit)			0	7,081,467	15,742,058

(To be confirmed 23 July 2018)



Statement of Financial Activity
For the period 1 July 2017 to 31 May 2018

Graphical Representation



(To be confirmed 23 July 2018)



*Net Current Funding Position
For the period 1 July 2017 to 31 May 2018*

Particulars	Brought Forward 1 July \$	2017-2018 Revised Budget \$	Year To Date Actual \$
Current Assets			
Cash - Unrestricted	10,533,455	4,080,896	17,121,141
Cash - Reserves / Restricted	24,441,643	25,249,343	26,093,912
Receivables and Accruals	4,532,901	2,000,000	4,311,159
Inventories	6,978	10,000	6,978
Land Held for Sale	0	509,104	0
	39,514,977	31,849,343	47,533,190
Less Current Liabilities			
Payables and Provisions	(8,862,461)	(6,600,000)	(5,697,221)
	(8,862,461)	(6,600,000)	(5,697,221)
Net Current Asset Position	30,652,516	25,249,343	41,835,970
Less			
Cash - Reserves / Restricted	(24,441,643)	(25,249,343)	(26,093,912)
Estimated Surplus / (Deficiency) Carried Forward	6,210,873	-	15,742,057

(To be confirmed 23 July 2018)



Cash and Cash Investments
For the month ended 31 May 2018

Cash and Investments Analysis

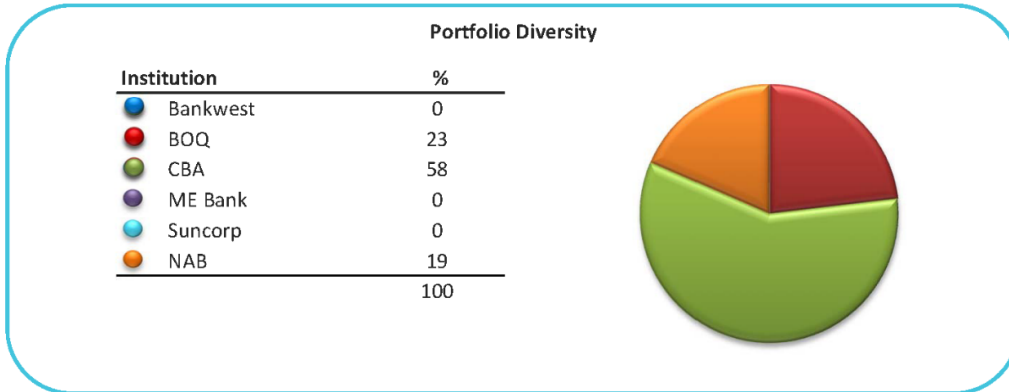
	Amount Invested \$	Interest Rate %	Term (Days)	Maturity Date	Projected Earnings \$	Percentage of Portfolio
Cash - Unrestricted						
CBA	15,112,136				15,318	35%
At Call	15,112,136	Variable	11am	Daily	15,318	
NAB	2,000,000				12,715	5%
10520451	2,000,000	2.55	91	25-Jun-18	12,715	
Total Cash - Unrestricted	17,112,136				28,033	40%
Cash - Restricted						
CBA	10,093,912				170	23%
At Call	10,093,912	Variable	11am	Daily	170	
NAB	6,000,000				87,703	14%
97-887-7369	3,000,000	2.50	334	25-Jun-18	68,630	
10520450	3,000,000	2.55	91	25-Jun-18	19,073	
BOQ	10,000,000				224,129	23%
026499	7,000,000	2.60	336	27-Jun-18	167,540	
027704	3,000,000	2.55	270	26-Jun-18	56,589	
Total Cash - Restricted	26,093,912				312,002	60%
Total Cash - Invested	43,206,049				340,035	100%
Cash on Hand	9,005					
Total Cash	43,215,054					

(To be confirmed 23 July 2018)

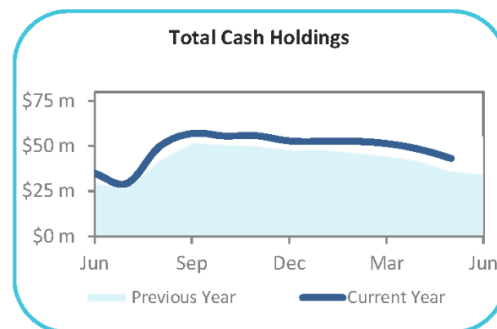
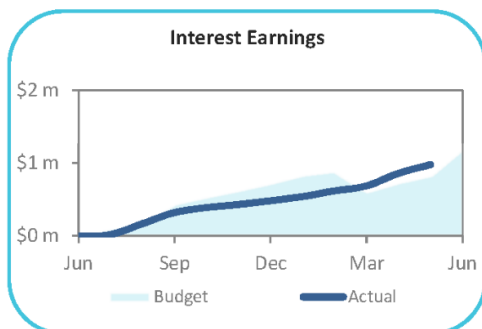
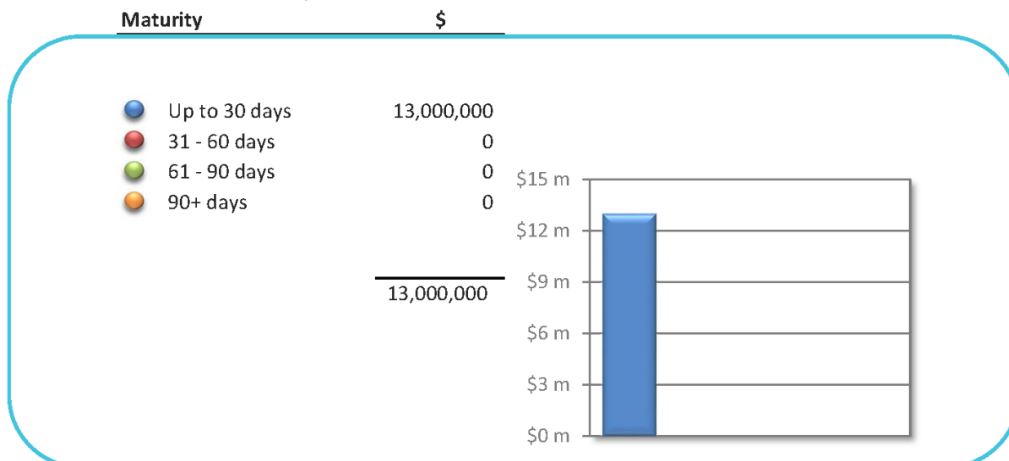


*Cash and Cash Investments
For the month ended 31 May 2018*

Cash and Investments Analysis



Investment Maturity Timing



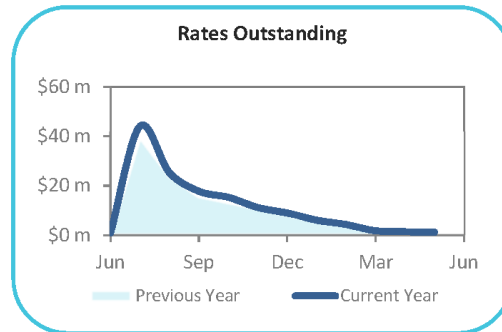
(To be confirmed 23 July 2018)



*Receivables (Rates and Sundry Debtors)
For the month ended 31 May 2018*

Rates Outstanding (Not Including Deferrals or Associated Fees and Charges)

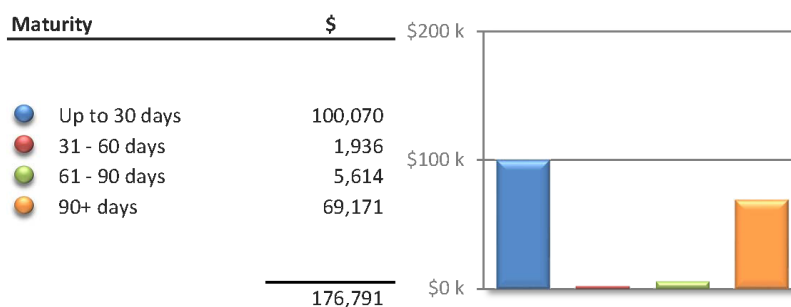
	Total
Balance from Previous Year	821,508
Rates Levied - Initial	0
Rates Levied - Interims	44,267,573
Total Rates Collectable	45,089,081
Current Rates Collected To Date	43,862,337
Current Rates Outstanding	1,226,743
% Rates Outstanding	2.7%



Sundry Debtors

Type	Total	30 Days	60 Days	90 Days	90+ Days
Grants and Subsidies	10,923	10,923	-	-	-
Property Rent	64,138	15,635	-	-	48,503
Aqualife Fees	8,661	8,556	105	-	-
Leisurelife Fees	14,598	12,843	869	-	886
Community Life Fees	24,972	24,280	693	-	-
Health Fees	2,547	80	150	692	1,625
Other Fees and Charges	37,871	21,568	120	-	16,183
Long Service Leave From Councils	-	-	-	-	-
Building and Planning Application Fees	13,081	6,184	-	4,922	1,975
Total Sundry Debtors	176,791	100,070	1,936	5,614	69,171

Sundry Debtor Aged Analysis



(To be confirmed 23 July 2018)



Grants and Contributions
For the month ended 31 May 2018

Grants and Contributions

Details	Original Budget	Revised Budget	Receipt Status	
	\$	\$	Invoiced	Remaining
Corporate Funds				
Federal Assistance	750,000	350,000	349,230	770
Federal Local Road	330,000	175,000	173,187	1,813
Lifelong Learning				
Book Council Grants - Local History	2,000	1,000	-	1,000
State Government Grants - Lifelong	2,000	2,000	2,500	-
State Government Grants - Adult Programs	2,000	1,000	1,600	-
Book Council Grants - Young People Services	3,600	2,000	715	1,285
Neighbourhood Enrichment				
Federal Gov Grants Access Inclusion & Seniors	4,500	-	-	-
Sponsorship Creative Arts	4,500	2,500	5,000	-
State Government Grants Cultural Engagement	20,000	2,500	-	2,500
State Government Grants Families and Youth	50,000	-	-	-
Lotterywest Grants Events and Volunteers	20,000	-	14,860	-
Sponsorship Events and Volunteers	14,000	16,000	4,950	11,050
State Gov Grants Neighbourhood Enrichment	4,500	35,000	10,000	25,000
State Gov Grants Information and Donations	4,500	-	-	-
Crime Prevention Grants Safer Neighbourhoods	20,000	-	-	-
Parks				
State Government Grant - Recreational	200,000	200,000	-	200,000
Street Operations				
MRWA Direct Road Grants	62,400	47,500	47,552	-
Street Lighting Subsidy	1,000	31,000	30,022	978
MRRG Road Rehabilitation Grants	180,000	233,500	153,280	80,220
MRWA Black Spot Grants	675,000	598,000	387,319	210,681
MRWA Other Grants	280,000	270,000	178,879	91,121
Transport Authority Grants	90,000	125,000	25,000	100,000
Transport Grants	285,700	330,500	326,162	4,338
State Government Grant	70,000	145,000	75,000	70,000
Total Cash Deposits	3,075,700	2,567,500	1,785,256	800,756

(To be confirmed 23 July 2018)



Reserve Funds
For the month ended 31 May 2018

Reserve Funds Descriptions

The purposes for which funds have been set aside by Council, in Reserve Funds, are outlined below -

Building Renewal

To be used to fund renewal projects associated with Council's Building assets.

Community Art

To be used to fund the purchase and placement of art for the Council and Community.

Drainage Renewal

To be used to fund renewal projects associated with Council's Drainage infrastructure.

Edward Millen Site

To be used to assist in improving and / or maintaining the Edward Millen site, including the associated grounds.

Furniture and Equipment Renewal

To be used to fund renewal projects associated with Council's Furniture and Equipment assets.

Future Fund

To assist in funding projects and property purchases that diversify Council's revenue streams.

Future Projects

To assist in funding 'new' and 'upgrade' capital projects, with funding primarily derived from the sale of land assets.

Harold Hawthorne - Carlisle Memorial

To be used to provide funds to assist in conducting future Spring Garden Competitions.

Information Technology Renewal

To be used to fund renewal projects associated with Council's information technology assets. significant insurance claims.

Insurance Risk Reserve

To be used for the purpose of meeting the difference between premiums and claims in the event of any significant insurance claims.

Other Infrastructure Renewal

To be used to fund renewal projects associated with Council's Other infrastructure.

Parks Renewal

To be used to fund renewal projects associated with Council's Parks infrastructure.

Pathways Renewal

To be used to fund renewal projects associated with Council's Pathways infrastructure

Plant and Machinery Renewal

To be used to assist in the acquisition and replacement of the Town's Plant and Machinery.

(To be confirmed 23 July 2018)



Reserve Funds
For the month ended 31 May 2018

Renewable Energy

To assist in investigating and funding renewable energy projects within the District.

Roads Renewal

To be used to fund renewal projects associated with Council's Roads Infrastructure

Underground Power

To assist in the funding of projects associated with the installation of underground power and associated landscaping.

Waste Management

To assist in the funding of waste management and waste minimisation strategies

(To be confirmed 23 July 2018)



Reserve Funds
For the month ended 31 May 2018

Reserve Funds Transactions

	Annual Opening Balance \$	Transfer to Reserve \$	Transfer from Reserve \$	31 May 2018 Balance Actual Balance Budget \$ \$		Annual Revised Budget \$
Building Renewal	400,466	1,735	-	402,201	400,466	418,266
Community Art	641,043	2,778	-	643,821	641,043	690,043
Drainage Renewal	172,720	747	-	173,467	172,720	225,920
Edward Millen Site	1,356,878	5,878	-	1,362,756	1,356,878	1,458,678
Furniture and Equip Renewal	558,907	2,422	-	561,329	558,907	599,907
Future Fund	12,332,193	803,433	-	13,135,626	12,332,193	13,658,793
Future Projects	1,798,878	7,794	-	1,806,672	1,798,878	450,178
Harold Hawthorn - Carlisle	126,430	548	-	126,978	126,430	148,630
Information Technology Ren	358,400	1,552	-	359,952	358,400	665,400
Insurance Risk Reserve	367,830	1,594	-	369,424	367,830	397,230
Land Asset Optimisation	-	796,370	-	796,370	-	397,230
Other Infrastructure Renewal	574,443	2,488	-	576,931	574,443	615,443
Parks Renewal	261,025	1,132	-	262,157	261,025	46,225
Pathways Renewal	367,397	1,593	-	368,990	367,397	420,397
Plant and Machinery	235,342	1,020	-	236,362	235,342	269,342
Renewable Energy	220,980	957	-	221,937	220,980	75,380
Roads Renewal	788,737	3,417	-	792,154	788,737	882,337
Underground Power	2,962,799	12,837	-	2,975,636	2,962,799	3,241,999
Waste Management	917,175	3,974	-	921,149	917,175	985,175
	24,441,643	1,652,270	-	26,093,913	24,441,643	25,646,573



Capital Items

The following pages summarise the progress of the Capital Items.

For the purposes of these pages, the following indicators have been used -

Item Timing

This relates to how the item is tracking time-wise and is displayed using the following indicators -

- Behind
- On-Track
- In-Front

Budget Status

This relates to how the item is costing against the Revised Budget and is displayed using the following indicators -

- Over budget
- On budget
- Under budget

Completion Stage

This relates to where the item is currently, in terms of completion, and is displayed using the following indicators -

- Not commenced
- Commenced
- Half-way completed
- Nearing completion
- Completed

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Buildings			3,457,500	1,882,195
New - Buildings				
Aqualife - Energy Efficiency Initiatives	<input type="checkbox"/>	■ ■ ■ □	100,000	79,720
Leisurelife - Energy Efficiency Initiatives	<input type="checkbox"/>	■ ■ ■ □	100,000	35,902
Community Facility - Zone 6 - Lathlain Precinct	<input type="checkbox"/>	■ ■ ■ □	30,000	8,707
Upgrade - Buildings				
Administration Centre - Security Card Entry Control	<input checked="" type="checkbox"/>	■ ■ ■ ■	60,000	73,926
Lifelong Learning - Library Entrance Upgrade	<input type="checkbox"/>	□ □ □ □	95,000	0
Leisurelife - Emergency Management Switchboard	<input type="checkbox"/>	■ ■ ■ ■	5,000	0
Administration Centre - Accessibility	<input type="checkbox"/>	■ ■ ■ □	70,000	18,978
Leisurelife - Reception and Cafe Area	<input type="checkbox"/>	■ ■ ■ ■	20,000	10,745
Police and Citizens Youth Centre - Switchboard	<input type="checkbox"/>	■ ■ ■ ■	15,000	11,691
Upgrade Lot 61 Lathlain Place - Zone 8 - Lathlain Precinct	<input type="checkbox"/>	■ ■ ■ ■	3,000	1,000
Renewal - Buildings				
Aqualife Centre - Pool Deck Floor (Stage 1)	<input type="checkbox"/>	■ ■ ■ ■	140,000	131,670
Air Conditioning System - Council Administration	<input type="checkbox"/>	■ ■ ■ ■	810,000	798,521
Shepperton Road Underpass - Retiling	<input checked="" type="checkbox"/>	■ ■ ■ ■	18,000	18,040
Aqualife Centre - Renew Leisure Pool - Water feature	<input type="checkbox"/>	■ ■ ■ ■	36,000	35,950
Aqualife Centre - Replacement of Boilers	<input checked="" type="checkbox"/>	■ ■ ■ ■	97,500	99,246
Aqualife Centre - Renew Spa Plant Room, Filter and Pipe	<input type="checkbox"/>	■ ■ ■ ■	17,000	0
Aqualife Centre - Tiling of 50m Swimming Pool	<input type="checkbox"/>	■ ■ ■ ■	16,000	2,738
Aqualife Centre - Renewal Circulation and Chemical Pump	<input checked="" type="checkbox"/>	■ ■ ■ ■	5,000	7,897
6 Kent Street - Accessibility and Internal Renewal	<input type="checkbox"/>	■ □ □ □	230,000	7,153
8 Kent Street - Accessibility and Internal Renewal	<input type="checkbox"/>	■ □ □ □	200,000	6,370
Administration Centre - Fire Panel Replacement	<input type="checkbox"/>	■ ■ ■ □	65,000	27,011
Aqualife Centre - Chemical Shed	<input checked="" type="checkbox"/>	■ ■ ■ ■	20,000	20,245
Aqualife Centre - Window Tinting	<input type="checkbox"/>	■ ■ ■ ■	8,000	7,825
Archer Street Toilets - LED Lighting	<input type="checkbox"/>	■ ■ ■ ■	2,000	1,144
Balbuk Reserve Toilets - LED Lighting	<input type="checkbox"/>	■ ■ ■ ■	2,000	0
Carlisle Reserve Clubrooms - Flooring Replacement	<input type="checkbox"/>	■ ■ ■ ■	19,000	18,010
Depot Rear Shed - Roof and Cladding Replacement	<input type="checkbox"/>	■ ■ ■ □	180,000	45,463
GO Edwards Park Toilets (1) - LED Lighting	<input type="checkbox"/>	■ ■ ■ ■	2,000	1,685
GO Edwards Park Toilets (2) - LED Lighting	<input type="checkbox"/>	■ ■ ■ ■	2,000	1,796
Higgins Park Tennis Club - Kitchen	<input type="checkbox"/>	■ ■ ■ □	40,000	0
Hubert Street Carpark Toilets - LED Lighting	<input type="checkbox"/>	■ ■ ■ ■	2,000	1,444
John Macmillan Park Toilets - Lighting and accessibility	<input type="checkbox"/>	■ □ □ □	125,000	4,755
Leisurelife - Commercial Kitchen Flooring	<input type="checkbox"/>	■ ■ ■ ■	8,000	7,862

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Renewal - Buildings (continued)				
Leisurelife - Court Flooring	<input type="checkbox"/>	■■■■■	95,000	63,049
Leisurelife - Courts Lighting	<input type="checkbox"/>	■■■■■	28,000	25,097
Leisurelife - Emergency Exit Doors	<input type="checkbox"/>	■■■■■	24,000	18,700
Leisurelife - Entrance and Signage Renewal	<input checked="" type="checkbox"/>	■■■■■	25,000	25,798
Leisurelife - Gym Flooring	<input type="checkbox"/>	■■■■■	65,000	53,915
Leisurelife - Roofing	<input type="checkbox"/>	■■■■■	9,000	8,225
Leisurelife - Squash Courts (3 and 4)	<input type="checkbox"/>	■■■■■	65,000	58,180
Leisurelife - Toilets and Change Rooms	<input type="checkbox"/>	■■■■■	170,000	8,072
Library - Facility Lighting	<input type="checkbox"/>	■■■■■	50,000	44,665
Library - Fire Panel Replacement	<input type="checkbox"/>	■■■■■	35,000	18,777
Library - Public Area Carpets	<input type="checkbox"/>	■■■■■	100,000	13,820
McCallum Park Toilets - LED Lighting	<input type="checkbox"/>	■■■■■	2,000	0
Read Park Toilets - LED Lighting	<input type="checkbox"/>	■■■■■	2,000	1,519
Taylor Street Reserve Toilets	<input type="checkbox"/>	■■■■■	190,000	4,393
Victoria Park Carlisle Bowling Club - Toilets	<input type="checkbox"/>	■■■■■	55,000	52,492
Plant and Machinery			1,019,200	729,829
New				
Plant - Electric Bikes	<input type="checkbox"/>	■■■■■	17,200	6,336
Plant - Street Operations - High Pressure Cleaner and Trai	<input type="checkbox"/>	■■■■■	12,000	11,694
Renewal - Plant and Machinery				
Purchase Major Plant - Light Truck Parks (160VPK - Plant	<input type="checkbox"/>	■■■■■	103,500	103,216
Purchase Major Plant - Mower Slasher Parks (147VPK Pla	<input type="checkbox"/>	■■■■■	28,000	27,974
Purchase Major Plant - Mowing Trailer Parks (158VPK - Pl	<input type="checkbox"/>	■■■■■	24,000	23,940
Minor Plant Renewal - Low Value Pool - Parks	<input type="checkbox"/>	■■■■■	11,000	4,817
Minor Plant Renewal - Street Improvement	<input type="checkbox"/>	■■■■■	10,500	9,353
Minor Plant Renewal - Workshop Pressor (Replacing CVR;	<input type="checkbox"/>	■■■■■	10,000	0
Fleet - Aqualife - 1EMT367 (Plant 365)	<input type="checkbox"/>	■■■■■	22,500	22,241
Fleet - Asset Management - 179VPK (Plant 385)	<input type="checkbox"/>	■■■■■	25,000	24,986
Fleet - Building Services - 113VPK (Plant 368)	<input type="checkbox"/>	■■■■■	22,500	22,448
Fleet - Business Life Administration - 106VPK (Plant 369)	<input type="checkbox"/>	■■■■■	33,000	32,736
Fleet - Community Life Administration - 110VPK (Plant 371)	<input type="checkbox"/>	■■■■■	32,000	31,188
Fleet - Community Life Administration - 166VPK (Plant 379)	<input type="checkbox"/>	■■■■■	35,000	31,118
Fleet - Environmental Health - 116VPK (Plant 372)	<input type="checkbox"/>	■■■■■	21,000	20,838
Fleet - Leisurelife - 112VPK (Plant 364)	<input type="checkbox"/>	■■■■■	22,000	21,947
Fleet - Lifelong Learning - 164VPK (Plant 386)	<input checked="" type="checkbox"/>	■■■■■	25,000	25,352
Fleet - Ranger Services - 183VPK (Plant 366)	<input type="checkbox"/>	■■■■■	40,000	25,151
Fleet - Renew Life Administration - 111VPK (Plant 360)	<input type="checkbox"/>	■■■■■	35,000	183
Fleet - Street Improvement - 128VPK (Plant 384)	<input type="checkbox"/>	■■■■■	25,000	25,000
Fleet - Urban Planning - 108VPK (Plant 377)	<input type="checkbox"/>	■■■■■	25,000	24,911

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Renewal - Plant and Machinery (continued)				
Plant - Street Operations - High Pressure Cleaner (239)	<input type="checkbox"/>	■■■■■	5,000	4,413
Plant - Street Operations - High Pressure Cleaner (332)	<input type="checkbox"/>	■■■■■	5,000	4,371
Truck - Street Operations - 131VPK (44)	<input type="checkbox"/>	■■■■■	105,000	92,842
Truck - Street Operations - 145VPK (43)	<input type="checkbox"/>	■■■□	150,000	183
Utility (Fleet) - Parks - 130VPK (283)	<input type="checkbox"/>	■■■■■	40,000	36,988
Utility (Fleet) - Parks - 148VPK (329)	<input checked="" type="checkbox"/>	■■■■■	30,000	32,904
Utility (Fleet) - Street Operations - 135VPK (287)	<input type="checkbox"/>	■■■■■	30,000	29,168
Utility (Fleet) - Street Operations - 141VPK (296)	<input type="checkbox"/>	■■□□	45,000	0
Utility (Fleet) - Street Operations - 144VPK (297)	<input checked="" type="checkbox"/>	■■■■■	30,000	33,530
Furniture and Equipment			296,000	121,046
New - Furniture and Equipment				
Licence Plate recognition devices and equipment - Parking	<input type="checkbox"/>	■■□□	9,000	0
Hardware, software and cabling - Parking Initiative	<input type="checkbox"/>	□□□□	23,000	0
Edward Millen - Low Value Pool	<input type="checkbox"/>	■■■■■	6,500	6,486
VICPARK LED - Illuminated Lights	<input type="checkbox"/>	■■■■■	4,500	4,300
Renewal - Furniture and Equipment				
Renew Furniture & Equipment - Depot - Low Value Pool	<input type="checkbox"/>	■■■□	6,000	2,270
Renew Minor Plant - Bins	<input type="checkbox"/>	■■□□	11,000	0
Renew Furniture - Administration Centre - Low Value Pool	<input type="checkbox"/>	■■■□	22,000	16,260
Parking Management Office - Office Furniture	<input type="checkbox"/>	■□□□	5,000	0
Renew Furniture & Equipment - Aqualife - Low Value Pool	<input type="checkbox"/>	■■■□	10,000	6,109
Renewal - Furniture & Equipment - Aqualife Cafe	<input type="checkbox"/>	■■■□	5,000	0
Renewal - Equipment - Aqualife - Pool Scrubber	<input checked="" type="checkbox"/>	■■■■■	8,000	8,091
Aqualife - Crèche Furniture	<input type="checkbox"/>	■■■□	4,000	0
Aqualife - Gymnasium Equipment (Assorted)	<input type="checkbox"/>	■■□□	20,000	8,868
Aqualife - Pool Equipment	<input type="checkbox"/>	■■■□	40,000	23,462
Renewal - Equipment - Leisurelife- Gym Equipment	<input type="checkbox"/>	■■■□	20,000	5,059
Leisurelife - Court Floor Cleaner	<input type="checkbox"/>	■■■■■	20,000	17,146
Leisurelife - Bingo Furniture	<input type="checkbox"/>	■■■■■	7,000	6,889
Leisurelife - Sports Equipment	<input type="checkbox"/>	■■■□	23,000	4,861
Renewal - Furniture & Equipment - Leisurelife Cafe	<input type="checkbox"/>	■■■□	5,000	2,944
Renew Furniture & Equipment - Leisurelife - Low Value Po	<input type="checkbox"/>	■■■□	15,000	4,433
Renew Furniture & Equipment - Lifelong Learning - Low Va	<input type="checkbox"/>	■■■□	15,000	650
Renew Furniture & Equipment - Digital Hub - Low Value Pc	<input checked="" type="checkbox"/>	■■■■■	2,000	3,218
TAPP - Aqualife - Access and Inclusion Pool Hoist	<input type="checkbox"/>	■■■□	12,000	0
TAPP - Aqualife - Disability Floatation devices	<input type="checkbox"/>	■■■□	3,000	0

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Information Technology			945,000	292,135
New - Information Technology				
TAPP - Lighten Up - Mobile App Software	<input type="checkbox"/>	■ ■ ■ □	5,000	0
Library - RFID Self-Service System	<input type="checkbox"/>	■ □ □ □	90,000	0
New - Software - Mobile Health	<input type="checkbox"/>	□ □ □ □	100,000	0
New - Software - Client engagement	<input checked="" type="checkbox"/>	■ ■ ■ ■	8,000	13,235
New - Noise Monitoring Device - Environmental Health	<input checked="" type="checkbox"/>	■ ■ ■ □	25,000	27,874
Handheld Enforcement devices and associated equipment	<input type="checkbox"/>	■ ■ □ □	12,000	0
Renewal - Information Technology				
Hardware - Mobile Computing Devices	<input type="checkbox"/>	■ ■ ■ ■	65,000	64,176
Network - Wi-Fi Network	<input type="checkbox"/>	■ ■ ■ ■	47,000	46,991
Systems - Website, Intranet and Client Portal	<input type="checkbox"/>	■ □ □ □	85,000	0
Renewal - Information Technology				
Depot Communications System (Hardware)	<input type="checkbox"/>	■ ■ ■ ■	5,000	4,997
Network Storage (Hardware)	<input type="checkbox"/>	■ ■ ■ ■	38,000	37,033
Bookings Management System (Software)	<input type="checkbox"/>	■ □ □ □	50,000	0
Development Application System (Software)	<input type="checkbox"/>	■ ■ □ □	110,000	43,660
Email Archival System (Software)	<input type="checkbox"/>	■ ■ ■ □	30,000	29,728
Leisure Facilities Management System (Software)	<input type="checkbox"/>	■ □ □ □	95,000	0
Library Management System (Software)	<input type="checkbox"/>	■ ■ □ □	95,000	0
Records Management System (Software)	<input type="checkbox"/>	□ □ □ □	60,000	0
System Security (Software)	<input type="checkbox"/>	■ ■ ■ ■	25,000	24,440
Roads			3,744,500	2,387,582
New - Roads				
New - Albany Highway - Pedestrian Crossing Safety Meas	<input checked="" type="checkbox"/>	■ ■ ■ ■	43,500	48,914
New - Alday Street - Lane Channelisation	<input type="checkbox"/>	■ ■ ■ ■	68,000	67,609
New - Enfield Street - Traffic Calming	<input type="checkbox"/>	■ ■ ■ ■	89,000	85,186
Gallipoli Street - Egham Road to Enfield Street - Traffic Cal	<input type="checkbox"/>	■ ■ □ □	25,000	1,820
Gallipoli Street - Egham Road to Howick Street - Traffic Ca	<input type="checkbox"/>	■ ■ □ □	25,000	1,820
Goddard Street - Egham Road to Howick Street - Traffic C	<input type="checkbox"/>	■ ■ □ □	25,000	1,000
Goddard Street - Midgley Street to Cookham Road - Traffic	<input type="checkbox"/>	■ ■ □ □	25,000	1,000
Hill View Terrace - Cycle Lane Extension and Ramps	<input type="checkbox"/>	■ ■ □ □	15,000	0
McCartney Crescent - Goddard Street to Roberts Road - T	<input type="checkbox"/>	■ ■ □ □	60,000	8,104
Saleham Street - Goddard Street to Gallipoli Street - Traffic	<input type="checkbox"/>	■ ■ □ □	55,000	2,116
Star Street - Intersection Safety Works at Briggs Street	<input type="checkbox"/>	■ ■ ■ ■	15,000	6,268

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items

Particulars	Budget	Completion	Revised	Year-to-Date
	Status	Stage	Budget	Actual
			\$	\$
Renewal - Roads				
Albany Highway - Duncan Street to Teddington Road	☒	■ ■ ■ □	330,000	340,635
Asteroid Way - Star Street to Mercury Street	☒	■ ■ ■ ■	120,000	120,272
Bank Street - Oats Street to Milford Street	☒	■ ■ ■ ■	86,000	91,436
Berwick Street - Sussex Street to Basinghall Street	☒	■ ■ ■ ■	150,000	162,048
Bishopsgate Street - Oats Street to Mercury Street	□	■ ■ ■ ■	49,000	48,880
Bolton Avenue - Glenn Place to Path (Northbound)	□	■ ■ ■ □	151,500	6,405
Bolton Avenue - Glenn Place to Path (Southbound)	□	■ ■ ■ □	104,000	116
Cookham Street - Gallipoli Street to Goddard Street	□	■ ■ ■ ■	112,000	111,815
Goddard Street - Saleham Street to Bishopsgate Street	□	■ ■ ■ ■	103,000	102,425
Raleigh Street - Mercury Street to Lion Street	□	■ ■ ■ ■	130,000	113,069
Somerset Street - Shepperton Road to Bank Street	☒	■ ■ ■ □	200,000	249,641
Swansea Street (West) - Dane Street to Cul-de-sac	☒	■ ■ ■ ■	178,000	178,876
Upgrade - Roads				
Upgrade Hillview & Berwick Intersection Stage 2	□	■ ■ ■ □	18,000	1,177
Upgrade - McCartney Crescent	□	■ ■ □ □	22,500	0
Traffic Management Initiative - Shepperton Rd and Gresha	□	■ ■ ■ ■	243,000	210,043
Traffic Management Initiative - Teddington St and Burswo	□	■ ■ ■ □	204,000	190,887
Upgrade - Bishopsgate and Roberts Road - Pre Deflection	□	■ ■ ■ ■	9,000	6,006
Upgrade - Oats Street and Star Street - Pre Deflections	☒	■ ■ ■ ■	3,500	3,634
Upgrade - Temple Street and Hordern Street - Traffic Islan	□	■ ■ ■ ■	500	360
Hill View Terrace and Oats Street - Intersection	□	■ □ □ □	180,000	9,875
Roberts Road and Orrong Road - Intersection	□	■ □ □ □	220,000	0
Rutland Avenue - Oats Street to Welshpool Road	□	■ ■ □ □	450,000	464
Temple Street and Hordern Street - Intersection	□	■ ■ ■ ■	135,000	133,613
Upgrade - Great Eastern Highway and Craig Street - Inters	□	■ ■ ■ ■	100,000	82,066
Drainage			552,000	262,208
New - Drainage				
Drainage - Carnarvon Street	□	■ ■ ■ ■	63,000	62,294
Drainage - Harris Street and Appleton Street - Stage 1	□	■ ■ ■ □	64,500	17,786
Drainage - Northampton Street	□	■ ■ ■ □	50,000	36,548
Lake View Terrace Drainage - To be constructed as part of	□	■ ■ □ □	20,000	0
Renewal - Drainage				
Intersection Improvements - Hillview Terrace	□	■ ■ ■ □	87,500	12,887
Right Of Ways - Various Locations	□	■ ■ ■ □	45,000	14
Pipe Renewal- Various Locations	□	■ ■ ■ □	45,000	21,125
Pit Renewal- Various Locations	□	■ ■ ■ □	80,000	57,227
Sump Renewal- Various Locations	□	■ ■ ■ ■	37,000	36,596
Upgrade				
Albany Highway - Hotspot 1 Drainage Master Plan	□	■ ■ ■ □	60,000	17,731

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items				
Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Pathways			432,500	246,638
New - Pathways				
Bolton Avenue - Carpark to Main Entrance	☒	■ ■ ■ ■	26,000	26,180
Brodie Hall Drive - Turner Avenue to Hayman Road	☐	■ ■ ■ ■	42,500	42,360
Rutland Avenue P2P - Stage 2	☐	■ ■ ■ □	20,000	448
Rutland Avenue Safe Active Street	☐	■ ■ ■ □	25,000	3,887
Victoria Park Drive - Footpath Extension	☐	■ ■ □ □	50,000	0
Renewal - Pathways				
Berwick Street - Bush Street to Boundary Road (East)	☐	■ ■ ■ □	40,000	27,380
Berwick Street - Bush Street to Boundary Road (West)	☐	■ ■ ■ ■	59,000	58,720
Forward Street - Welshpool Road to Swansea Street (East)	☐	■ ■ ■ ■	14,000	7,378
Pathway - Lathlain Precinct Redevelopment (Zone 2)	☐	□ □ □ □	75,000	0
Mars Street - Oats Street to Cohn Street	☐	■ ■ ■ ■	24,000	23,968
Mint Street - Carnarvon Street to Shepperton Road	☐	■ ■ ■ ■	14,000	13,800
Oats Street - Hubert Street to Albany Highway	☐	■ ■ ■ ■	12,000	11,610
Star Street - Briggs Street to President Street	☐	■ ■ ■ ■	21,000	20,999
Star Street - Cohn Street to Briggs Street	☐	■ ■ ■ ■	10,000	9,908
Parks			3,786,000	781,788
New - Parks				
George Street Reserve Revegetation	☐	■ ■ ■ □	80,000	42,113
Park Furniture and Equipment - Burswood Peninsula	☐	■ ■ ■ □	75,000	688
Kensington Bushland - Jirdarup Signage	☐	■ ■ ■ □	30,000	5,459
Manners Reserve - Shade Sails	☐	■ ■ ■ ■	25,000	16,159
New - Tree Plan- Tree Planting	☐	■ ■ ■ □	35,000	25,081
Renew - Park Lighting - Poles and Floodlighting	☐	■ ■ ■ ■	20,000	7,500
Lathlain Park - New	☐	■ □ □ □	1,500,000	31,473
Peninsula to Park - Landscaping	☐	■ □ □ □	200,000	3,340
Emergency Works - Water Tank installation	☐	■ ■ ■ ■	50,000	43,950
Renewal - Parks				
Fletcher Park - Playground	☐	■ □ □ □	60,000	0
Fraser Park - Playground	☐	■ □ □ □	50,000	80
GO Edwards Park - Redevelopment	☐	■ ■ ■ □	590,000	307,638
Harold Rossiter Park - Irrigation	☒	■ ■ ■ ■	160,000	173,198
Manners Reserve - Furniture	☐	■ ■ ■ □	5,000	0
Park Signage - Various Locations	☐	■ ■ ■ □	50,000	27,342
Renew - McCallum Park (Foreshore River Wall)	☐	■ □ □ □	341,000	22,719
Renewal - Tree Plan - Tree Planting	☐	■ ■ ■ □	75,000	32,689
Victoria Park Community Centre - Playground	☐	■ □ □ □	20,000	1,035

(To be confirmed 23 July 2018)



Capital Items Progress
For the month ended 31 May 2018

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Upgrade - Parks				
Upgrade - Entry Statements - Landscaping	□	■□□□	80,000	3,011
Upgrade - Higgins Park Tennis Club - Court Modifications	□	□□□□	300,000	0
Upgrade - Rayment Park	□	■ ■ ■ ■	40,000	38,312
Other Assets			1,575,000	1,041,144
New - Other Assets				
New - Lathlain Primary School / Rayment Park Carpark	□	■ ■ ■ ■	27,500	27,433
Car Parks - Harvey Street ACROD bays	□	■ ■ ■ ■	7,500	7,253
New Street Lighting - Purchase and Installation	□	■ ■ □ □	66,000	10,432
Purchase and Installation of parking meters	□	■ □ □ □	75,000	0
Signage - Parking Plan Works	□	■ □ □ □	130,000	0
New - Street Furniture - Various Locations	□	■ ■ ■ □	35,000	30,302
Street Lighting - Safety Improvement at Various Locations	□	■ ■ □ □	25,000	5,370
Visual Art	□	■ ■ ■ ■	20,000	16,020
Burswood Peninsula Way Finding - Signs and Line marking	□	■ □ □ □	50,000	0
Renewal - Other Assets				
Right of Way 51	□	■ ■ ■ □	500,000	476,475
Street Furniture - Bus Shelters at Various Locations	□	■ ■ ■ ■	47,000	46,462
Street Lighting - Albany Highway and Laneways	□	■ □ □ □	40,000	0
Car Parks - Carlisle Reserve	□	■ ■ ■ □	100,000	72,448
Lighting - St James East Victoria Park - Safer Communities	□	■ □ □ □	75,000	0
Upgrade - Other Assets				
Upgrade - Right of Way 31a & 31b	□	■ ■ ■ ■	23,000	22,701
Upgrade - Right of Way 45	□	■ ■ ■ ■	14,000	13,758
Right of Way 14 - Access Upgrade	□	■ ■ ■ □	170,000	146,451
Tap and Go - Parking Meter Upgrade	□	■ ■ ■ ■	130,000	128,700
Street Lighting - Community Safety Projects	□	■ ■ ■ ■	40,000	37,339
Land			74,000	2,982
Upgrade				
Land - Upgrade: 25 Boundary Road Subdivision	□	■ □ □ □	74,000	2,982

(To be confirmed 23 July 2018)

8.3 Auditor's Interim Audit Report 2017-2018 Financial Year

File Reference:	FIN/11/0001~09
Appendices:	Yes
Attachments:	No

Date:	19 June 2018
Reporting Officer:	A. Thampoe
Responsible Officer:	N. Cain
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the Finance and Audit Committee notes the Auditor's Interim Audit Report and recommends to Council to support the management responses to those comments.

- This item presents the matters raised in the Auditor's Interim Report, together with the responses provided by management to those matters.

TABLED ITEMS:

Nil

BACKGROUND:

Each year, as part of Council's audit process, an interim audit is undertaken to ascertain areas of potential review associated with Council's financial systems processes. The advice received through the interim audit is then assessed by management who note the comments and take action as required. The findings of the interim audit, together with responses from management, are now presented for the Finance and Audit Committee's consideration and recommendation to Council.

DETAILS:

As part of Council's committee structure, the Finance and Audit Committee has been established to review areas of an audit or compliance nature. The Auditor's Interim Audit is summarised in the attached report. It is to be noted that the Interim Audit is primarily concerned with a review of internal controls/practices/procedures and management's compliance with those controls. The interim audit reports on an exception basis those items that require management's attention and does not seek to point out all the strong internal controls in place.

Legal Compliance:

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

Policy Implications:

Nil

(To be confirmed 23 July 2018)

Risk Management Considerations:

Two risks have been identified as outlined below:

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Compliance: Council not accepting auditor recommendation which may leave the Town open to fraud, error or non-compliance	Major	Unlikely	Moderate	Provide reasoning and detailed explanations to Council to enable informed decision making.
Financial Impact: Management not implementing auditor recommendations which will lead to poor financial management and control.	Major	Unlikely	Moderate	Identify the Town's tolerance for risk. Ensure auditor recommendations which address risks that are above the identified risk tolerance limit is implemented by management.

Strategic Plan Implications:

Nil

Financial Implications:Internal Budget:

The budget for all audit services for the Town is \$40,000. The costs to perform the interim audit are within budget constraints.

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

(To be confirmed 23 July 2018)

COMMENT:

Matters raised by the auditor, and management's response to each matter, are as follows:

PURCHASES, PAYMENTS AND CREDITORS**1. Matter**

Our review of the outstanding purchase orders listing as at 31 March 2018 revealed that 17 purchase orders were outstanding since July 2016. Our checks revealed that some of these outstanding purchase orders were completed and require cancellation.

Rating: Moderate

Implication:

Such practice may increase the risk of unauthorised purchases being made.

Recommendation:

We request that management review the long outstanding purchase orders and purge unwanted and fulfilled purchase orders from the system. This will ensure that only valid outstanding purchase orders remain in the system.

Management Comment:

Management notes the observations as stated.

An open purchase order review is conducted by the Financial Services section on a monthly basis.

The outstanding purchase orders that were identified at the Interim Audit predominantly relate to standing orders, which are not currently included in the monthly review. Standing orders are generally raised at the commencement of the financial year to accommodate annual items such as cleaning services, tree management services, power, water, gas etc. or where an ongoing and continuing obligation exists (which may occur over multiple years).

Management will review the process in consideration of the recommendation from the auditor.

Responsible Person: Financial Controller

Completion Date: September 2018

(To be confirmed 23 July 2018)

2. Matter

During our interim audit, we noted two (2) instances (22 samples tested) where purchase orders had been raised only after the goods and services have been supplied. These instances related to:

- Ticket machine upgrade for Tap & Go – Purchase Order No. 2028021
- Security system upgrade – Purchase Order No. 2028311

Rating: Moderate

Implication:

Such practice may increase the risk of unauthorised purchases being made.

Recommendation:

We request that purchase orders be raised when the goods and services are ordered and not after the goods and services have been received. This will ensure that goods and services have been obtained at the most competitive prices and ensure adherence to Council's purchasing policy.

Management Comment:

Management notes the observations as stated.

In general, purchase orders are raised when the goods and services are ordered and not after receipt. Management will review the appropriateness of employee training on procurement processes so as to minimise such instances in the future. It is unlikely that this issue will ever be fully removed from the organisation and so a risk reduction, rather than risk removal, approach will be taken.

Responsible Person: Financial Controller

Completion Date: September 2018

PAYROLL

3. Matter

The Town's "Human Resources Procedure – HRP038 Annual Leave" and Enterprise Agreement 2016 stipulates that employees may accrue a maximum of 10 weeks (380 hours) of annual leave at any time. During our review of the employee annual leave entitlement balances as at 10 May 2018, we noted that 27 employees with accrued annual leave in excess of 380 hours to a maximum of 837 hours (approximately 22 weeks).

(To be confirmed 23 July 2018)

This matter was raised in our previous interim audit management letter dated 9 August 2017. The management response then provided was as follows:

“Management confirms that leave reduction agreements are currently in place for most of the staff who have excess leave. Excess leave is monitored regularly by management in order to ensure agreements are in place to reduce any excess leave balance.”

Rating: Moderate

Implication:

Excess annual leave entitlements may have adverse effects on the Town including:

- key staff not being rotated, a preventive control against fraud;
- health and safety concerns with staff members not taking their annual entitlements; and
- increase the Town’s costs given salary rises and increments over time.

Recommendation:

We recommend that appropriate steps be taken by the management to manage and minimize the excessive annual leave balances in order to avoid the effects mentioned under implication.

Management Comment

Management notes the observations as stated.

There are currently a number of instances where Leave Reduction Plans are being implemented.

Regular reporting and management review is currently occurring and, over time, this matter will be extinguished.

Responsible Person: Manager Human Resources and Organisational Development

Completion Date: Ongoing

INFORMATION TECHNOLOGY

We discussed with the Information Services Officer about the general information technology controls operating at the Council. Generally, the controls appear to be operating satisfactorily.

However, the following matters were noted and are brought to your attention:

(To be confirmed 23 July 2018)

4. Matter

During our review of the IT general and application controls, we noted that passwords are not changed with sufficient regularity to maintain a secure system.

Rating: Significant

Implication:

Lack of such controls can lead to unauthorised access to the Town's accounting system.

Recommendation:

We recommend that the passwords be changed at periodic intervals to prevent the possibility of unauthorised access. Further consideration be given to password controls such as complexity, length, history, expiry and lock out as complex passwords provide a stronger control over access to the Town's systems, applications and data.

This matter was raised in our previous interim audit management letters dated 26 August 2016 and 9 August 2017. The management response then provided was as follows:

"Management confirms that controls to change computer/system passwords regularly have been reviewed and the Town is currently in the process of implementing this change."

Management Comment:

Management notes the observations as stated.

Changes have now been implemented that meet Australian Signals Directorate and the Australian Cyber Security Centre guidelines and standards.

Responsible Person: Principal ICT Specialist

Completion Date: Complete

5. Matter

During our review, we noted that there is no formal process to review user access rights.

Rating: Significant

Implication:

The lack of control over user access rights could result in significant issues in data integrity of the system.

(To be confirmed 23 July 2018)

Recommendation:

We recommend that a formal process be put in place to review user access rights periodically. The user access rights to employees should be granted considering the job description.

Management Comment:

Management notes the observations as stated.

The process to fully resolve the matter identified by the auditor is currently scheduled for completion in the 2019-2020 financial year, which is following a significant programmed upgrade to the organisational core systems. Given the rating (of significant) of the matter noted by the auditor, management will seek to complete a review of user access rights in the 2018-2019 financial year.

Responsible Person: Principal ICT Specialist

Completion Date: September 2018 (interim issue resolution)

RESOLVED:

Moved: Cr Oliver

Seconded: Cr Ife

That the Finance and Audit Committee notes and accepts the comments arising from the Auditor's 2017-2018 Interim Audit and recommends Council support the management responses to those comments as contained within the body of this report.

The motion was put and

Carried (4:0)

In favour of the motion: Cr Anderson; Cr Ife; Cr Vernon and Cr Oliver

(To be confirmed 23 July 2018)

8.4 Review of Wards and Representation 2018

File Reference:	COR/10/0008
Appendices:	Yes
Attachments:	No

Date:	24 May 2018
Reporting Officer:	R. Fishwick
Responsible Officer:	A. Vuleta
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the Finance and Audit Committee recommends that Council initiates a review of its ward boundaries and the number of offices of councillor for each ward.

- The *Local Government Act 1995* requires that local governments undertake a review of their wards and representation every eight years.
- Recommended that Council initiates the process to carry out a review of its wards and representation.

TABLED ITEMS:

Nil

BACKGROUND:

Under Schedule 2.2 of the *Local Government Act 1995* (the Act), local governments with wards must conduct regular reviews of ward boundaries and representation in consultation with their communities.

It is obligatory for the Town to conduct the review pursuant to the abovementioned legislation as it is a local government that has a ward system and must therefore carry out reviews of:

- (a) its ward boundaries; and
- (b) the number of offices of councillor for each ward;

from time to time so that not more than eight years elapse between successive reviews. The previous (second) review was completed in 2010 and therefore the Town is now required to conduct a further review.

DETAILS:

The information supplied by the Local Government Advisory Board (the Board) states that the purpose of a review is to assess the current arrangements and to evaluate a range of options to find a system of representation that best suits the characteristics of the district and its people. Any of the following may be considered:

- Creating new wards in a district already divided into wards;
- Changing the boundaries of a ward;
- Abolishing any or all of the wards into which a district is divided;

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- Changing the name of a district or a ward;
- Changing the number of offices of councillor on a council; and
- Specifying or changing the number of offices of councillor for a ward.

The Board expects local governments to complete their reviews to allow any changes to be implemented within the eight year period. Local governments may undertake reviews on a more frequent basis if they are experiencing significant changes to their population.

Before conducting the review the Council must resolve to undertake a review of its ward system. Once resolved by Council and before conducting the review, a local government is to give local public notice that a review is to be carried out.

The purpose of the public notice is to inform the community that the Council intends to conduct a review – it should not try to “sell” a particular option.

The notice must advise that submissions may be made to the local government six weeks from the date of the first notice (not including the day of the notice). The closing date for submissions should not be a weekend or public holiday.

It is essential to develop a diverse range of alternatives additional to the current ward system so that all options can be considered. The public notice should also encourage responses and suggestions from the community.

In addition to giving public notice, local governments may undertake other initiatives to promote community discussion including public meetings, website and media articles and interviews, sending information to non-resident electors, ratepayers or progress associations and distributing information to all households. Maps clearly showing the current situation and possible options are essential.

A discussion or information paper should be developed to explain the various options and the five factors (noted below) against which they will be assessed. Instructions on how to access the discussion paper should be included in the public notice.

The local government must consider all submissions it receives and record this in the minutes of its meeting along with any other information considered relevant to the decision making process.

All options must be assessed against the following five factors:

- Community of interest;
- Physical and topographical features;
- Demographic trends;
- Economic factors; and
- The ratio of councillors to electors in the various wards.

These factors should be considered in terms of the whole district prior to assessing the options.

The Board considers that the ratio of councillors to electors is particularly significant. It is expected that each local government will have similar ratios of electors to councillors across its wards, generally falling within a deviation of plus or minus 10%.

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The Board may be reluctant to recommend (to the Minister) changes to ward boundaries and representation that result in ward councillor/elector ratios that are greater than plus or minus 10% unless exceptional circumstances apply.

Current situation

Currently the Town of Victoria Park has eight (8) councillors elected from two (2) wards as follows:

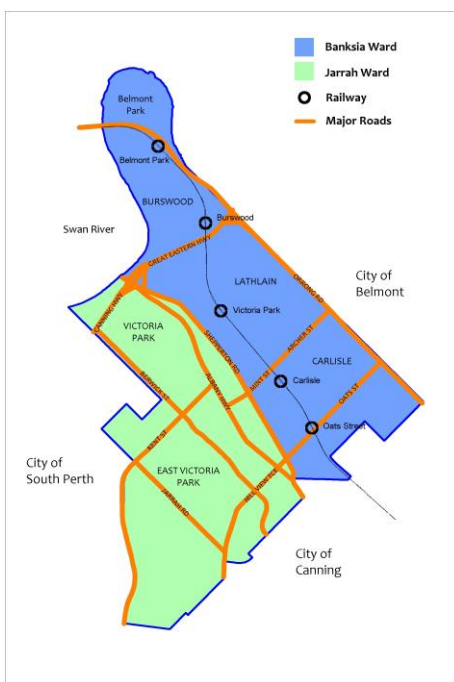
Table 1 - Current Councillor (Cr)/Elector Ratios

Ward	Number of Electors	Number of Crs	Cr: Elector Ratio	% Ratio Deviation
Banksia	10,154 *	4	1:2539	5.88%
Jarrah	11,423 *	4	1:2856	-5.88%
Total	21,577	8	1:2697	

The percentage deviation gives a clear indication of the percentage difference between the average councillor/elector ratios for each ward. It can be seen that there is a slight imbalance in representation between the two Wards with Banksia being slightly over represented and Jarrah being slightly under represented having 1,269 more electors than Banksia.

Notwithstanding the above, a balanced representation is considered appropriate where the percentage ratio deviation falls within plus or minus 10%. The percentage ratio deviation is currently 5.88% which is currently accepted as being balanced.

The following map shows the current ward boundaries, the railway and major roads within the Town:



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Legal Compliance:

The review of the wards and representation complies with schedule 2.2 of the Act which states;

“6. Local government with wards to review periodically

- (1) *A local government the district of which is divided into wards is to carry out reviews of —*
- (a) *its ward boundaries; and*
 - (b) *the number of offices of councillor for each ward,*
- from time to time so that not more than 8 years elapse between successive reviews.*
- (2) *A local government the district of which is not divided into wards may carry out reviews as to —*
- (a) *whether or not the district should be divided into wards; and*
 - (b) *if so —*
 - (i) *what the ward boundaries should be; and*
 - (ii) *the number of offices of councillor there should be for each ward,*
- from time to time so that not more than 8 years elapse between successive reviews.*
- (3) *A local government is to carry out a review described in subclause (1) or (2) at any time if the Advisory Board requires the local government in writing to do so.*

In accordance with clauses 10 and 11 of schedule 2.2 of the Act, where local governments do not review these matters, the Board may recommend the making of any order in relation to changes. The Board may recover the costs of any inquiries conducted for this purpose from the local government.

Policy Implications:

Nil

Risk Management Considerations:

The risks have been identified as outlined below;

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Compliance: No noticeable regulatory or statutory impact.	Insignificant	Unlikely	Low	The Town's current elector representation ratios are within the prescribed deviation of plus or minus 10% for both of its Wards which sit at plus and minus 5.88%.

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Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
				Pursuant to Schedule 2.2 of the <i>Local Government Act 1995</i> the Town is obligated to conduct a review of its Wards and Representation which is due this year.

Strategic Plan Implications:

CL10 Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

Financial Implications:Internal Budget:

Nil

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

Information provided by Board suggests that it is helpful to develop some alternative(s) to the current ward system so that options can be considered in a discussion paper that is made available to the public. Whilst Council may have a preferred option, the discussion paper and particularly the public notice must not limit the possible responses and suggestions to the community.

Such options as a proposal to dispense with wards increase the number of wards could be included in the discussion paper whilst maintaining, increasing or reducing the number of elected members.

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In addition a proposal to change the names of the Wards based on geographical location such as North East and South West may be appropriate rather than the current names of Banksia and Jarrah.

To commence the process the Town needs resolve to undertake a review of the ward boundaries and the number of offices of councillor for each ward. In doing so it is also considered that the four options of either:

1. retaining the current ward structure and representation;
2. a no ward structure and the same representation; and
3. changing the ward names and maintaining the same representation;
4. changing the ward boundaries and maintain the same representation;

be presented as a discussion paper that can be disseminated to the public upon request.

CONCLUSION:

It is therefore recommended that the Town resolves to initiate a review of its ward boundaries and the representation of elected members.

ADDITIONAL INFORMATION:

The Finance and Audit Committee requested that the Administration consider appropriate dates when the review process would be undertaken and when a report would be presented to Council for consideration.

The process involved and proposed timeline should the Council resolve to initiate the review of its ward boundaries and the number of councillors is as follows:

Review of Wards and Representation – Timeline

Item	Date	Comments
Town initiates proposal.	Report to Council meeting 10 July 2018.	Discussion Paper endorsed and Council resolves to invite public submissions (Local Public Notice).
Public consultation (invite submissions).	Local Public Notice given from 17 July to 7 September 2018 (ie 52 days).	Must be 6 weeks (42 days) minimum.
Submissions and options considered.	Report to Council meeting 9 October 2018	Determination made on preferred option
Review forwarded to Local Government Advisory Board (the Board)	12 October 2018	If changes are recommended to the Wards and number of Councillors then these need to be considered by the Board.

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RESOLVED:

Moved: Cr Vernon

Seconded: Cr Anderson

That the Finance and Audit Committee recommends that the Council, in accordance with clause 7 of Schedule 2.2 of the *Local Government Act 1995*, that the Town initiates a review of its ward boundaries and the number of offices of councillor for each ward and makes available to the public the discussion paper as contained within the Appendices.

Carried (4:0)

The motion was put and

In favour of the motion: Cr Anderson; Cr Ife; Cr Vernon and Cr Oliver

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9. MEETING CLOSED TO PUBLIC

9.1 Matters for which the meeting may be closed

Nil

9.2 Public reading of resolutions that may be made public

Nil

10. WORKSHOP TOPICS AND PRESENTATIONS

10.1 Elected Member portal and intranet

The Manager Stakeholder Relations, Ms Carrie Parsons, provided an update on progress of the Elected Member portal and intranet.

It was agreed that the next update to the Finance and Audit Committee will take place at the August 2018 meeting.

The Manager Stakeholder Relations, Ms Carrie Parsons, left the meeting at 5.50pm.

10.2 Review of standing orders

The Principal Governance Advisor, Mr Russel Fishwick, led a discussion on the review of the Town's standing orders. It was agreed that the review would be done in parts and commence at the July 2018 Finance and Audit Committee meeting.

Mayor Trevor Vaughan left the meeting at 5.54pm.

10.3 Review of Local Government Act 1995

The Principal Governance Advisor, Mr Russell Fishwick, provided an update on the next stages of the review of the *Local Government Act 1995*.

The Principal Governance Advisor, Mr Russ Fishwick left the meeting at 6pm.

10.4 Capital works progress

The Chief Operations Officer, Mr Ben Killigrew, led a discussion on scoping the requirements for capital works progress reporting.

It was agreed that the current reporting would be sufficient with a couple of changes. The members of the Finance and Audit Committee requested that items that have a variance that is more or less than 5% of the budget be identified using a red cross (more) and a green tick (less).

It was also agreed that a separate report that outlines capital work progress in more depth could be presented to the Finance and Audit Committee.

Action:

The Chief Operations Officer, Mr Ben Killigrew is to prepare a new report that outlines capital works progress more in depth and present it as a workshop item at the July 2018 Finance and Audit Committee meeting.

Cr Claire Anderson left the meeting at 6.41pm.

10.5 Revenue Diversification Policy

The Chief Financial Officer, Mr Nathan Cain, led a discussion on the development of a Revenue Diversification Policy for the Town.

This will be included as a workshop item at the July 2018 Finance and Audit Committee meeting.

11. MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12. NEW BUSINESS OF AN URGENT NATURE

Nil

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13. REQUEST FOR REPORTS FOR FUTURE CONSIDERATION

Forthcoming agenda items	
Reports	
Monthly financials and schedule of accounts	Every month
Workshop topics/presentation	
Review of <i>Local Government Act 1995</i>	As required
Divestment	July 2018
John Mactivation Project concept design and cost estimates	July 2018
Property acquisition	July 2018
Capital works reporting	July 2018
Revenue Diversification Policy development	July 2018
Standing orders review	July 2018
Fees and Charges – determination and analysis of the level of application	Dec 2018
Update on Elected Member’s portal and intranet	August 2018

14. CLOSURE

There being no further business, Councillor Oliver closed the meeting at 7.12pm.

I confirm these minutes to be a true and accurate record of the proceedings of the Council.

Signed:.....Cr Oliver

Dated this:.....Day of2018