

minutes

Finance and Audit Committee



Please be advised that a **Finance and Audit Committee** meeting was held at **5.30pm** on **Monday 29 January 2019** in the council chambers at the administration building, 99 Shepperton Road, Victoria Park.

A handwritten signature in black ink, appearing to read "J. Ammons Noble".

**CR JENNIFER AMMONS NOBLE
PRESIDING MEMBER**

29 January 2019

(To be confirmed 25 February 2019)

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(To be confirmed 25 February 2019)

1. OPENING

Cr Ammons Noble opened the meeting 5.30pm.

2. ATTENDANCE

Members:

Banksia Ward:

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

Jarrah Ward:

Cr B (Brian) Oliver
Cr J (Jennifer) Ammons Noble (Presiding Member)

Independent members:

Mr N (Neil) Formosa
Mr J (Jonathon) Carley

A/Chief Financial Officer Chief Operations Officer Manager Corporate Services

Mr L (Luke) Ellis
Mr B (Ben) Killigrew
Mr G (Graham) Patrick

Coordinator Governance

Ms D (Danielle) Uniza

Secretary

Miss A (Amy) Noon

2.1 Apologies

Nil.

2.2 Approved leave of absence

Nil.

3. DECLARATIONS OF INTEREST

Declaration of Financial Interests

Nil.

Declaration of Proximity Interest

Nil.

Declaration of Interest affecting impartiality

Nil.

(To be confirmed 25 February 2019)

4. CONFIRMATION OF MINUTES

RESOLVED:

Moved: Mr Carley

Seconded: Cr Anderson

That the minutes of the Finance and Audit Committee meeting, held on 17 December 2018, be confirmed.

The motion was put and

Carried (6:0)

In favour of the motion: Cr Vernon; Cr Ammons Noble; Cr Oliver; Cr Anderson; Mr N Formosa and Mr J Carley

5. 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 25 February 2019)

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 25 February 2019)

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.

6. PRESENTATIONS

6.1 Deputations

Nil.

7. METHOD OF DEALING WITH AGENDA BUSINESS

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Cr Vernon

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 (6:0)

In favour of the motion: Cr Vernon; Cr Ammons Noble; Cr Oliver; Cr Anderson; Mr N Formosa and Mr J Carley

(To be confirmed 25 February 2019)

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

File Reference:	FIN/11/0001~09
Appendices:	1. Payment Summary Listing – December 2018
Attachments:	No

Date:	7 January 2019
Reporting Officer:	A. Thampoe
Responsible Officer:	G. Patrick
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 December 2018.	
<ul style="list-style-type: none"> • The accounts paid for 31 December 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 25 February 2019)

Fund	Reference	Amounts
Municipal Account		
Automatic Cheques Drawn	608480 – 608493	15,287
Creditors – EFT Payments		2,975,106
Payroll		1,036,579
Bank Fees		7,232
Corporate MasterCard		5,290
		4,039,494
Trust Account		
Automatic Cheques Drawn	3626 – 3636	18,300
		18,300

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 25 February 2019)

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 25 February 2019)

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 committee members 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 December 2018. The following list represents the questions and answers associated with the request for further information.

- Civica Software & IT Solutions - \$31,204.72
This invoice relates to TRIM and Ezescan licensing for the Town.
- Data#3 Limited Software & IT - \$16,940.00
This invoice relates to work for a desktop renewal project and the implementation of a deployment system for a standard operating environment.
- Dept of Mines, Industry - Levy Payments - \$23,211.27
This relates to Building Services Levy payments for November. Previously the supplier was named Department of Commerce however, they have had a restructure and we now pay Department of Mines, Industry Regulation and Safety for the same levies collected. This changed occurred in October 2018.
- Eastern Metropolitan Regional Council - Planning and Building Services - \$18,390.90
This is for payment for participation in the 2018/2019 water quality and conversation program facilitated by EMRC. The standard description has been updated to "Environmental Services" to better reflect the payment.
- Fowler Group Properties - Rates Refund - \$15,406.45
This is for a refund of a rates payment. This relates to multiple properties which were subdivided and rerated/valued which resulted in a credit to be refunded.
- Highcity Holdings - Rates Refund - \$14,167.30
This is for a refund of a rates payment. The tenant of the property and the owner both paid so the overpayment credit was refunded.
- Hoskins Investments - Construction Services - \$99,000.00
This payment relates to progress payments for works at 6 and 8 Kent Street as per the approved capital works program.

(To be confirmed 25 February 2019)

- McLeods - Legal Services - \$9,192.51

This amount relates to seven invoices for matters involving parking prosecution, governance and planning/building.

- McLeods - Legal Services - \$1,890.90

This payment relates to a single invoice for a matter relating to IT.

- Paperbark Technologies - Environmental Services - \$12,301.50

This payment is in relation to street tree audits. Throughout the year, in each of the eleven precincts, the Town conducts audits on street trees in order to determine the overall health and safety of trees and to make any recommendations for planned maintenance.

- Weston Road Systems - Engineering & Surveying Services - \$10,802.00, \$2,458.50 and \$15,009.50

These payments relate to multiple invoices (14) for road, path and carpark maintenance works for tactile pram ramp installation and line marking for roads and car parks.

- Aha Consulting - Community Engagement Services - \$29,524.00

This is for payment of facilitation and engagement for the West Coast Eagles Community Benefits Strategy citizen's panel.

- Carbon Neutral Ltd - Environmental Services - \$6,298.05

This is a payment to Carbon Neutral for their environmental program, which enables the Town to offset its 2017/2018 fleet vehicle omissions with biodiverse *WA plantings*.

- Flyt Pty Ltd - Transport Services - \$5,940.00

Flyt were engaged to provide a capacity and level of service assessment for Shepperton Road/Miller Street intersection as required by Main Roads. This is as per the approved capital works program.

- Veev Group Pty Ltd - Project Management Services - \$45,453.38

We have engaged the project management services of Veev for a range of IT projects. These payments will continue for some time as they work through the project requirements and near completion.

This particular payment relates to three separate invoices for works relating to the specific projects of Asset Management System, Intranet and Councillor Portal and SteerCo Programme.

(To be confirmed 25 February 2019)

- *Marlbroh Bingo Enterprises - Bingo Costs - \$6,453.10*

This payment relates to two invoices for expenditure in relation to the bingo program at Leisurelife. This includes bingo books, bingo pens, instant win cards and payment of the required bingo levy.

- *Reino International Pty Ltd - Parking Equipment and Supplies - \$80,521.20*

Reino are contracted to provide equipment and associated licenses for the Town's parking management. This payment relates to two invoices. One being for \$38,412 is for our Auto Issue licenses - this is required software in order to perform mobile infringing. The other for \$42,109 is paying for our six month license fee for the PEMS software program. This is a software suite which allows for a wide variety of reporting and data to be provided from parking *machines*.

- *Specialty Timber Flooring WA - Facility Maintenance Services - \$11,305.80*

This is for payment of flooring works as per the approved capital works program *for the Leisurelife Centre drama room and Aqualife Centre function room*.

- *Should the payment of \$110,000 for Victoria Park Centre for the Arts be described as 'operating subsidy'?*

Yes. This is for the operating subsidy approved at December 2018 OCM. The standard description has been updated to 'subsidy' to better reflect the payment.

- Can you please advise if the following entries are for Community Grants approved in December 2018:

- *Conservations Volunteers - Human Resource Services - \$5,500 - their Community Grant was \$5,000*

Yes, this relates to their community grant of \$5,000. The amount of \$5,500 includes the GST component. The description has been updated to 'Community Grant' to better reflect the payment.

- *Green Skills - Agency and Contract Staff - \$3,212 - their Community Grant was \$2,920*

Yes, this relates to their community grant of \$2,920. The amount of \$3,212 includes the GST component. The description has been updated to 'Community Grant' to better reflect the payment.

- *Harold Hawthorne - Community Grant - \$1,225 & \$701.44 - their Community Grant was \$3,300*

These two payments relate to a Senior's Week event –named 55+ in the Park. Harold Hawthorne Centre facilitated activities and catering and this is to pay for their services. The approved community grant of \$3,300 was paid to the centre in January 2019 and will show on the financials for that month. The description has been updated to 'Event Performance and Activity' to better reflect the payment.

(To be confirmed 25 February 2019)

- Why was the following cheque cancelled?
00003616 Harry Perkins Institute of Medical 6-Nov-18 (6,000.00) 21-Dec-18
This bond refund cheque was raised in November 2018 and posted to the nominated address provided by the customer. Unfortunately, the company looking after this for Harry Perkins (Causeforce) closed the office which the cheque was sent and there has been no record of it being received. For this reason, the cheque was cancelled and a new one reissued and forwarded to the new address.
- Why are community groups paid GST on top of the grant they receive?
The Acting Chief Financial Officer, Mr Luke Ellis, took the question on notice.
- Why were Community Forum Vic Park paid their grant, excluding GST?
The Acting Chief Financial Officer, Mr Luke Ellis, took the question on notice.
- In regards to the payment made to Aha Consulting, did we share any costs with other parties involved with the Lathlain Precinct Redevelopment Project?
The Town did not share any costs with the West Coast Eagles, Perth Football Club or Wirrpunda Foundation for the facilitation of the Community Benefit Strategy community panel. There will be an opportunity to share costs for the development of the actual strategy and the West Coast Eagles will be paying for the development of the initiatives in the strategy following endorsement.
- Why have some community groups that were successful in receiving grants from the Town been paid their grants in December 2018 but some haven't?
If community groups applied at different times they could be paid at different times however, the Acting Chief Financial Officer, Mr Luke Ellis, took the question on notice to provide further information.

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Cr Vernon

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

- 1. The accounts paid for 31 December 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 (6:0)

In favour of the motion: Cr Vernon; Cr Ammons Noble; Cr Oliver; Cr Anderson; Mr N Formosa and Mr J Carley

(To be confirmed 25 February 2019)

8.2 Financial statements for the month ending 31 December 2018

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

Date:	16 January 2018
Reporting Officer:	A. Thampoe
Responsible Officer:	G. Patrick
Voting Requirement:	Simple Majority

Executive Summary:

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

- The Financial Activity Statement Report is presented for the month ending 31 December 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 the Town is 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 December 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 –

(To be confirmed 25 February 2019)

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

(To be confirmed 25 February 2019)

- (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.*

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.
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.

(To be confirmed 25 February 2019)

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 December 2018 be accepted.

CONCLUSION:

The Financial Activity Statement Report – 31 December, 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 December be accepted.

FURTHER COMMENT:

The members of the Finance and Audit Committee sought further information on financial statements for December 2018. The following list represents the questions and answers associated with the request for further information.

- Regarding the unfavourable variation for Leisurelife, is the \$84,219 wholly related to the cancellation of the holiday programs? What was the income for the holiday program in that period the previous year, and the projected income from that program over this time for 2018?

The Acting Chief Financial Officer, Mr Luke Ellis, took the question on notice.

(To be confirmed 25 February 2019)

RESOLVED:

Moved: Mr Carley

Seconded: Cr Anderson

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

The motion was put and

Carried (6:0)

In favour of the motion: Cr Vernon; Cr Ammons Noble; Cr Oliver; Cr Anderson; Mr N Formosa and Mr J Carley



Financial Activity Statement Report

For the month ended 31 December 2018



Contents

Statement of Financial Activity Variances

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Reserve Funds

Capital Items

(To be confirmed 25 February 2019)

Statement of Financial Activity Variances

Material Variances Defined

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

Revenues (Operating and Non-Operating)

Service 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)

Service 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 Service 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 25 February 2019)

Community Planning

- **Urban Planning**

- The period variation is favourable to period budget by \$42,782.
- The variation predominantly relates to higher than anticipated revenue received from Development application fees.
- The budget will be adjusted to account for the positive variance during the annual budget review process.

Finance

- **Leisurelife**

- The period variation is unfavourable to period budget by \$84,219.
- The variation predominantly relates to the cancellation of the school holiday programme in December due to the refurbishment of the change rooms at Leisurelife.
- The budget will be adjusted to account for the negative variance during the annual budget review process.

- **Parking**

- The period variation is favourable to period budget by \$184,978.
- The variation predominantly relates to higher than anticipated paid parking and infringement income. Late payment of parking infringements have also generated revenue related to additional court imposed charges.
- The budget will be adjusted to account for the positive variance during the annual budget review process.

Operations

- **Asset Planning**

- The period variation is unfavourable to period budget by \$32,583.
- The variation predominantly relates to lower than budgeted revenue expected from lease income.
- The budget will be adjusted to account for the negative variance during the annual budget review process.

Operating Expense

Chief Executive Office

- **Communication and Engagement**

- The period variation is favourable to period budget by \$44,143.
- The variation predominantly relates to a current vacancy within the area. Increased expenditure due to a recent addition to the staff full time equivalent will offset the savings.
- The budget will be adjusted to account for the positive variance during the annual budget review process.

(To be confirmed 25 February 2019)

- **Customer Relations**

- The period variation is favourable to period budget by \$39,019.
- The variation predominantly relates to a vacancy within the area.
- The budget will be adjusted to account for the positive variance during the annual budget review process.

Community Planning

- **Environmental Health**

- The period variation is unfavourable to period budget by \$31,100.
- The variation predominantly relates to an upsurge of cases that resulted in prosecutions which has led to an increase in use of legal services.
- The budget will be adjusted to account for the negative variance during the annual budget review process.

- **Library Services**

- The period variation is unfavourable to period budget by \$38,624.
- The variation predominantly relates to salaries for additional staff required for short term cover within the Adult Program for improved community literacy and learning program delivery.
- The budget will be adjusted to account for the negative variance during the annual budget review process.

Finance

- **Aqualife**

- The period variation is unfavourable to period budget by \$34,510.
- The variation predominantly relates to staff rosters exceeding budgeted hours across multiple departments (Gym, Recreational Swimming and Learn to swim). Variance is expected to reduce through roster amendments by June 2019.
- The budget will be adjusted to account for the negative variance during the annual budget review process.

- **Information Systems**

- The period variation is unfavourable to period budget by \$85,791
- The variation predominantly relates to a number of new unplanned initiatives occurring this financial year and budget timing. Unplanned projects are expected
- The budget will be adjusted to account for the negative variance during the annual budget review process.

- **Leisurelife**

- The period variation is favourable to period budget by \$209,612.
- The variation predominantly relates to efficiencies in rostering across customer service, crèche and health and fitness areas and decreased delivery expenditure relating to the cancellation of school holiday program for December.

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- The budget will be adjusted to account for the positive variance during the annual budget review process.
- **Parking**
 - The period variation is favourable to period budget by \$174,009.
 - The variation predominantly relates to vacancies within the area. These vacancies have also led to less parking projects and associated lower project expenditure.
 - The budget will be adjusted to account for the positive variance during the annual budget review process.

Operations

- **Parks and Reserves**
 - The period variation is favourable to period budget by \$429,333.
 - The variation predominantly relates to delays in works such as road reserve maintenance, delays to watering season and delays in the implementation of the Urban Forest Strategy.
 - The budget allocation will be adjusted to account for the delays during the annual budget review process.
- **Waste Services**
 - The period variation is favourable to period budget by \$610,449.
 - The variation predominantly relates to lower than anticipated tip fees due to lower tons of waste and gate fees. There is also a budget timing variance relating to the payment of green/bulk verge collection costs.
 - The budget will be adjusted to account for the positive variance during the annual budget review process.

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 \$634,659.
 - The variation predominantly relates to minor delays in few capital projects (Leisurelife changeroom, Leisurelife gym equipment). These projects are currently underway.
 - The budget will be adjusted to account for the positive variance during the annual budget review process.

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- **Parks and Reserves**

- The period variation is favourable to period budget by \$873,722.
- The variation predominantly relates to delays in some capital projects. Works relating to Peninsula to park project has had delays due to unplanned works by Water Corporation on Victoria Park drive.
- The budget will be adjusted to account for the positive variance during the annual budget review process.

- **Street Operations**

- The period variation is favourable to period budget by \$802,884.
- The variation predominantly relates to delays in some capital projects. Most road resurfacing works were scheduled to be completed by early January 2019, but delays on contractor availability and Water Corporation works on Albany Highway has delayed the completion of these projects as planned. Drainage works on Bishopsgate has been delayed due to site access restrictions. Pavement upgrade on Shepperton road and Miller street is expected to be carried forward to the next financial year as this project is staged over two years.
- The budget will be adjusted to account for the positive variance during the annual budget review process. Unspent funds relating to projects that are staged over two years will be carried forward to the next financial year.

Non-Operating Revenue

Finance

No material variance to report.

Operations

No material variance to report.

Non-Operating Expenses

Finance

No material variance to report.

Proposed Budget Amendments

No proposed budget amendments.

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

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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) 2018 - 2019 Actual Balances

Balances shown in this document as 2018 - 2019 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.

(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.

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(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.

(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

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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 31 December 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.

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:

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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.

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:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- 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
- less any reduction for impairment.

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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 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.

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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 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 31 December 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.

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(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.

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.

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(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 Service 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..

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.

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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.

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.

(To be confirmed 25 February 2019)

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.

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.

(To be confirmed 25 February 2019)

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.

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.

(To be confirmed 25 February 2019)

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 2018 to 31 December 2018

Particulars	Material Variance		31 December 2018		
	\$	%	Revised Budget \$	Year-to-Date Budget \$	Year-to-Date Actual \$
Revenue					
Chief Executive Office			55,000	4,650	2,886
Chief Executive Office			50,500	4,410	1,822
Communications and Engag			1,000	0	647
Customer Relations			0	0	0
Human Resources			3,000	0	323
Leadership and Governance			500	240	94
Community Planning			1,353,000	785,341	842,145
Building Services			370,500	202,080	199,030
Community Development			268,500	111,083	113,571
Community Planning Office			1,000	0	438
Digital Hub			1,500	0	3,529
Economic Development			0	0	0
Environmental Health			282,000	262,280	263,798
General Compliance			10,000	4,980	6,799
Healthy Community			27,500	13,740	15,399
Library Services			31,500	11,430	17,051
Place Management			0	0	0
Strategic Town Planning			1,000	0	0
Urban Planning	42,782	▲	359,500	179,748	222,530
Finance			57,733,500	51,208,280	51,321,554
Aqualife			2,182,500	1,056,175	1,044,741
Budgeting			1,622,500	348,800	334,312
Corporate Funds			48,124,500	46,456,750	46,476,475
Finance Office			1,000	0	438
Financial Services			747,500	704,000	715,758
Information Systems			2,000	960	594
Leisurelife	84,219	▼	2,205,500	1,143,293	1,059,074
Parking	184,978	▲	2,734,000	1,427,002	1,611,980
Ranger services			114,000	71,300	78,182
Operations			9,626,000	2,067,326	2,046,966
Asset Planning	32,583	▼	1,019,500	158,372	125,789
Environment			0	0	0
Fleet Services			10,500	0	10,895
Operations Office			2,002,500	1,248	438
Parks and Reserves			3,151,000	320,460	310,881
Project Management			0	0	563
Street Improvement			10,500	5,256	20,538
Street Operations			2,640,500	833,490	818,218
Waste Services			791,500	748,500	759,644
Total Revenue			68,767,500	54,065,597	54,213,551

(To be confirmed 25 February 2019)



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

Particulars	Material Variance		31 December 2018		
	\$	%	Revised Budget \$	Year-to-Date Budget \$	Year-to-Date Actual \$
Operating Expense					
Chief Executive Office			(4,403,000)	(2,186,185)	(2,112,074)
Chief Executive Office			(1,123,500)	(500,040)	(499,328)
Communications and Engag	44,143	▼ 12%	(841,500)	(374,405)	(330,262)
Customer Relations	39,019	▼ 9%	(878,500)	(435,270)	(396,251)
Human Resources			(844,000)	(418,690)	(403,664)
Leadership and Governance			(715,500)	(457,780)	(482,569)
Community Planning			(8,272,000)	(3,738,252)	(3,658,336)
Building Services			(496,500)	(246,210)	(222,244)
Community Development			(1,962,500)	(895,891)	(884,725)
Community Planning Office			(947,500)	(473,820)	(473,968)
Digital Hub			(153,000)	(71,163)	(83,548)
Economic Development			(194,500)	(83,930)	(61,087)
Environmental Health	31,100	▲ 10%	(652,000)	(326,790)	(357,890)
General Compliance			(249,500)	(124,680)	(109,330)
Healthy Community			(261,000)	(130,538)	(106,807)
Library Services	38,624	▲ 7%	(1,243,500)	(590,250)	(628,874)
Place Management			(302,500)	(88,260)	(64,199)
Strategic Town Planning			(726,000)	(194,980)	(174,903)
Urban Planning			(1,083,500)	(511,740)	(490,761)
Finance			(21,912,500)	(7,646,512)	(7,299,497)
Aqualife	34,510	▲ 3%	(2,537,000)	(1,210,170)	(1,244,680)
Budgeting			(7,756,000)	(777,800)	(772,035)
Corporate Funds			(558,000)	(182,800)	(164,302)
Finance Office			(773,500)	(374,600)	(350,349)
Financial Services			(1,298,500)	(591,100)	(573,729)
Information Systems	85,791	▲ 6%	(2,966,000)	(1,470,040)	(1,555,831)
Leisurelife	209,612	▼ 15%	(2,756,000)	(1,445,446)	(1,235,834)
Parking	174,009	▼ 14%	(2,442,500)	(1,221,256)	(1,047,247)
Ranger services			(825,000)	(373,300)	(355,491)
Operations			(31,223,000)	(9,449,487)	(8,339,394)
Asset Planning			(10,814,000)	(1,648,354)	(1,632,007)
Environment			(185,500)	(72,909)	(94,117)
Fleet Services			0	(100,180)	(101,936)
Operations Office			(2,820,000)	(375,010)	(351,615)
Parks and Reserves	429,333	▼ 19%	(4,981,500)	(2,294,542)	(1,865,209)
Project Management			(1,901,500)	(515,040)	(491,396)
Street Improvement			(1,165,000)	(462,903)	(445,018)
Street Operations			(2,854,500)	(1,230,100)	(1,218,095)
Waste Services	610,449	▼ 22%	(6,501,000)	(2,750,449)	(2,140,000)
Total Operating Expense			(65,810,500)	(23,020,436)	(21,409,300)

(To be confirmed 25 February 2019)



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

Particulars	Material Variance		Revised Budget \$	31 December 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 Engag			0	0	0	
Customer Relations			0	0	0	
Human Resources			0	0	0	
Leadership and Governance			0	0	0	
Community Planning			(138,000)	0	0	
Building Services			0	0	0	
Community Development			(138,000)	0	0	
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			(1,213,500)	(135,000)	(147,170)	
Aqualife			0	0	0	
Budgeting			0	0	0	
Corporate Funds			0	0	0	
Finance Office			0	0	0	
Financial Services			0	0	0	
Information Systems			(976,500)	(135,000)	(147,170)	
Leisurelife			0	0	0	
Parking			(237,000)	0	0	
Ranger services			0	0	0	
Operations			(17,052,000)	(4,309,500)	(1,954,510)	
Asset Planning	634,659	▼	52%	(3,270,000)	(1,211,000)	(576,341)
Environment				0	0	0
Fleet Services				(934,500)	(231,500)	(208,775)
Operations Office				0	0	0
Parks and Reserves	873,722	▼	89%	(6,297,000)	(985,000)	(111,278)
Project Management				(71,000)	(21,000)	0
Street Improvement				0	0	0
Street Operations	802,884	▼	43%	(6,479,500)	(1,861,000)	(1,058,116)
Waste Services				0	0	0
Total Capital Expense				(18,403,500)	(4,444,500)	(2,101,680)

(To be confirmed 25 February 2019)



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

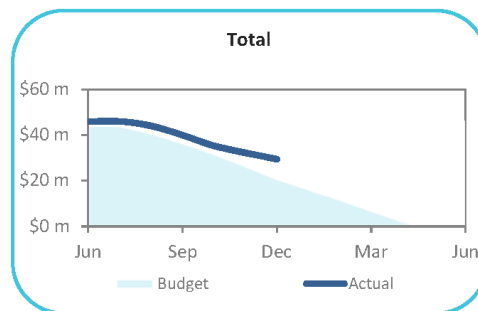
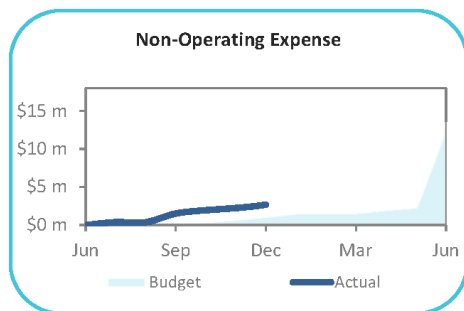
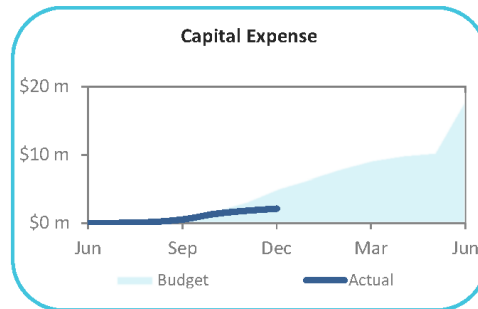
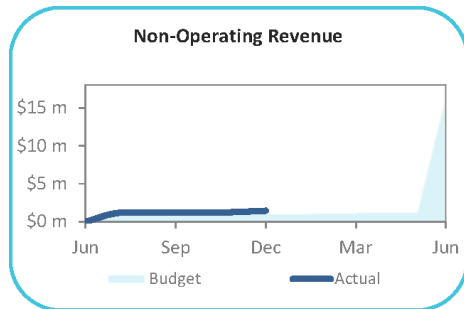
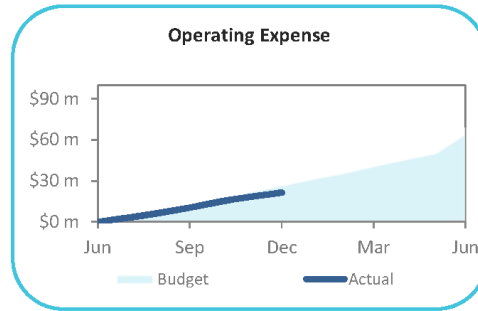
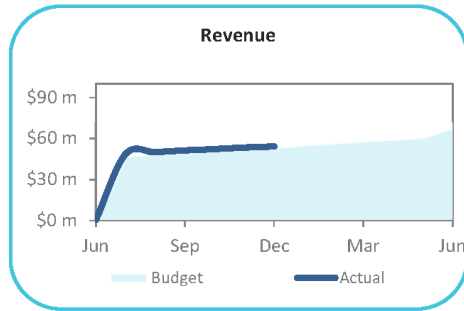
Particulars	\$	Material Variance		31 December 2018		
		\$	%	Revised Budget	Year-to-Date Budget	Year-to-Date Actual
				\$	\$	\$
Non-Operating Revenue						
Finance				17,027,000	1,231,000	1,247,949
Corporate Funds				17,027,000	1,231,000	1,247,949
Operations				383,000	182,000	192,239
Fleet Services				383,000	182,000	192,239
Total Non-Operating Revenue				17,410,000	1,413,000	1,440,188
Non-Operating Expense						
Finance				(12,932,500)	(2,648,500)	(2,671,703)
Corporate Funds				(12,932,500)	(2,648,500)	(2,671,703)
Total Non-Operating Expense				(12,932,500)	(2,648,500)	(2,671,703)
Non-Cash Items Adjustments						
Profit and Loss				(1,607,500)	(802,500)	(324,848)
Depreciation				8,037,500	3,871,500	841,947
Total Non-Cash Items Adjustments				6,430,000	3,069,000	517,098
Suspense Items Yet To Be Applied				0	0	150,920
Opening Surplus / (Deficit)				4,539,000	4,539,000	4,539,000
Closing Surplus / (Deficit)				0	32,973,161	34,678,073

(To be confirmed 25 February 2019)



*Statement of Financial Activity
For the period 1 July 2018 to 31 December 2018*

Graphical Representation



(To be confirmed 25 February 2019)



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

Particulars	Brought Forward 1 July \$	2018-2019 Revised Budget \$	Year To Date Actual \$
Current Assets			
Cash - Unrestricted	10,553,410	7,903,757	31,605,172
Cash - Reserves / Restricted	31,086,162	33,823,443	32,214,220
Receivables and Accruals	3,328,489	2,000,000	12,692,595
Inventories	9,470	1,500	9,470
	44,977,531	43,728,700	76,521,457
Less Current Liabilities			
Payables and Provisions	(9,352,369)	(9,905,257)	(9,629,163)
	(9,352,369)	(9,905,257)	(9,629,163)
Net Current Asset Position	35,625,162	33,823,443	66,892,294
Less			
Cash - Reserves / Restricted	(31,086,162)	(33,823,443)	(32,214,220)
Estimated Surplus / (Deficiency) Carried Forward	4,539,000	-	34,678,074

(To be confirmed 25 February 2019)



Cash and Cash Investments
For the month ended 31 December 2018

Cash and Investments Analysis

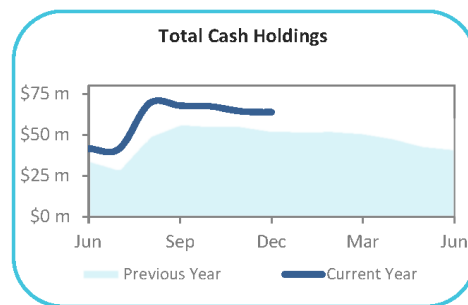
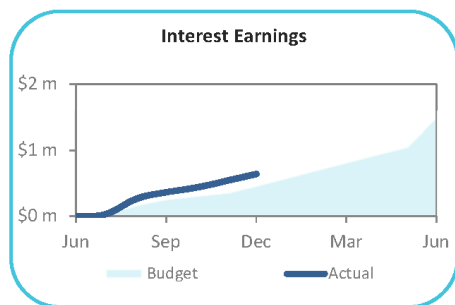
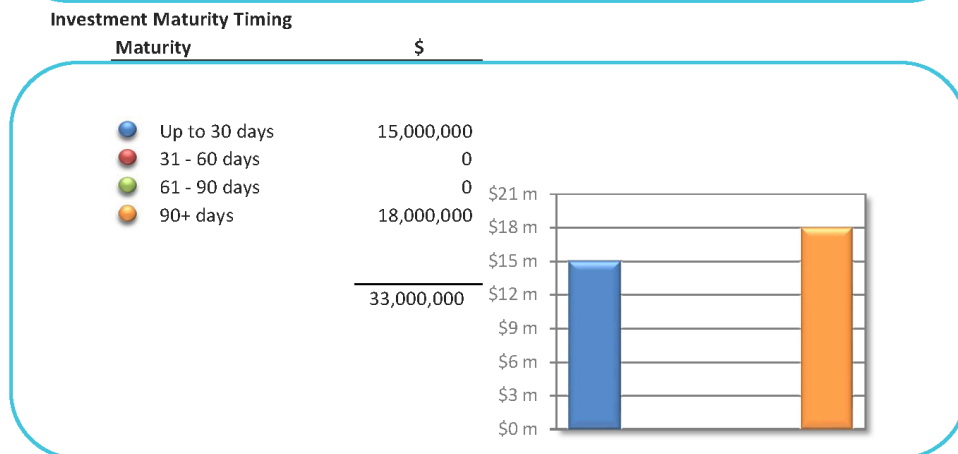
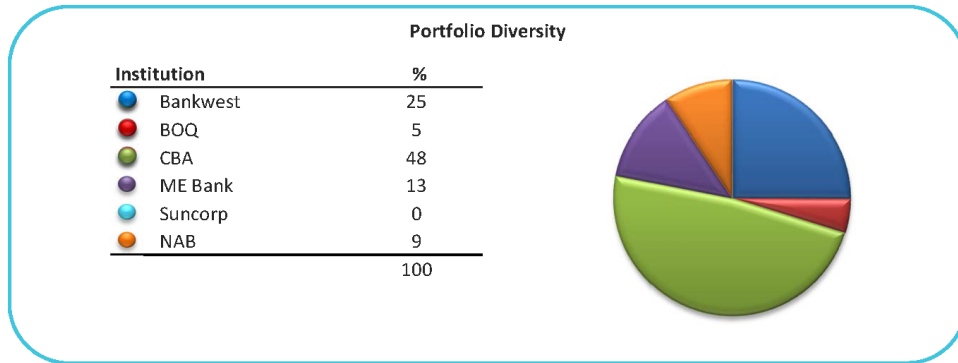
	Amount Invested \$	Interest Rate %	Term (Days)	Maturity Date	Projected Earnings \$	Percentage of Portfolio
Cash - Unrestricted						
Bankwest	2,000,000				41,425	3%
4748890	2,000,000	2.80	270	24-May-19	41,425	
CBA	22,605,172				17,441	35%
At Call	22,605,172	Variable	11am	Daily	17,441	
ME Bank	5,000,000				20,055	8%
35869	5,000,000	2.40	61	14-Jan-19	20,055	
NAB	2,000,000				48,822	3%
57-576-8731	2,000,000	2.70	330	25-Jun-19	48,822	
Total Cash - Unrestricted	31,605,172				127,742	50%
Cash - Restricted						
CBA	8,214,220				171	13%
At Call	8,214,220	Variable	11am	Daily	171	
Bankwest	14,000,000				288,132	22%
4739557	4,000,000	2.80	270	26-Apr-19	82,849	
4748889	5,000,000	2.80	270	24-May-19	103,562	
4756710	5,000,000	2.72	273	18-Jun-19	101,721	
NAB	4,000,000				97,644	6%
57-186-2122	4,000,000	2.70	330	25-Jun-18	97,644	
BOQ	3,000,000				18,863	5%
34858	3,000,000	2.55	90	17-Dec-18	18,863	
ME Bank	3,000,000				29,589	5%
034460	3,000,000	2.40	150	24-Jan-19	29,589	
Total Cash - Restricted	32,214,220				434,398	46%
Total Cash - Invested	63,819,392				562,141	98%
Cash on Hand	9,005					
Total Cash	63,828,397					

(To be confirmed 25 February 2019)



Cash and Cash Investments
For the month ended 31 December 2018

Cash and Investments Analysis



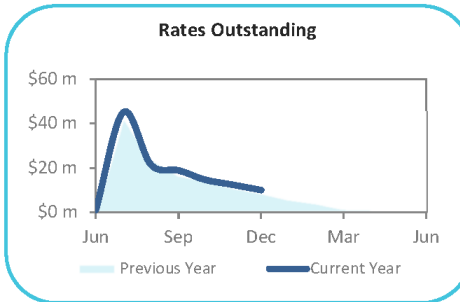
(To be confirmed 25 February 2019)



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

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

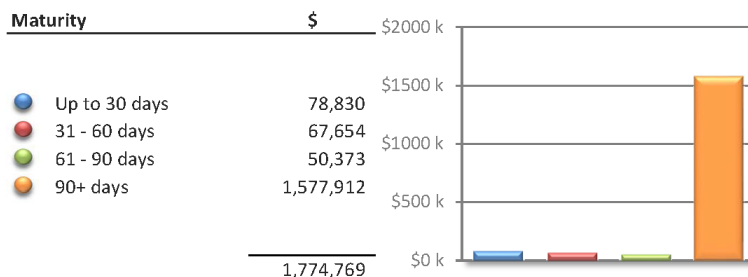
	Total
Balance from Previous Year	1,092,378
Rates Levied - Initial	45,627,053
Rates Levied - Interims	276,967
Total Rates Collectable	46,996,397
Current Rates Collected To Date	37,017,715
Current Rates Outstanding	9,978,682
% Rates Outstanding	21.2%
% Rates Outstanding target less than	20.0%



Sundry Debtors

Type	Total	30 Days	60 Days	90 Days	90+ Days
Grants and Subsidies	-	-	-	-	-
Property Rent	2,043	69	-	367	1,607
Aqualife Fees	38,584	37,734	850	-	-
Leisurelife Fees	12,503	10,990	84	-	1,429
Community Life Fees	5,343	3,871	409	-	1,062
Health Fees	13,814	485	1,792	2,056	9,481
Other Fees and Charges	2,375	2,270	-	-	105
Building and Planning Application Fees	13,142	11,192	1,950	-	-
Infringements - Parking	1,561,322	9,720	57,619	47,950	1,446,033
Infringements - Animals	61,395	1,000	200	-	60,195
Infringements - General	37,066	-	-	-	37,066
Infringements - Bush Fire	22,877	1,500	3,750	-	17,627
Infringements - Health	4,306	-	1,000	-	3,306
Total Sundry Debtors	1,774,769	78,830	67,654	50,373	1,577,912

Sundry Debtor Aged Analysis



(To be confirmed 25 February 2019)



Grants and Contributions
For the month ended 31 December 2018

Grants and Contributions

Details	Original	Revised	Receipt Status	
	Budget	Budget	Invoiced	Remaining
	\$	\$		
Operating Funding				
<u>Community Development</u>				
Community Grants	25,000	25,000	-	25,000
Lotterywest Grants	10,000	10,000	-	10,000
Sponsorship	2,500	2,500	-	2,500
State Government Grants	3,500	3,500	-	3,500
<u>Corporate Funds</u>				
Federal Assistance Grant	750,000	750,000	183,545	566,455
Federal Local Road Grant	350,000	350,000	86,634	263,367
<u>Library Services</u>				
Book Council Grants	3,000	3,000	-	3,000
State Government Grants	3,000	3,000	3,100	-
<u>Operations Office</u>				
State Government Grants	2,000,000	2,000,000	-	2,000,000
<u>Street Operations</u>				
Federal Government Grants	235,000	235,000	210,000	25,000
MRWA Direct Road Grants	50,000	50,000	84,193	-
Street Lighting Subsidy	31,000	31,000	-	31,000
				-
Non-Operating Funding				
<u>Asset Planning</u>				
State Government Grant	751,000	751,000	-	751,000
<u>Parks and Reserves</u>				
Recreation Capital Grants	304,000	304,000	304,000	-
State Government Grant	2,790,000	2,790,000	-	2,790,000
<u>Street Operations</u>				
Federal Government Capital Grants	65,000	65,000	-	65,000
MRRG Road Rehabilitation Grants	374,500	374,500	175,412	199,088
MRWA Black Spot Grants	971,000	971,000	168,000	803,000
MRWA Other Grants	40,000	40,000	-	40,000
State Government Grant	303,000	303,000	-	303,000
Transport Grants	456,000	456,000	112,000	344,000
				-
Total Cash Deposits	9,517,500	9,517,500	1,326,884	8,224,909

(To be confirmed 25 February 2019)



*Reserve Funds
For the month ended 31 December 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.

Cash-in-Lieu

To be used to assist in funding initiatives associated with payments received as cash in lieu of required obligations or works.

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

(To be confirmed 25 February 2019)



*Reserve Funds
For the month ended 31 December 2018*

Plant and Machinery Renewal

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

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 25 February 2019)



Reserve Funds
For the month ended 31 December 2018

Reserve Funds Transactions

	Annual Opening Balance \$	Transfer to Reserve \$	Transfer from Reserve \$	31 December 2018 Balance Actual Balance Budget \$ \$		Annual Revised Budget \$
Building Renewal	487,366	782	-	488,148	487,366	525,366
Cash-in-Lieu	-	-	-	-	-	-
Community Art	689,443	1,106	-	690,549	689,443	690,043
Drainage Renewal	225,520	362	-	225,882	225,520	225,920
Edward Millen Site	1,882,335	2,338	-	1,884,673	1,882,335	1,458,678
Furniture and Equip Renewal	599,407	961	-	600,368	599,407	599,907
Future Fund	14,384,893	23,074	-	14,407,967	14,384,893	13,658,793
Future Projects	4,079,640	4,138	-	4,083,778	4,079,640	450,178
Harold Hawthorn - Carlisle	148,630	238	-	148,868	148,630	148,630
Information Technology Renewal	661,800	1,062	-	662,862	661,800	665,400
Insurance Risk Reserve	396,930	637	-	397,567	396,930	397,230
Land Asset Optimisation	801,300	1,082,568	-	1,883,868	801,300	397,230
Other Infrastructure Renewal	614,943	986	-	615,929	614,943	615,443
Parks Renewal	96,025	154	-	96,179	96,025	46,225
Pathways Renewal	419,697	673	-	420,370	419,697	420,397
Plant and Machinery	268,942	431	-	269,373	268,942	269,342
Renewable Energy	174,780	280	-	175,060	174,780	75,380
Roads Renewal	881,637	1,414	-	883,051	881,637	882,337
Underground Power	3,288,499	5,275	-	3,293,774	3,288,499	3,241,999
Waste Management	984,375	1,579	-	985,954	984,375	985,175
	31,086,162	1,128,059	-	32,214,220	31,086,162	25,753,673

(To be confirmed 25 February 2019)



*Capital Items
For the month ended 31 December 2018*

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 25 February 2019)



*Capital Items Progress
For the month ended 31 December 2018*

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Land and Buildings			3,036,500	543,992
Renewal - Land and Buildings				
6 Kent Street - Facility - Internal Renewal	<input type="checkbox"/>	■ ■ □ □	222,500	130,775
8 Kent Street - Facility - Internal Renewal	<input type="checkbox"/>	■ ■ □ □	193,500	130,775
Administration Office - Ceiling - Lighting	<input type="checkbox"/>	■ ■ ■ □	20,000	2,790
Aqualife - First Aid Room - Refurbish	<input type="checkbox"/>	■ ■ ■ □	20,000	0
Aqualife - Function Room - Renew Floor	<input type="checkbox"/>	■ ■ ■ ■	10,000	6,840
Aqualife - Plant Room - Ultraviolet Generators	<input type="checkbox"/>	□ □ □ □	125,000	0
Fletcher Park - Clubrooms - Plumbing Fixtures	<input type="checkbox"/>	□ □ □ □	10,000	0
Fraser Park - Clubrooms - Painting	<input type="checkbox"/>	■ □ □ □	10,000	0
Harold Hawthorne Centre - Various - Air Conditioning	<input type="checkbox"/>	■ □ □ □	100,000	0
Harold Rossiter Park - Clubrooms - Painting	<input type="checkbox"/>	■ ■ □ □	5,000	0
Higgins Park - Clubrooms - Painting	<input type="checkbox"/>	■ ■ ■ ■	10,000	0
Leisurelife - Drama Room - Floor Reseal	<input type="checkbox"/>	■ ■ ■ ■	40,000	3,438
Leisurelife - Gym - Air Conditioning	<input type="checkbox"/>	■ ■ □ □	230,000	2,230
Leisurelife - Sports Court Major- Roller Door	<input type="checkbox"/>	■ ■ ■ ■	7,000	5,020
Leisurelife - Toilets and Change Rooms - Renewal	<input type="checkbox"/>	■ ■ ■ □	261,500	57,958
Library - Outdoor Staff Area - Courtyard Security	<input type="checkbox"/>	■ ■ ■ ■	10,000	2,007
Library - Public Areas - Carpets	<input type="checkbox"/>	□ □ □ □	86,000	0
Library - Staff Kitchen - Refurbish	<input type="checkbox"/>	□ □ □ □	35,000	0
Library - Staff Locker Area - Compactus Area Ceiling	<input type="checkbox"/>	■ ■ ■ ■	7,000	4,690
Library - Staff Office - Fit Out and Storage	<input type="checkbox"/>	□ □ □ □	80,000	0
Reactive Building Renewal Works - Various - Allocation	<input type="checkbox"/>	□ □ □ □	100,000	0
Taylor Reserve - Toilets - Renewal	<input type="checkbox"/>	■ ■ ■ ■	185,500	180,171
Upgrade - Land and Buildings				
Administration Office - Facility - Accessibility Upgrade	<input type="checkbox"/>	■ ■ □ □	51,000	1,080
Land - 25 Boundary Road - Subdivision	<input type="checkbox"/>	■ □ □ □	71,000	0
Leisurelife - First Aid Room - Lighting	<input type="checkbox"/>	■ □ □ □	1,500	0
Kitchen Upgrade - Higgins Park Tennis Club	<input checked="" type="checkbox"/>	■ ■ ■ ■	0	1,598
874 Albany Highway - Accessibility	<input type="checkbox"/>	■ ■ ■ ■	15,000	14,621
New - Land and Buildings				
Lathlain Redevelopment (Zone 2) - Buildings	<input type="checkbox"/>	□ □ □ □	750,000	0
Lathlain Redevelopment (Zone 2x) - Buildings	<input type="checkbox"/>	□ □ □ □	380,000	0

(To be confirmed 25 February 2019)



*Capital Items Progress
For the month ended 31 December 2018*

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Plant and Machinery			934,500	208,775
Renewal - Plant and Machinery				
105 VPK - Holden Colorado Dual Cab Ute (Plant 397)	□	□□□□	35,000	0
107 VPK - Nissan X Trail Wagon (Plant 394)	□	□□□□	35,000	0
119 VPK - Holden Colorado Dual Cab Ute (Plant 383)	□	■ ■ ■ ■	32,000	31,749
121 VPK - Nissan Navara Dual Cab Ute (Plant 390)	□	□□□□	32,000	0
123 VPK - Holden Cruze Wagon (Plant 361)	□	■ ■ ■ □	25,000	0
125 VPK - Nissan Navara Ute (Plant 389)	□	■ ■ □ □	32,000	0
126 VPK - VW Caddy Rangers (Plant 375)	□	□□□□	40,000	0
129 VPK - VW Caddy Rangers (Plant 376)	□	■ ■ □ □	40,000	0
132 VPK - Holden Colorado Dual Cab Ute (Plant 392)	☒	■ ■ ■ ■	32,000	32,422
141 VPK - Ford Transit (Plant 296)	□	■ ■ ■ ■	45,000	43,457
162 VPK - Road Sweeper (Plant 341)	□	■ ■ □ □	380,000	0
1EFR 960 - Hyundai Sedan (Plant 333)	☒	■ ■ ■ ■	25,000	25,553
1EFZ 074 - Hyundai Parking (Plant 335)	☒	■ ■ ■ ■	25,000	26,638
1EHK 762 - Hyundai Sedan (Plant 337)	☒	■ ■ ■ ■	25,000	26,018
1EIO 123 - VW Caddy Parking (Plant 342)	□	□□□□	45,000	0
1EPG 777 - Hyundai i30 Parking (Plant 373)	□	□□□□	25,000	0
1GEL 999 - Subaru (Plant 391)	□	■ ■ ■ □	25,000	0
Electric Bicycles	□	■ ■ □ □	10,500	3,704
Minor Plant Renewal - Parks	□	■ ■ □ □	13,000	11,448
Minor Plant Renewal - Street Improvement	□	■ ■ □ □	13,000	7,786
Furniture and Equipment			336,500	32,349
6 and 8 Kent Street - Minor Expense - Allocation	□	□□□□	30,000	0
Administration Centre - Minor Expense - Allocation	□	■ □ □ □	30,000	7,604
Aqualife - Crèche - Play Equipment	□	□□□□	1,000	0
Aqualife - Function Room - Group Fitness Equipment	□	□□□□	3,000	0
Aqualife - Minor Expense - Allocation	□	■ □ □ □	11,000	6,348
Depot - Minor Expense - Allocation	□	■ □ □ □	10,000	0
Digital Hub - Minor Expense - Allocation	□	■ □ □ □	5,000	1,343
Leisure life - Minor Expense - Allocation	□	■ □ □ □	10,000	6,029
Leisurelife - Court 3 - Badminton Posts	□	■ □ □ □	4,000	0
Leisurelife - Court 3 - Equipment Storage	□	■ □ □ □	10,000	0
Leisurelife - Courts 1 and 2 - Volleyball Posts	□	■ □ □ □	4,500	0
Leisurelife - Gym - Gym Equipment	□	■ ■ □ □	165,000	6,695
Library - Minor Expense - Allocation	□	□□□□	15,000	0
Upgrade - Furniture and Equipment				
Depot - Pedestrian Gate - Security Upgrade	□	■ ■ ■ ■	6,000	4,330
New - Furniture and Equipment				
Parking - Enforcement - Parking Machine Cabling	□	□□□□	23,000	0
Parking - Enforcement - Recognition Equipment	□	□□□□	9,000	0

(To be confirmed 25 February 2019)



*Capital Items Progress
For the month ended 31 December 2018*

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Information Technology			976,500	147,170
Renewal - Information Technology				
Software - Customer Request Management System	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	150,000	0
System - Intranet and Portal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	85,000	49,145
Upgrade - Information Technology				
Hardware - Workstations and Peripherals	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	10,000	2,454
Network - Aqualife	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5,000	0
Software - Leisure Facilities Management	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	95,000	51,800
Software - Library Management	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	95,000	19,635
Software - Records Management	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	60,000	0
System - Authority 7.x	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	45,000	0
New - Information Technology				
Software - Asset Management	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	190,000	22,440
Software - Minutes and Agendas	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	50,000	0
Software - Mobile App Lighten Up	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	1,500	1,697
Software - Mobile Health	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	100,000	0
System - RFID Self-Service Solution	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	90,000	0
Roads			4,338,500	761,427
Renewal - Roads				
Albany Highway - Duncan to Teddington - Seal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	10,000	17,532
Albany Highway - Kent - Miller Roundabout - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	68,500	0
Albany Highway - Service Lane to Shepperton - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	36,000	0
Custance Street - Getting to Roberts - Seal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	36,500	50,664
Enfield Street - Goddard to Gallipoli - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	142,000	94,426
Enfield Street - Waller to Goddard - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	33,000	0
Esperance Street - Berwick to End - Seal -	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	97,000	0
Gloucester Street - Cargill to Leonard - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	163,000	2,230
Hampton Road - Howick to Teague - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	131,500	12,228
Hubert Street - Somerset to Oats - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	76,500	978
Kate Street - Norseman to Lake View - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	56,000	0
King George Street - Berwick to 60m South - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	27,500	7,036
Maple Street - Gallipoli to End - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	144,500	104,412
Oats Street - Mars to Planet - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	131,500	965
Oats Street - Tuckett to Rutland - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	158,500	2,040
Rathay Street - Berwick to Lansdowne - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	127,000	1,635
Salford Street - Albany to Lichfield - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	72,500	1,375
Staines Street - Goddard to Gallipoli - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	189,000	119,657
Star Street - Mid Block to Archer - Seal	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	119,500	170

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*Capital Items Progress
For the month ended 31 December 2018*

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Upgrade - Roads				
Hill View Terrace - Oats and Albany - Pavement	<input type="checkbox"/>	■ ■ ■ □ □	76,000	4,000
Hill View Terrace and Oats Street - Intersection	<input type="checkbox"/>	■ ■ ■ □ □	170,000	0
Kent and Hayman - Stage 1 - Pavement	<input type="checkbox"/>	■ ■ ■ □ □	630,000	6,533
McCartney Crescent - Pavement	<input type="checkbox"/>	■ ■ ■ □ □	22,500	9,700
Roberts Road and Orrong Road - Intersection	<input type="checkbox"/>	■ ■ ■ □ □	220,000	0
Rutland Avenue - Oats to Welshpool - Pavement	<input type="checkbox"/>	■ ■ ■ □ □	449,500	1,507
Shepperton and Miller - Stage 2 - Pavement	<input type="checkbox"/>	■ ■ ■ □ □	449,500	5,400
New - Roads				
Cookham Road - Goddard to Gallipoli - Calming	<input type="checkbox"/>	□ □ □ □ □	24,000	0
Cornwall Street - Gallipoli to Castle - Calming	<input type="checkbox"/>	■ ■ ■ □ □	40,000	4,295
Egham Street - Goddard to Gallipoli - Calming	<input type="checkbox"/>	□ □ □ □ □	24,000	0
Gallipoli Street - Egham to Enfield - Calming	<input checked="" type="checkbox"/>	■ ■ ■ ■ ■	23,000	92,384
Gallipoli Street - Egham to Howick - Calming	<input checked="" type="checkbox"/>	■ ■ ■ ■ ■	23,000	98,628
Goddard Street - Egham to Howick - Calming	<input checked="" type="checkbox"/>	■ ■ ■ ■ ■	24,000	49,688
Goddard Street - Midgley to Cookham - Calming	<input checked="" type="checkbox"/>	■ ■ ■ ■ ■	24,000	46,178
Goddard Street - Saleham to McCartney - Calming	<input type="checkbox"/>	□ □ □ □ □	88,000	0
McCartney Crescent - Goddard to Roberts - Calming	<input type="checkbox"/>	■ ■ ■ ■ ■	51,500	12,806
Saleham Street - Goddard to Gallipoli - Calming	<input type="checkbox"/>	■ ■ ■ ■ ■	52,500	14,960
Staines Street - Rutland to Goddard - Calming	<input type="checkbox"/>	□ □ □ □ □	40,000	0
Streatley Road - Gallipoli to Castle - Calming	<input type="checkbox"/>	□ □ □ □ □	40,000	0
Various - Bike Plan Initiatives - On Road Facilities	<input type="checkbox"/>	■ ■ ■ □ □	47,000	0
Drainage			444,500	46,435
Renewal - Drainage				
Hill View Terrace - Intersection Drainage	<input type="checkbox"/>	■ ■ ■ □ □	74,500	6,000
Pipe Renewal - Allocation	<input type="checkbox"/>	■ ■ ■ □ □	40,000	1,160
Pit Renewal - Allocation	<input type="checkbox"/>	■ ■ ■ □ □	20,000	0
Sump Renewal - Allocation	<input type="checkbox"/>	■ ■ ■ □ □	35,000	25,172
New - Drainage				
Bishopsgate Street - Improvements	<input type="checkbox"/>	■ ■ ■ □ □	235,000	0
Lake View Terrace - Improvements	<input type="checkbox"/>	■ ■ ■ □ □	20,000	14,103
Right of Ways - Various	<input type="checkbox"/>	■ ■ ■ □ □	20,000	0

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*Capital Items Progress
For the month ended 31 December 2018*

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Pathways			700,000	112,711
Renewal - Pathways				
Berwick Street - Mackie to McMaster - Surface	<input type="checkbox"/>	■■■■■	16,500	15,864
Berwick Street - Whittlesford to Hillview - Surface	<input type="checkbox"/>	■■■■■	37,000	36,248
Gloucester Street - McMaster to King George - Surface	<input type="checkbox"/>	■■■□	17,000	9,018
Kitchener Avenue - Howick to Egham - Surface	<input checked="" type="checkbox"/>	■■■■■	18,500	20,264
Lathlain Redevelopment (Zone 7) - Pathways	<input type="checkbox"/>	□□□□	150,000	0
Mint Street - Carnarvon to Shepperton - Surface	<input checked="" type="checkbox"/>	■■■□	20,500	25,872
New - Pathways				
Goodwood Parade - Shared Path - Surface	<input type="checkbox"/>	■■□□	400,000	5,445
Turner Avenue - Kent to Brodie Hall - Surface	<input type="checkbox"/>	■■□□	40,500	0
Parks			6,297,000	111,278
Renewal - Parks				
George Street Reserve - Revegetation Project	<input type="checkbox"/>	■■□□	60,000	6,342
GO Edwards Park - Renewal	<input type="checkbox"/>	■□□□	1,000,000	18,226
Kensington Bushland - Information Shelters	<input type="checkbox"/>	■□□□	7,000	0
Kent Street Reserve - Revegetation Project	<input type="checkbox"/>	□□□□	10,000	0
Main and Arterial Roads - Landscaping and Planting	<input type="checkbox"/>	■□□□	10,000	0
McCallum Park - River Wall - Foreshore Landscape	<input type="checkbox"/>	■■■□	608,000	16,825
Tree Plan - Tree Replanting	<input type="checkbox"/>	■□□□	78,000	3,227
Upgrade - Parks				
Fletcher Park - Cricket Nets	<input type="checkbox"/>	■■■■■	70,000	65,416
Higgins Park - Tennis Courts	<input type="checkbox"/>	□□□□	100,000	0
John Macmillan Park - Redevelopment	<input type="checkbox"/>	■□□□	430,000	0
New - Parks				
Kensington Bushland - Jirdarup Signage	<input type="checkbox"/>	■□□□	24,000	907
Lathlain Redevelopment (Zone 2) - Parks	<input type="checkbox"/>	□□□□	1,533,000	0
Lathlain Redevelopment (Zone 2x) - Parks	<input type="checkbox"/>	□□□□	2,245,000	0
Peninsula to Park - Landscaping	<input type="checkbox"/>	■■■□	122,000	336

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*Capital Items Progress
For the month ended 31 December 2018*

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Other Infrastructure			1,339,500	137,543
Renewal - Other Infrastructure				
Car Parks - Car Park Kerbs - Allocation	□	■ ■ □ □	5,000	0
Car Parks - GO Edwards No 17	☒	■ ■ ■ ■	33,000	54,274
Car Parks - Resurfacing - Allocation	□	■ ■ □ □	20,000	5,205
Lathlain Redevelopment (Zone 7) - Carparks	□	□ □ □ □	350,000	0
Street Furniture - Bus Shelter - Allocation	□	■ ■ □ □	55,000	0
Street Lighting - Albany Highway and Laneways	□	■ ■ □ □	30,000	10,415
Upgrade - Other Infrastructure				
Parking - Parking Meters - Upgrade	□	■ □ □ □	130,000	0
Street Lighting - Leisurelife Car Park - Stage 2	□	■ ■ ■ ■	65,000	63,091
New - Other Infrastructure				
Artworks - Allocation	□	□ □ □ □	50,000	0
Lathlain Redevelopment (Zone 2) - Artwork	□	□ □ □ □	33,000	0
Lathlain Redevelopment (Zone 2) - Carparks	□	□ □ □ □	303,000	0
Lathlain Redevelopment (Zone 2x) - Artwork	□	□ □ □ □	55,000	0
Parking - ACROD Bays - Allocation	□	■ ■ ■ □	12,000	0
Parking - Parking Meters	□	□ □ □ □	75,000	0
Right of Way 51 - Resurface	□	■ ■ ■ □	23,500	4,557
Street Furniture - Allocation	□	■ □ □ □	15,000	0
Street Furniture - Bike Stations and Hoops	□	■ □ □ □	10,000	0
Street Lighting - Installation	□	□ □ □ □	55,000	0
Street Lighting - Safety Improvements - Allocation	□	□ □ □ □	20,000	0

(To be confirmed 25 February 2019)

8.3 Adoption of EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy

File Reference:	COR/13/20
Appendices:	<ol style="list-style-type: none"> 1. EM6 Fees, Expenses and Allowances – Elected Members Policy (Appendix 1) 2. Proposed EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy (Appendix 2)
Attachments:	No

Date:	22 January 2019
Reporting Officer:	D. Uniza
Responsible Officer:	A. Vuleta
Voting Requirement:	Simple Majority
Executive Summary:	
<p>Recommendation – That the Finance and Audit Committee recommends that Council adopts the EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy, as included in the Appendix 2.</p> <ul style="list-style-type: none"> • At its meeting held on 25 May 1999, Council adopted the EM6 Fees, Expenses and Allowances – Elected Members Policy • This policy was last reviewed in August 2015 • Resulting from its 2018 review, it is recommended that the existing policy, instead of being amended, be repealed and replaced with the proposed EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy 	

TABLED ITEMS:

Nil.

BACKGROUND:

In accordance with Section 2.7(2)(b) of the Local Government Act 1995, Council is to set the local government's policies.

At its meeting held on 25 May 1999, Council adopted the EM6 Fees, Expenses and Allowances – Elected Members Policy for the purpose of setting out the meeting fees and allowances to be provided to elected members. Since its adoption, this policy has been reviewed three times – July 2013, August 2013 and August 2015.

In 2018, a review of the policy was conducted by the Town upon request by the Finance and Audit Committee ('the Committee'). While workshops were held with the Committee, the final policy presented for adoption was presented to Council via an officer report, not a committee recommendation. The policy was presented at the Ordinary Council Meeting held on 13 November 2018. Council resolved to refer the item back to the Finance and Audit Committee for consideration due to a number of issues that needed clarification. Further detail regarding this can be found in the Council minutes relating to [Item 13.2 Policy Review - EM6 Fees, Expenses and Allowances – Elected Members Policy](#).

(To be confirmed 25 February 2019)

Upon referral back to the Finance and Audit Committee, the Committee has since reviewed the policy through a committee workshop.

DETAILS:

This policy was requested for review by the Finance and Audit Committee to ensure that the policy was still relevant, reflected Council's position on the matter, and accounts for recent changes to the Town's committee structure, specifically the inclusion of independent committee members. During the first iteration of the policy's review, it was indicated by the Committee that the following key outcomes were anticipated as a result of the review:

1. That the current payment cycle be changed from six-monthly to monthly in arrears
2. Allowance levels be retained as is, including the retention of 'annual sitting fees' as opposed to meeting fees
3. That the policy recognises independent committee members

Cognisant of those intended outcomes, this review process further included:

- A review of similar policies from six other metropolitan councils
- A thorough review of the policy against both legislative requirements as set out in the Act, and against determinations as set out by the Salaries and Allowances Tribunal
- Ensuring that the policy can be pragmatically applied by the administration in its day-to-day operations
- Aligned with proposed changes from Phase 1 of the Local Government Act review, specifically its requirement for local governments to produce an elected member professional development policy

Legal Compliance:

[Local Government Act 1995 – Section 2.7\(2\)\(b\)](#)

[Local Government \(Administration\) Regulations 1996 – Reg. 31](#)

[Local Government \(Administration\) Regulations 1996 – Reg. 32](#)

[Salaries and Allowances Tribunal Determinations for Local Governments CEOs and Elected Members](#)

Policy Implications:

EM6 Fees, Expenses and Allowances – Elected Members Policy

EM5 Conference Expenses – Elected Members

Risk Management Considerations:

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Legal The policy being inconsistent with the Act and determinations set by the Salaries and Allowances Tribunal	Major	Unlikely	Moderate	The proposed policy has been checked against relevant legislation to ensure compliance.

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Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Compliance The policy not giving clear direction to the Town's administration to ensure compliance in application of the policy	Moderate	Possible	Moderate	The proposed policy was created as a collaborative effort between officers and elected members to ensure that it is easily applied in the day-to-day operations of the Town

Strategic Plan Implications:

CI6 – Finances are managed appropriately, sustainably and transparently for the benefit of the community

Financial Implications:Internal Budget:

There are sufficient funds in the current budget to support principles presented in the policy.

Total Asset Management:

Not applicable.

Sustainability Assessment:External Economic Implications:

Not applicable.

Social Issues:

The policy aims to ensure that both elected members and independent committee members are provided with sufficient support to conduct their duties in a way that is fair, equitable and compliant of relevant legislation.

Cultural Issues:

Not applicable.

Environmental Issues:

Not applicable.

COMMENT:

As significant changes have been made to the existing policy, EM6 Fees, Expenses and Allowances – Elected Members Policy, it is proposed that the current policy is repealed and replaced with the proposed EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy, as presented in Appendix 2.

(To be confirmed 25 February 2019)

Such changes are outlined below:

Change	Reason
Payment of annual attendance fees and ICT expenses allowance cycle from 6-monthly to monthly	To better align with the Town's current payment cycles
Clarification of reimbursements available to elected members under Regulation 32 of the Regulations relating to travel.	To ensure that the types of travel which Council approves reimbursements for, outside of that set out in Regulation 31, are clearly outlined
Addition of 'Conference expenses' section	To ensure that allowable conference expenses are aligned to the allocated amount as approved in the annual budget
Addition of 'Professional development expenses' section	To ensure that the policy is forward-thinking in allocating allowable professional development expenses, as will be set in the annual budget, for the future requirement for local governments to adopt a professional development policy for its elected members resulting from Phase 1 of the Local Government Act Review
Addition of 'Independent Committee Members' section	To ensure that independent committee members are accounted for in the new policy. While such committee members are not entitled to a meeting fee payment, reimbursement of expenses as set out in the Regulations are applicable. Further expenses, as allowable under this policy, relates to approved training undertaken by independent committee members, as relevant to their role in the committee, and the local government sector.
Additional requirements under 'Reimbursement of Expenses'	To ensure that claims for reimbursement submitted provide sufficient evidentiary information for the claim to be assessed by the Town. It is further stipulated that reimbursements may only be claimed within 60 days of the expense being incurred to promote administrative efficiency.

It is anticipated that above changes will not only modernise the existing policy, but make the policy easier to implement by providing greater clarity in many aspects that may have been subject to interpretation.

CONCLUSION:

It is believed that the proposed policy not only achieves the intended outcomes as set out by the Committee, but it is forward-thinking in its approach and is compliant of relevant legislation. As such, it is proposed that the current policy, EM6 Fees, Expenses and

(To be confirmed 25 February 2019)

Allowances – Elected Members Policy, be repealed and replaced with the proposed EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy, as presented in Appendix 2.

As current elected member allowances have been paid until the end of April 2019, it is further recommended that this policy takes effect from 1 May 2019.

FURTHER COMMENT:

The members of the Finance and Audit Committee sought further information on the adoption of the policy. The following list represents the questions and answers associated with the request for further information.

- The report talks about a 2017 review, can I confirm this is different to the 2018 review/workshopping that took place late last year?

This should say 2018 not 2017. This has been changed in the amended report.

- The recommendation includes an in effect date of May 1st and a repeal date at the end of March —will this leave a gap in policy coverage through April?

The recommendation has now been amended to include a repeal date of 30 April 2019. An amended agenda was sent prior to the meeting.

- Can you please provide commentary regarding the benefits of monthly vs quarterly payments?

Monthly payments allow for a simpler process and align better with the financial year. They also remove any difficulty in an election year when calculating how much an individual should receive. The current process currently consists of a payment that is both in advance and in arrears. Monthly payments will allow the Town to just pay in arrears.

- Should the policy take effect earlier, straight after adoption, rather than waiting until 1 May 2019?

This is not recommended as the recommendation as it stands allows for a notification period for elected members to put in any reimbursement claims that may be older than 60 days. If the new policy is adopted, any claims over 60 days will not be processed.

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Cr Vernon

That the Finance and Audit Committee recommends that Council:

- 1. Adopts EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy, as included in Appendix 2**
- 2. Endorses that EM6 Fees, Expenses and Allowances – Elected Members and Independent Committee Members Policy, as included in Appendix 2, take effect from 1 May 2019.**

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- 3. Repeals EM6 Fees, Expenses and Allowances – Elected Members Policy, as included in Appendix 1, from 30 April 2019.**

The motion was put and

Carried (6:0)

In favour of the motion: Cr Vernon; Cr Ammons Noble; Cr Oliver; Cr Anderson; Mr N Formosa and Mr J Carley

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8.4 Local Government Compliance Audit 2018

File Reference:	COR/15/0001~01
Attachments	No
Appendices:	1. 2018 Compliance Audit Return 2. 2017 Compliance Audit Return – for reference

Date:	14 January 2018
Reporting Officer:	L. O'Neill
Responsible Officer:	D. Uniza
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the Finance and Audit Committee recommends that Council adopts the Local Government Compliance Audit Return, as presented in Appendix 1, for the period 1 January to 31 December 2018.

- While the Town remains compliant of the Local Government Compliance Audit for 2018 calendar year, some opportunities for improvement, of which are mostly administrative in nature, are suggested.
- The Local Government Compliance Audit Return ('CAR') is to be submitted to the Department of Local Government, Sport and Cultural Industries (the 'Department') by 31 March 2019 as required the *Local Government (Audit) Regulations 1996* (Regulations).
- The joint certification is to be completed by the Mayor and Chief Executive Officer and the document forwarded to the Department of Local Government, Sport and Cultural Industries through 'SmartHub'.

TABLED ITEMS:

Nil.

BACKGROUND:

Regulation 14 of the Regulations requires that a compliance audit return for the period 1 January to 31 December is completed each year. The CAR is a statutory reporting tool that seeks to evaluate that Town's compliance with targeted sections of the *Local Government Act 1995 (Act)*.

The Regulations require that the CAR is presented to Council for adoption following review of its Audit Committee. Once adopted, the CAR is to be certified by both the Mayor and Chief Executive Officer before it is submitted to the Executive Director of the Department of Local Government and Communities by 31 March 2019.

DETAILS:

The CAR covers a range of matters that require actions to be completed by local governments in performing their functions to maintain legislative compliance with the Act.

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The CAR requires that responsible officers respond to the audit questions, whether the Town was compliant of required actions, by answering:

- (a) Yes;
- (b) No; or
- (c) N/A – Not Applicable.

Local governments are required to provide feedback or comments on areas of non-compliance. This assists the Department in better understanding any problems or issues that have resulted in a local government's inability to achieve full compliance in a particular area.

The following table summarises the Town's performance in each of the relevant categories. A comparison between the 2017 and 2018 CAR has been provided. Two new questions have been provided in the Finance area relating to Regulation 17 of the Regulations.

As the Compliance Audit Return is typically consisted of the minimum expected compliance standard for local governments, the Town remains 100% compliant for the 2018 Compliance Audit Return.

Category	2017 Audit Questions	Compliance Rating	2018 Audit Questions	Compliance Rating
Commercial Enterprises by Local Governments	5	100%	5	100%
Delegation of Power / Duty	13	100%	13	100%
Disclosure of Interest	16	100%	16	100%
Disposal of Property	2	100%	2	100%
Elections	1	100%	1	100%
Finance	14	100%	16	100%
Integrated Planning & Reporting	7	100%	7	100%
Local Government Employees	5	100%	5	100%
Official Conduct	6	100%	6	100%
Tenders for Providing Goods and Services	25	100%	25	100%
TOTAL	94	99%	96	100%

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It is a requirement pursuant to Regulation 14 of the Regulations that local governments submit the Compliance Audit Return to its Audit Committee for consideration. The intent is for the Audit Committee to examine the CAR and, if appropriate, make comment of recommendations to Council.

Further to this, a joint certification is also to be completed by the Mayor and Chief Executive Officer to the effect that the information contained in the CAR is true and correct to the best of their knowledge.

Legal Compliance:

Local Government Act 1995 – Section 7.13(1)(i)

Local Government (Audit) Regulations 1996 – Regulations 14

Local Government (Audit) Regulations 1996 – Regulations 15

Policy Implications:

Nil.

Risk Management Considerations:

The risk associated with the Council failing to adopt the Return would result in non-compliance with the legislative requirements of the *Local Government (Audit) Regulations 1996*.

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Compliance There is a statutory requirement pursuant to the Audit Regulations for local governments to complete the annual Compliance Audit Return.	Minor	Likely	Low	Compliance Audits will identify any issues that need to be remedied or mitigated against. Pursuant to the <i>Local Government (Audit) Regulations 1996</i> , the CAR for the 2018 year is mandatory and must be completed.

Strategic Plan Implications:

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

Financial Implications:

Internal Budget:

Nil.

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Total Asset Management:

Nil.

Sustainability Assessment:External Economic Implications:

Nil.

Social Issues:

Nil.

Cultural Issues:

Nil.

Environmental Issues:

Nil.

COMMENT:

In completing the CAR, relevant officers were required to undertake an audit of the Town's activities, practices and procedures in line with the Act and its associated regulations. While the survey presented by the Department does not require inclusion of evidentiary information, and this has not typically been the approach of the Town, in the 2018 return, the Town has made it a requirement that the responses provided by officers are evidenced by either a comment, or where applicable, citing references to relevant internal and external documents under the 'Comments' section of Attachment 1. This is to ensure that all responses to the audit questions are substantiated.

The internal audit has identified no areas of non-compliance; however, a number of procedural opportunities for improvement (OFI) have been identified as summarised in Table 1.

Compliance Area	Compliant	Non-Compliant	OFI
Commercial Enterprises by Local Government	5	0	N
Delegation of Power/Duty	13	0	Y
Disclosure of Interest	16	0	Y
Disposal of Property	2	0	N
Elections	1	0	N
Finance	16	0	N
Integrated Planning and Reporting	7	0	Y
Local Government Employees	5	0	N
Official Conduct	6	0	Y
Tenders for Providing Goods and Services	25	0	N

Table 1 – Town of Victoria Park Compliance Audit Return Result Summary

As the Town seeks to continually improve its internal processes and procedures, a number of processes have been identified for improvement, as detailed below.

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Disclosure of Interest

While the Town currently records Disclosure of Interests received through its records management system, it is difficult to readily locate all such information as they are not centrally maintained. The Town is in the process of procuring a software that will centralise such documents, and make them easily reportable.

Delegation of Power/ Duty

While the Town currently records its exercise of its delegation of powers and duties through its records management system, it is difficult to readily locate all such decisions exercised as they are not centrally maintained. As such, the Town is in the process of sourcing new software for the capture of exercise of delegated authority, along with other functions such as capturing gift declaration, annual returns, etc. This system will be implemented alongside Council's adoption of its delegations in early 2019. It is envisaged that this system will allow the Town to produce regular reports regarding delegations exercised by relevant officers.

Finance

In the 2018 CAR, two new questions were asked in relation to audits conducted under Regulation 17 of the *Local Government (Audit) Regulations 1996*, which relate to the CEO's review of systems and procedures, namely: risk management, internal control and legislative compliance. This requirement was recently changed to be conducted on a three-yearly, rather than a two-yearly basis. The Town has last conducted the required review in the 2016/2017 financial year through single audit conducted on all three systems. As this audit is due to be conducted this year, it is proposed that the audit of systems be conducted in a staggered manner so that each system may be properly scrutinised, and that the Town's Finance and Audit Committee is provided with three different audit reports, relating to the three areas over the course of the year.

Integrated Planning and Reporting

While the Town is compliant with integrated planning and reporting requirements as set out in the Act, it is proposed that the comprehensiveness of documents within this suite be further reviewed. At current, the Town is in the process of conducting a minor review of its Strategic Community Plan, following this it is anticipated that wholesale review of its Corporate Business Plan will be conducted to ensure its relevance, effectiveness and clarity.

Official Conduct

In relation to the keeping of a complaints register, it is recommended that the Town revisit the current format of its register and update the information to better reflect best practice models.

As the opportunities for improvement as outlined above relate to the operations of the Town, such actions will be managed administratively.

CONCLUSION:

While some OFI's have been identified, the Town has remained compliant of requirements as set out in the 2018 Compliance Audit Return. As such, it is proposed that the Finance and Audit Committee recommends that Council adopt the 2018 Compliance Audit Return as presented in Appendix 1.

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FURTHER COMMENT:

The members of the Finance and Audit Committee sought further information on the Compliance Audit Return. The following list represents the questions and answers associated with the request for further information.

- Work was done on the sale of property at Lathlain Place —was this in the 2017 year? It was in the 2018 calendar year.

RESOLVED:

Moved: Cr Vernon

Seconded: Cr Oliver

That the Finance and Audit Committee recommends that Council:

1. Adopts the Compliance Audit Return for the period of 1 January to 31 December 2018, as included in Appendix 1, in accordance with the provisions of *Regulation 14(3) of the Local Government (Audit) Regulations 1996*.
2. Authorises the Mayor and Chief Executive Officer to complete the Joint Certification contained in the Department of Local Government, Sport and Cultural Industries Compliance Audit Return.
3. Submits the 2018 Compliance Audit Return to the Director General, Department of Local Government, Sport and Cultural Industries by 31 March 2019.

The motion was put and

Carried (6:0)

In favour of the motion: Cr Vernon; Cr Ammons Noble; Cr Oliver; Cr Anderson; Mr N Formosa and Mr J Carley

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9. MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN

(required 3 ½ business days prior to the meeting, in writing to the CEO.)

Nil.

10. MEETING CLOSED TO PUBLIC

10.1 Matters for which the meeting may be closed

Nil.

10.2 Public reading of resolutions that may be made public

Nil.

11. CLOSURE OF COMMITTEE MEETING

There being no further business, Cr Ammons Noble closed the meeting at 5.48pm.

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

Signed:.....Cr Ammons Noble

Dated this:.....Day of2019