



AGENDA FOR THE ORDINARY COUNCIL MEETING

15 MAY 2019



Ordinary Council Meeting Notice Paper

15 May 2019

An Ordinary Meeting of Council is called for Wednesday, 15 May 2019, in the Council Chambers, Victoria Street, Mingenew, commencing at 4.30 pm. Members of the public are most welcome to attend.

Nils Hay
Chief Executive Officer
10 May 2019

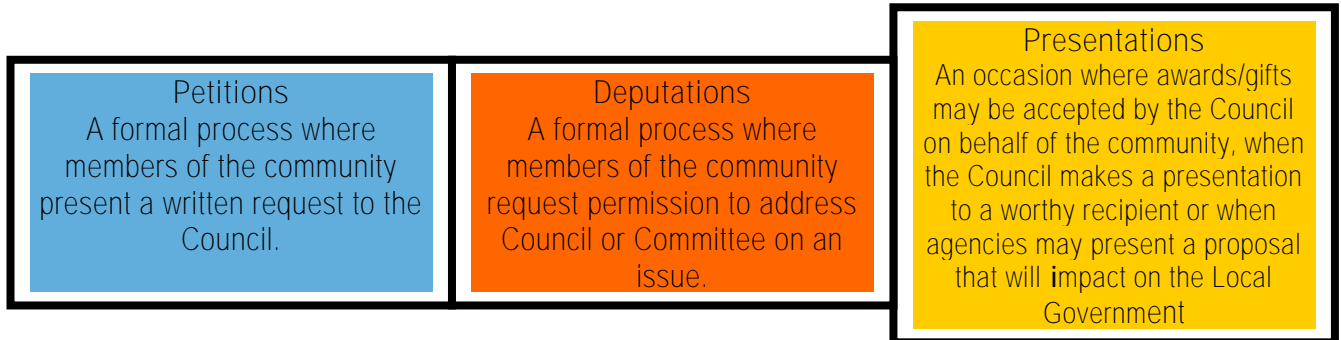
DISCLAIMER

The purpose of Council Meetings is to discuss, and where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

Persons should be aware that the provisions of the Local Government Act 1995 (Section 5.25 (e)) establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The Shire of Mingenew expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

PROCEDURE FOR PUBLIC QUESTION TIME, DEPUTATIONS, PRESENTATIONS AND PETITIONS AT COUNCIL MEETINGS

Council thanks you for your participation in Council Meetings and trusts that your input will be beneficial to all parties. Council has a high regard for community input where possible, in its decision making processes.



PROCEDURE FOR DEPUTATIONS

The Council allows for members of the public to make a deputation to Council on an issue related to Local Government business. Any person or group wishing to be received as a deputation by the Council shall send to the CEO an application:

- I. Setting out the agenda item to which the deputation relates;
- II. **Whether the deputation is supporting or opposing the officer's or Committee's recommendation; and**
- III. Include sufficient detail to enable a general understanding of the purpose of the deputation.

Notice of deputations need to be received by 5pm on the day before the meeting and agreed to by the Presiding Member. Please contact the Shire via telephone on 99281192 or email governance@mingenew.wa.gov.au to arrange your deputation.

Where a deputation has been agreed to, during the meeting the Presiding Member will call upon the relevant person(s) to come forward and address Council.

A Deputation invited to attend a Council meeting:

- I. is not to exceed five (5) persons, only two (2) of whom may address the Council, although others may respond to specific questions from Members;
- II. is not to address the Council for a period exceeding ten (10) minutes without the agreement of the Council; and
- III. additional members of the deputation may be allowed to speak with the agreement of the Presiding Member.

Council is unlikely to take any action on the matter discussed during the deputation without first considering **an officer's report on that subject in a later Council agenda.**

PROCEDURE FOR PRESENTATION

Notice of presentations being accepted by Council on behalf of the community, or agencies presenting a proposal, need to be received by 5pm on the day before the meeting and agreed to by the Presiding Member. Please contact the Shire via telephone on 99281102 or email governance@mingenew.wa.gov.au to arrange your presentation.

Where the Council is making a presentation to a worthy recipient, the recipient will be advised in advance and asked to attend the Council meeting to receive the award.

All presentations will be received / awarded by the Shire President or an appropriate Councillor.

PROCEDURE FOR PETITIONS

Please note the following protocol for submissions of petitions. Petitions must:

- be addressed to the Shire President.
- be made by electors of the district.
- state the request on each page of the petition.
- contain the names, addresses and signatures of the elector(s) making the request, and the date each elector signed.
- contain a summary of the reasons for the request.
- state the name and address of the person whom arranged the petition for correspondence to be delivered to, as correspondence is not sent to all the signatures on the petition.

Where a petition does not relate to or conform to the above it may be treated as an 'informal' petition and the Chief Executive Officer may at his discretion forward the petition to Council accompanied by an officer report.

PROCEDURE FOR PUBLIC QUESTION TIME

The Council extends a warm welcome to you in attending any meeting of the Council. Council is committed to involving the public in its decision-making processes whenever possible, and the ability to ask questions **during 'Public Question Time' is of critical importance** in pursuing this public participation objective.

Council (as required by the Local Government Act 1995) sets aside a period of 'Public Question Time' to enable a member of the public to put up to two (2) questions to Council. Questions should only relate to the business of Council and should not be a statement or personal opinion. Upon receipt of a question from a member of the public, the Shire President may either answer the question or direct it to a Councillor or an Officer to answer, or it will be taken on notice.

Having regard for the requirements and principles of Council, the following procedures will be applied in accordance with the Shire of Mingenew Standing Orders Local Law 2017:

1. Public Questions Time will be limited to fifteen (15) minutes.
 2. Public Question Time will be conducted at an Ordinary Meeting of Council immediately following **"Responses to Previous Public Questions Taken on Notice"**.
 3. Each member of the public asking a question will be limited to two (2) minutes to ask their question(s).
 4. Questions will be limited to two (2) per person.
 5. Please state your name and address, and then ask your question.
 6. Questions should be submitted to the Chief Executive Officer in writing by 5pm on the day before the meeting and be signed by the author. This allows for an informed response to be given at the meeting.
 7. Questions that have not been submitted in writing by 5pm on the day before the meeting will be responded to if they are straightforward.
 8. If any question requires further research prior to an answer being given, the Presiding Member will indicate **that the "question will be taken on notice" and a response will be forwarded to the member of the public** following the necessary research being undertaken.
 9. Where a member of the public provided written questions then the Presiding Member may elect for the questions to be responded to as normal business correspondence.
 10. A summary of the question and the answer will be recorded in the minutes of the Council meeting at which the question was asked.
- During the meeting, no member of the public may interrupt the meetings proceedings or enter into conversation.
 - Members of the public shall ensure that their mobile telephone and/or audible pager is not switched on or used during any meeting of the Council.
 - Members of the public are hereby advised that use of any electronic, visual or audio recording device or instrument to record proceedings of the Council is not permitted without the permission of the Presiding Member.

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AGENDA FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD IN COUNCIL CHAMBERS ON
15 MAY 2019 COMMENCING AT 4.30pm

- 1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS
- 2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE
APOLOGIES
- 3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE
Nil
- 4.0 PUBLIC QUESTION TIME/PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS
- 5.0 APPLICATIONS FOR LEAVE OF ABSENCE
- 6.0 DECLARATIONS OF INTEREST
- 7.0 CONFIRMATION OF PREVIOUS MEETING MINUTES
 - 7.1 ORDINARY MEETING HELD 17 APRIL 2019

OFFICER RECOMMENDATION- ITEM 7.1

That the minutes of the Ordinary Meeting of the Shire of Mingenew held in the Council Chambers on 17 April 2019 be confirmed as a true and accurate record of proceedings.

VOTING DETAILS:

- 7.2 SPECIAL MEETING HELD 01 MAY 2019

OFFICER RECOMMENDATION – ITEM 7.2

That the minutes of the Special Meeting of the Shire of Mingenew held in the Council Chambers on 01 May 2019 be confirmed as a true and accurate record of proceedings.

VOTING DETAILS:

- 8.0 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

9.0 REPORTS/MINUTES OF COMMITTEES

9.1 SHIRE OF MINGENEW AUDIT AND RISK COMMITTEE MEETING HELD 01 MAY 2019

OFFICER RECOMMENDATION – ITEM 9.1

That Council receives the minutes of the Shire of Mingenew Audit and Risk Committee Meeting held in Council Chambers on 01 May 2019.

VOTING DETAILS:

COMMITTEE RECOMMENDATION TO COUNCIL

That Council and the Audit and Risk Committee receive and note the update provided in regards to the 2017/18 Financial Year Interim and End of Year Financial Year Audits.

VOTING DETAILS:

COMMITTEE RECOMMENDATION TO COUNCIL

That Council and the Audit and Risk Committee:

1. Note the updated Shire of Mingenew Risk Register as presented in attachment
2. Endorse the Strategic Risk Register for incorporation with the Shire of Mingenew Risk Register.

VOTING DETAILS:

COMMITTEE RECOMMENDATION TO COUNCIL

That Council and the Audit and Risk Committee:

1. Note the proposed Audit Plan for the financial years 2019/20, 2020/21 & 2021/22.
2. Recommend that Council endorse the Audit Plan as presented in attachment 2.

VOTING DETAILS:

COMMITTEE RECOMMENDATION TO COUNCIL

That Council and the Audit and Risk Committee receives the Regulation 17 Progress Report 1.

VOTING DETAILS:

10 REPORTS BY THE CHIEF EXECUTIVE OFFICER
Nil.

11.0 REPORTS OF ADMINISTRATION

11.1 FINANCIAL REPORT FOR THE PERIOD ENDED 30 APRIL 2019

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference: ADM0304
Date: 8 May 2019
Author: Jeremy Clapham – Finance Manager

Summary

This report recommends that the Monthly Financial Report for the period ending 30 April 2019 as presented to the Council be received.

OFFICER RECOMMENDATION- ITEM 11.1

That the Monthly Financial Report for the period 1 July 2018 to 30 April 2019 be received.

VOTING DETAILS:

Attachment

Monthly Financial Report for period ending 30 April 2019

Background

The Monthly Financial Report to 30 April 2019 is prepared in accordance with the requirements of the Local Government Act and the Local Government (Financial Management) Regulations and includes the following:

- Statement of Financial Activity by Nature & Type
- Statement of Financial Activity by Program
- Statement of Capital Acquisitions and Capital Funding
- Explanation of Material Variances
- Net Current Funding Position
- Cash and Investments
- Budget Amendments
- Receivables
- Cash Backed Reserves
- Capital Disposals
- Rating Information
- Information on Borrowings
- Grants & Contributions
- Trust

Comment

SUMMARY OF FUNDS – SHIRE OF MINGENEW as at 30 April 2019	
Municipal Fund	\$1,082,228
Cash on Hand	\$300
Restricted Funds – 3 Month Term Deposit @ 2.50%	\$548,563
Trust Fund	\$20,459
Reserve fund (3 Month Term Deposit) @ 2.50%	\$413,855

Debtor's accounts continue to be monitored with all efforts being made to ensure that monies are recovered.

The Statement of Financial Activities Report contains explanations of Councils adopted variances for the 2018/2019 financial year.

Consultation

Nil

Statutory Environment

Local Government Act 1995 Section 6.4

Local Government (Financial Management) Regulations 1996 Section 34

34. Financial activity statement required each month (Act s. 6.4)

(1A) In this regulation —

committed assets means revenue unspent but set aside under the annual budget for a specific purpose.

- (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); and
 - (b) budget estimates to the end of the month to which the statement relates; and
 - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and
 - (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; and
 - (b) an explanation of each of the material variances referred to in sub regulation (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 sub regulation (2), are to be —
 - (a) Presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - (b) Recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

Policy Implications

Nil

Financial Implications

No financial implications are indicated in this report.

Strategic Implications

Nil

Voting Requirements

Simple Majority

11.2 LIST OF PAYMENTS FOR THE PERIOD ENDING 30 APRIL 2019

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
File Reference: ADM0042
Attachment/s: List of Payments – April 2019
Disclosure of Interest: Nil
Date: 6 May 2019
Author: Helen Sternick – Finance Officer
Authorising Officer: Jeremy Clapham, Finance Manager

Summary

This report recommends that Council receive the list of payments for period ending 30 April 2019 in accordance with the Local Government (Financial Management) Regulations 1996 section 13(1).

OFFICER RECOMMENDATION – ITEM 11.2

That Council receive the attached list of payments for the month of April 2019 as follows:

\$14,825.25	Municipal Cheques 8597 to 8601;
\$439,629.07	Municipal EFT12303 to EFT12331 and EFT12333 to EFT12444;
\$11,798.17	Municipal Direct Debit Superannuation & Payroll Deduction Payments;
\$67,968.30	Municipal Direct Debit Department of Transport (Licencing) Payments;
\$253.54	Municipal Direct Debit National Australia Bank Fees; and
\$2,239.92	Municipal Direct Debit Other.

Totalling \$536,714.25 as per attached list of payments.

Net Salaries not included in the attached list of payments - \$70,967.90

Total of all payments - \$607,682.15.

VOTING DETAILS:

Background

Financial Regulations require a schedule of payments made through the Council bank accounts to be presented to Council for their inspection. The list includes details for each account paid incorporating the **payee's name, amount of payment, date of payment and sufficient information to identify the transaction.**

Comment

Invoices supporting all payments are available for inspection. All invoices and vouchers presented to Council have been certified as to the receipt of goods and the rendition of services and as to prices, computations and costings, and that the amounts shown were due for payment.

Consultation

Nil

Statutory Environment

Local Government Act 1996, Section 6.4

Local Government (Financial Management) Regulations 1996, Sections 12, 13 and 15

Policy Implications

Payments have been made under delegation.

Financial Implications

Funds available to meet expenditure.

Strategic Implications

Nil

Voting Requirements
Simple Majority

12.0 ELECTED MEMBERS/MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.1 CLEARING OF BLOCKS FOR FIRE SAFETY

The CEO received written notice on the 06 May 2019 from Councillor Newton, in accordance with the Shire of Mingenew Standing Orders 2017, that at the May Ordinary Council Meeting he would move the following motion:

MOTION– Item 12.1

In the interest of public safety, the Mingenew Shire will arrange for all townsite blocks, noncompliant under **the Bushfires Act after the 14th October, to be made compliant at the ratepayer's expense. A notice of same** is to be sent out with the rate notices.

VOTING DETAILS:

Reasons for the Motion

There are currently several overgrown lots within the townsite which present a potential fire hazard.

CEO Comment

This motion is certainly achievable. It's acknowledged that management of overgrown blocks is an area that has not been managed as effectively as would be desirable over the past fire season. Whilst Fire Break notices were distributed as required, enforcement has been limited. This has been due, in part, to lack of staff experience with regards to this matter as well as some lack of clarity regarding staff roles and responsibilities within this area. This was somewhat exacerbated by a relative lack of internal processes and document templates for the management of fire breaks (beyond the standard fire break notice).

Whilst there has only been piecemeal enforcement this year, a process and document suite has been developed which should allow for the foreshadowed motion to be achieved in the new Financial Year.

In terms of timing, the following schedule is proposed in line with our internal Fire Management Notice Inspection Procedures:

Action	Timing
Rate Notices Issued with Fire Break Notices	August 2019 (following budget adoption)
Initial Property Inspections	Early September
Letter of Non-Compliance (14 days to comply)	Early September
Second Inspection	Mid-September
Infringement Notice to Non-Compliant Properties (14 days to comply)	Mid-September
Follow-Up Inspections	Late September
Arrangements Made for Clearing Works (to be billed to non-compliant property owners)	By 14 October
Further Inspections	Over fire season, as required

The above schedule can be advertised within the 2019/20 Fire Break Notice (to be distributed with Rates Notices in August) to ensure that all property owners are reasonably notified of expectations and process. As per usual, the Fire Break Notice will also be distributed through the Mingenew Matters, Shire Website and Shire Facebook Page.

As far as current non-compliant properties are concerned, non-compliance letters have recently been issued.

MINGENEW SHIRE COUNCIL ORDINARY MEETING AGENDA – 17 April 2019

13.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

13.1 ELECTED MEMBERS

13.2 STAFF

14.0 CONFIDENTIAL ITEMS

Nil

15.0 TIME AND DATE OF NEXT MEETING

Next Ordinary Council Meeting to be held on Wednesday 19 June 2019 commencing at 4.30pm.

16.0 CLOSURE

These minutes were confirmed at an Ordinary Council meeting on 19 June 2019.

Signed _____
Presiding Officer

Date: _____



ORDINARY COUNCIL MEETING

15 MAY 2019

Attachment Booklet **1**

ATTACHMENT: **9.1**

Audit and Risk Committee Minutes - 01 May 2019



MINUTES FOR THE AUDIT AND RISK COMMITTEE MEETING

01 MAY 2019



Audit and Risk Committee Meeting Notice Paper
1 May 2019

An Audit and Risk Committee Meeting of the Shire of Mingenew is called for Wednesday, 1 May 2019, in the Council Chambers, Victoria Street, Mingenew, commencing at 5.30 pm.

Nils Hay
Chief Executive Officer
26 April 2019

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MINUTES FOR THE AUDIT AND RISK COMMITTEE MEETING OF THE SHIRE OF MINGENEW HELD IN
COUNCIL CHAMBERS ON
01 MAY 2019 COMMENCING AT 5.30pm

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The President HM Newton declared the meeting open at 5.26pm and welcomed all in attendance.

2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE
COMMITTEE MEMBERS

HM Newton	President	Town Ward
RW Newton	Deputy President	Rural Ward
KJ McGlinn	Councillor	Town Ward
JD Bagley	Councillor	Rural Ward
GJ Cosgrove	Councillor	Rural Ward
M Battilana	Independent Member	

STAFF

N Hay	Chief Executive Officer
J Clapham	Finance Manager
B Bow	Governance Officer

APOLOGIES

LM Eardley	Councillor	Town Ward
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VISITORS

5.52pm- 6.20pm- Robert Hall, Manager, Butler Settineri (via teleconference)

5.52pm- 6.20pm- Liang Wong, Assistant Director Financial Audit, Office of the Auditor General (via teleconference).

3.0 PUBLIC QUESTION TIME/PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil- Meeting closed to the public in accordance with s5.23 of the Local Government Act 1995.

4.0 DECLARATIONS OF INTEREST

Nil

5.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

5.1 AUDIT COMMITTEE MEETING HELD 20 MARCH 2019

OFFICER RECOMMENDATION AND COUNCIL DECISION- Resolution A01051901

Moved: Cr McGlinn / Seconded: Cr Newton

That the minutes of the Audit Committee Meeting of the Shire of Mingenew held in the Council Chambers on 20 March 2019 be confirmed as a true and accurate record of proceedings.

VOTING DETAILS:

CARRIED 6/0

6.0 OFFICERS' REPORTS

6.1 AUDIT REPORT UPDATE 2017/18

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference: ADM0081
Date: 23 April 2019
Author: Nils Hay, Chief Executive Officer

Summary

Recommendations and actions from the 2017/18 Financial Year Interim and End of Financial Year Audits are reviewed to ensure progress is being made in key areas.

OFFICER RECOMMENDATION AND COUNCIL DECISION- Resolution A01051902

Moved: Cr Newton / Seconded: Cr McGlinn

That the Audit and Risk Committee receive this update.

VOTING DETAILS:

CARRIED 6/0

Attachment

6.1.1 2017/18 Management Letter dated 14 December 2018

Background

At the December 2018 Audit Committee Meeting, the Committee received the Management Letter from the Shire's auditors, along with the Management Response.

The items identified have been – and continue to be addressed – by Shire staff. An update on these items is presented to keep the Committee abreast of developments and any emergent issues.

Comment

Following is the CEO's report to the Audit Committee on matters arising from the audit and management reports.

The Auditor's Report and Management Report for the 2017/18 Financial Year identified several findings which, whilst generally not material in relation to the overall audit of the financial report, were considered relevant to the day to day operations of the Shire. Progress on these items is outlined below.

Segregation of Duties and Levels of Controls:

As also noted in the 2016/17 Management Letter, our organisational structure and staffing levels continue to make it challenging to effectively segregate duties. This issue was exacerbated by the departure of two senior staff during the 2017/18 Financial Year (Chief Executive Officer and Finance Manager), and the relative lack of documented procedures and position descriptions which existed within the Finance department that could assist to ensure continuity of systems and improve the internal control environment.

It was acknowledged at the December 2018 Audit Committee meeting that current staffing levels also limit the capacity to develop and implement a more effective control environment. A temporary Finance Officer resource was introduced to assist with improving the Shire's financial control environment, through better segregation of duties, development and implementation of written procedures and on-the-job training and guidance for junior finance and administration team members. Progress has been made in this space utilising the services of the Temporary Finance Officer (contracted to 30 June 2019).

With the imminent implementation of Synergy's Purchase Order module, there will also be improved governance around the purchasing process built into the system, which will automatically provide greater transparency and accountability in the procurement space (as well as improving our ability to track expenditure). The Module is scheduled for introduction in May 2019.

There are concerns that, in the new financial year – with the re-internalisation of the payroll and rates function – and the conclusion of the Temporary Finance Officer role that the Finance/Administration section will be under-resourced.

At present, we are carrying 4.6 FTE positions in that area (Finance Manager, Finance Officer, Administration Officer Trainee, Rates Officer [0.6FTE], Temporary Finance Officer).

For the sake of comparison, neighbouring Shires have the following Finance/Admin structures:

Carnamah	Chapman Valley	Morawa	Perenjori	Three Springs
Deputy CEO	Manager Finance & Corporate Services	Manager Corporate & Community Services	Manager Corporate Services	Finance Manager
Senior Finance Officer	Senior Finance (0.7)	Rates/Payroll Officer	Senior Finance Officer	Senior Finance & Rates
Finance Support (0.8)	Admin Officer (2.7)	Senior Finance Officer	Accounts Officer	Finance HR & Payroll
Customer Service		Debtors/Creditors Officer	Customer Service Officer	Customer Service Officers (1.5)
Trainee (0.4)		Customer Service Officer	(Contracted Rates Officer – Perth-based)	
4.2FTE	4.4FTE	5FTE	4FTE + Contract	4.5FTE

Whilst a full-time finance/admin role is not anticipated to be required from June 30 2019, there will be budget discussions regarding staffing and the potential of maintaining a part-time resource to assist with finance/administration duties.

Monthly Management Accounts and Reporting:

As noted, with the departure of the Chief Executive Officer and Finance Manager, this process ceased. No formal procedure existed with regards to this item, however one is being developed and the monthly management account review is being re-implemented to ensure future/ongoing compliance. A detailed Finance Manager Operating Procedure is being developed (80% complete). As from March 2019 there is a detailed monthly reporting process.

The ongoing documentation and improvement of finance processes has been identified as a key action through the latest review of the organisation's Risk Framework, and will be an ongoing process moving forwards through the remainder of this financial year. This is currently being worked on and will likely be completed by 30 June 2019.

Purchase Orders for Expenditure:

As noted above, the Purchase Order module of Synergy will be introduced shortly – May 2019. This is anticipated to further cement the procedural improvements made in this space in recent months.

Signing of Timesheets:

With the utilisation of IT Vision to assist with payroll processing, and subsequent training for the Shire's Finance Officer in payroll, this matter has seen significant improvement.

No Staff Resignation Letters on File:

The Finance Manager has taken greater control of the HR record-keeping process, including introducing improved security for personnel files and ensuring that relevant documents are being captured in the records system.

No Employee Leave Forms on File:

As noted at the December 2018 Audit Committee Meeting, with IT Vision assisting with the payroll process, there is increased scrutiny in this area as we are required to provide appropriate leave information to them to assist with correct processing of pays. This item is on track, however reliance is placed on all staff to ensure leave forms are filled in, signed, approved and forwarded to Payroll for processing.

The receipt and capture of leave forms has since improved.

Consultation

Nil

Statutory Environment

Nil

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Community Strategic Plan

Outcome 4.2.2 – To be strong advocates representing the Shire's interests

Voting Requirements

Simple Majority

MvdM : RH
MING01

14 December 2018

Ms H Newton
The President
The Shire of Mingenew
PO Box 120
MINGENEW WA 6522

Dear Helen

SHIRE OF MINGENEW

We wish to advise that we have recently completed the audit of the above mentioned Council for the year ended 30 June 2018.

The Australian Auditing and Assurance Standards Board encourages auditors to issue a management letter on completion of each audit as a means of advising Council of any matters noted during the course of the audit.

Our audit involves the review of only those systems and controls adopted by the Council upon which we wish to rely for the purposes of determining our interim audit procedures. Furthermore, our interim audit should not be relied upon to disclose defalcations or other similar irregularities, although their disclosure, if they exist, may well result from the procedures we undertake. While we have considered the control environment in accordance with Australian Auditing Standards, we have not tested controls and hence do not comment on whether systems and controls are operating effectively.

We advise that we have not encountered any other matters during the course of our audit that we believe should be brought to your attention other than the following:

Segregation of duties and levels of controls

Findings:

From our review of the shire's control environment we have noted a lack of segregation of duties within the general financial administrative process.

As a result of the staff restructure the duties of the senior Finance Officer were taken up by the Finance Manager who is not only responsible for reviewing transactions and reconciliations, but also for performing reconciliations and capturing transactions to the synergy soft accounting system. The Finance Manager also has access to online banking and is tasked with uploading of batch payments to online banking for release by the CEO.

Implication:

As there is now even more limited segregation of duties within the general financial administrative process with fewer layers of control, there is a greater potential for management override of controls which could lead to potential fraud and error.

Significance of finding: **High**

Recommendation:

We appreciate that due to the nature and size of the shire, management oversees all the functions within the shire, however as a result of the staff restructuring, there is now even more limited segregation of duties within the general financial administrative process and we recommend that this should be continually considered by the management in designing compensating controls.

Management comment:

As also noted in the 2016/17 Management Letter, our organisational structure and staffing levels make it challenging to effectively segregate duties. This issue has been somewhat exacerbated by the departure of two senior staff during the 2017/18 Financial Year (Chief Executive Officer and Finance Manager), and the relative lack of documented procedures and position descriptions which exist within the Finance department that could assist to ensure continuity of systems and improve the internal control environment.

Whilst it is not feasible for the Shire to make significant long-term staffing increases to the Finance department, it is acknowledged that current staffing levels also limit the capacity to develop and implement a more effective control environment. The introduction of a temporary Finance Officer resource to assist with the development/implementation of appropriate controls will be recommended as part of an interim budget review at the December 2018 Ordinary Council Meeting.

It is noted that, in recent months, there has been an increased effort to ensure that at least two parties are signing off on purchase orders and invoices, as well as bank payments, to improve the oversight of the Shire's financial transactions. An ongoing review of system security is also taking place to limit access to purchase order books and modules within Synergy and provide improved segregation.

Monthly Management Accounts and Reporting

Findings:

Following the resignation of the former CEO, Martin Whitely, and the former Finance Manager, Durga Ohja, in April 2018, we noted that a formal monthly management accounts pack with full schedules and reconciliations in support of significant account balances for each particular month was not on file and available for inspection.

Implication:

It is unclear if these formal monthly management accounts packs were prepared or reviewed by management in support of the accounts presented to council as required by the regulations.

Significance of finding: **High**

Recommendation:

We recommend that formal monthly management accounts packs are prepared and reviewed by management in support of the accounts presented to council each month.

Management comment:

As noted, with the departure of the Chief Executive Officer and Finance Manager, this process ceased. No formal procedure existed with regards to this item, however one is being developed and the monthly management account review is being re-implemented to ensure future/ongoing compliance.

The ongoing documentation and improvement of finance processes has been identified as a key action through the latest review of the organisation's Risk Framework, and will be an ongoing process moving forwards through the remainder of this financial year.

Purchase Orders for Expenditure

Findings:

As part of our payments testing we noted that purchase orders were not obtained for certain payments.

Examples:

1. Invoice 2291 on 27/6/18 from Mingenew Community Resource Centre for Funding for Day Care Renovations for \$22,000 (excl GST) paid 28/6/18 via EFT11636.
2. Payment to Jilakin Earthmoving for hire of grader for \$18,800 (excl GST) paid 20/2/18 via EFT11375.

We further note that for certain payments the orders examined were dated after the corresponding supplier invoice.

Examples:

1. Invoice 2024 on 18/4/18 from Irwin Plumbing Services for supply of a water tank for \$931.70 (excl GST) supported by PO 9969 dated 2/5/18.
2. Invoice IV6 on 16/2/18 from Aj & Se Thurkle Family Trust for hire of dozer and operator for \$10,708.50 (excl GST) supported by PO 9832 on 20/3/18.

Implication:

The Shire may commit to expenditure which has not been appropriately authorized by management, in line with the budget or valid in that it relates to the business of the Shire. This may potentially result in financial loss to the Shire.

Significance of finding: **High**

Recommendation:

We recommend that management ensure that orders are obtained for all payments where required in line with the purchasing policy and that all orders are obtained and approved before the order is actioned and the supplier invoice is issued.

Management comment:

As with the finding in last year's Management Letter relating to failure to obtain required quotes in line with the Shire's Purchasing Policy, this item is somewhat reflective of the fragility of our control environment and limits of current resourcing. Again, this was made more difficult as a result of vacancy in the Chief Executive Officer and Finance Manager roles for several months at the end of the financial year.

A number of actions have been taken to try to improve operations in this area:

- The number of purchase order books has been reduced, thereby limiting the number of staff who undertake purchasing activities.
- The Shire has purchased the Synergy Purchasing Module, which will allow better tracking of purchase orders and invoices to improve ease of reconciliation and effectively identify instances of non-compliance with the Purchase Policy; this will be implemented this financial year when resourcing allows.
- Staff have been reminded of their responsibilities with regards to the Shire's Purchasing Policy vis-à-vis raising of purchase orders and obtaining appropriate numbers of quotes prior to making purchases.

Review of creditor security processes will take place this financial year, as identified in the recent review of the organisation's Risk Framework

Signing of Timesheets

Finding:

We noted that several timesheets for the fortnight ended 22 March and 27 June 2018 were not signed by the employee but had been approved by their respective managers.

Examples:

Harold Rowe
Noel Page
Robert Stephen
J Read

Implication:

Time worked by employees may not be accurate or valid.

Significance of finding: **Low**

Recommendation:

We recommend that employees sign their timesheet before being approved by the respective manager.

Management comment:

This issue was independently identified in recent months and steps have been taken by the Chief Executive Officer and Finance Manager to ensure that managers/supervisors are signing off on timesheets prior to processing.

In the latter part of the 2017/18 Financial Year, the lack of a Finance Manager or senior Finance Officer on site meant that payroll processing fell to the Community Development Officer – who was already carrying a significant workload, and for whom payroll fell outside standard duties. With the return of a full-time Finance Manager on-site, IT Vision have recently been engaged to assist with payroll processing, and this has resulted in improved scrutiny of timesheets. The Finance Manager is responsible for ensuring that this takes place moving forwards.

No Staff Resignation Letters on File

Finding:

We noted that formal signed resignation letters were not on file for certain employees who had left employment during the year.

Examples:

Rodney Beattie
Jo Read

Implication:

There is no formal record of the date on which employment was terminated or acceptance of such resignation by management. This may lead to inaccuracies in the calculation of the final termination payouts to employees.

Significance of finding: **Moderate**

Recommendation:

We recommend that formal signed resignation letters are obtained from all employees who resign, are approved by management and retained on employee files. This will assist to ensure the correct date is used in calculating any termination pay and also to protect both parties from any potential liabilities arising.

Management comment:

This item, and the next, is symptomatic of the weak control/process environment with regards to the organisation's HR and record-keeping functions. Again, due to the size of the organisation, there is no specialist HR or Records position (or capacity for such), with responsibility spread between Chief Executive Officer and Finance Manager. Likewise, record capture is acknowledged to be less comprehensive than ideal.

The development and communication of suitable processes with regards to staff termination/departure are proposed as a means to improve performance in this area. The ongoing improvement of internal HR processes has been identified as a key action through the latest review of the organisation's Risk Framework, and will be an ongoing process moving forwards.

No Employee Leave Forms on File

Finding:

We noted that signed employee leave forms were not on file for certain employees to support leave entries recorded in the payroll report for the fortnight ended 27 June 2018.

Examples:

Robert Stephen
Stanley Stribley
Edward Brennan

Implication:

Without signed leave forms from employees appropriately approved by management, there is no evidence to indicate whether leave recorded in the payroll records and paid to employees is valid or accurate.

Significance of finding: **Moderate**

Recommendation:

We recommend that formal signed resignation letters are obtained from all employees who resign, are approved by management and retained on employee files. This will assist to ensure the correct date is used in calculating any termination pay and also to protect both parties from any potential liabilities arising.

Management comment:

Again, there is an historical lack of documented or communicated process in this area, resulting in the identified finding. It is proposed that a procedure be developed and communicated to staff, with the relevant Supervisors/Managers to be responsible for ensuring that leave forms are obtained and captured.

Again, with IT Vision assisting with the payroll process, there is increased scrutiny in this area as we are required to provide appropriate leave information to them to assist with correct processing of pays.

The aforementioned HR process improvement project will help to ensure that appropriate systems are developed to manage this more effectively in future.

We wish to thank the Shire of Mingenew staff for their assistance during the audit.

Should you have any questions please do not hesitate to contact me.

Yours sincerely

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

5.52pm- 6.20pm: Robert Hall, Manager, Butler Settineri and Liang Wong, Assistant Director Financial Audit, Office of the Auditor General were dialled in via teleconference to hold the Shire's FY2018/19 Audit Entrance Meeting with the Committee.

See attached:

- 1.1 Audit Entrance Meeting Agenda Items
- 1.2 Audit Timetable
- 1.3 Planning Summary 2019 LG OAG Entrance Meeting

6.2 RISK MANAGEMENT REGISTERS

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference:
Date: 17 April 2019
Author: Belinda Bow, Governance Officer

Summary

The Audit Committee is requested to consider and note the current Shire of Mingenew Risk Registers and recommend that Council receive Progress Report 1 on the development of the Registers.

OFFICER RECOMMENDATION AND COUNCIL DECISION- Resolution A01051903

Moved: Cr Bagley / Seconded: Cr McGlinn

That the Audit and Risk Committee:

1. Note the updated Shire of Mingenew Risk Register as presented in attachment
2. Endorse the Strategic Risk Register for incorporation with the Shire of Mingenew Risk Register.

VOTING DETAILS:

CARRIED 6/0

Attachment

- 6.2.1 Risk Management Register
- 6.2.2 Strategic Risk Register
- 6.2.3 Risk Management Register Dashboard

Background

At the February 2019 Ordinary Meeting, Council adopted the updated Risk Management Policy which required staff to report quarterly on the Shire's Risk Management Processes.

Comment

As the first step in risk mitigation requires environmental analysis and risk identification, the Shire's leadership team, have, with assistance from Local Government Insurance Services (LGIS), reviewed and updated the Shire's Organisational Risk Registers from both an operational and strategic perspective. These risk registers are an aggregated reporting and monitoring tool that provides staff, the Audit Committee and Council with a snapshot of the Shire's current level of exposure to risk (via the risk ranking) and the controls which are in place to manage that exposure. To ensure the control's effectiveness in mitigating the risk theme, the registers have also been updated by the Leadership team to include Key Performance Indicators with an assigned tolerance level in accordance with the Shire's risk appetite statements/criteria. This is to enable auditing and benchmarking of control effectiveness.

The Strategic Risk Register is the less developed of the two documents and, prior to incorporation in the Risk Register, feedback is sought from the Audit Committee to ensure that the organisation's strategic risks are captured and so that mitigation strategies can be developed and implemented.

It should be noted that Item 6.3 of this Agenda will deal with and Internal Audit Plan, a number of the items of which will address both operational and strategic risk management.

Consultation

LGIS- Mark Harris, Senior Risk Consultant

Statutory Environment

Nil

Policy Implications

There are no policy implications at this stage, although management of risks identified in the Register may lead to changes in the future.

Financial Implications

Nil.

Strategic Implications

The matter before the Committee generally accords with the following Shire desired outcomes as expressed in the Shire of Mingenew Strategic Community Plan:

1. Outcome 4.2 An open and accountable local government that is respected, professional and trustworthy.
2. Outcome 4.4 Long term planning and strategic management.
3. Outcome 4.5 Achieve a high level of compliance.
4. Outcome 1.3 Protect and enhance economic infrastructure.
5. Outcome 2.5 Safe and functional road and ancillary infrastructure.
6. Outcome 3.2 Maintain the provision of high quality community infrastructure.
7. Outcome 3.7 Maintain a safe community environment.

Voting Requirements

Simple Majority

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Legal & Compliance	Reputational	Property	Environment
Insignificant (1)	First aid injuries	Less than \$5,000	No material service interruption	Compliance: No noticeable regulatory or statutory impact Legal: Threat of litigation requiring small compensation Contract: No effect on contract performance	Unsubstantiated, low impact, low profile or 'no news' item <i>Example: gossip, online post seen by limited persons</i>	Inconsequential damage	Contained, reversible impact managed by on site response <i>Example: pick up bag of rubbish</i>
Minor (2)	Medical type injuries	\$5,001 - \$15,000	Short term temporary interruption – backlog cleared < 1 day	Compliance: Some temporary non compliances Legal: Single minor litigation Contract: Results in meeting between parties in which contractor expresses concern	Substantiated, low impact, low news item <i>Example: online post seen by the community</i>	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response <i>Example: pick up trailer of rubbish</i>
Moderate (3)	Lost time injury <30 Days	\$15,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Compliance: Short term non-compliance but with significant regulatory requirements imposed Legal: several minor litigations Contract: Receive verbal advice that if breaches continue, a default notice may be issued	Substantiated, public embarrassment, moderate impact, moderate news profile <i>Example: local paper article, online post taken up by people outside of Shire</i>	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies <i>Example: Contractor removal of asbestos sheets</i>
Major (4)	Lost time injury >30 Days	\$50,000 - \$150,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Compliance: Non-compliance results in termination of services or imposed penalties Legal: Single moderate litigation Contract: Receive written notice from contractor threatening termination if not rectified	Substantiated, public embarrassment, high impact, high news profile, third party actions <i>Example: State wide paper, TV news story, significant online presence</i>	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies <i>Example: truck/train spill of diesel or oil on road reserve</i>
Catastrophic (5)	Fatality, permanent disability	More than \$150,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Compliance: Non-compliance results in litigation, criminal charges or significant damages or penalties Legal: Single major litigation or numerous moderate litigations Contract: Termination of contract for default	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions <i>Example: Au wide paper, TV news,</i>	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Risk Matrix							
Likelihood		Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
			1	2	3	4	5
Almost Certain	5		Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4		Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3		Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2		Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1		Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	CEO
EXTREME (16-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Existing Controls Ratings		
Rating	Detailed Description	Description and Action Required
Effective	No control gaps. The control is influencing the risk level and only continues monitoring is needed	Description: Control addresses risk, is officially documented, in operation and has been tested to confirm effectiveness
Moderately Effective	Few control gaps. The control is influencing the risk level however improvement is needed	Control addresses risk but documentation and/or operation of control could be improved
Partially Effective	Some control gaps that result in the control having limited influence on risk level	Description: Control addresses risk at least partially, but is not documented and/or operation of control needs to be improved Action Required: Must have a treatment plan (action) to improve the control effectiveness to at least 'Moderately Effective'
Inadequate	Significant control gaps that result in the control not influencing the risk level.	Description: At best, control addresses risk, but is not documented or in operation, at worst, control does not address risk and is neither documented nor in operation. Action Required: Must have a treatment plan (action) to improve the control effectiveness to at least 'Moderately Effective'

Business disruption			Nov-18
Risk Description			
Failure to adequately prepare and respond to events that cause disruption to normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).			
This includes; -Lack of (or inadequate) emergency response / business continuity plans. -Lack of training for specific individuals or availability of appropriate emergency response. -Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident. -Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc <i>This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".</i>			
Potential causes include;			
Cyclone, storm, fire, earthquake		Extended utility outage	
Terrorism / sabotage / criminal behaviour		Economic Factors	
Epidemic / Pandemic		Loss of key staff	
Loss of suppliers		Loss of key infrastructure	
Key Controls	Type	Date	Rating
Business Continuity Plan, Policy & Procedures	Preventative	Nov-18	Inadequate
Internal Emergency Management Arrangement	Prevent / Recovery	Nov-18	Adequate
LEMC Exercises	Detective	Apr-19	Not Rated
Local Emergency Management Committee	Preventative	Apr-19	Adequate
LEMA & Recovery Plans	Preventative	Apr-19	Inadequate
Bushfire Risk Management Plan & Response Plan	Preventative	Apr-19	Inadequate
Established & Trained Eco's (Fire Wardens, First Aiders)	Preventative	Apr-19	Adequate
Overall Control Ratings:			Inadequate
Residual Risk Rating			
Consequence Categories		Consequence:	Major (4)
Service Interruption / Reputation / Financial		Likelihood:	Unlikely (2)
		Moderate	
Key Performance Indicators	Tolerance	Latest Result	Trend
Complete Business Continuity Exercises	1 exercise per year		
LEMC Meetings	2 per year		
Internal Evacuation Exercises	1 per year		
Staff Emergency Training	0.9		
Actions (Treatments)		Due Date	Responsibility
Develop Business Continuity Plan for Shire		Dec-19	CEO / GO
Local LEMC formed		Feb-19	CEO
LEMA Plan updated		Jun-19	CEO
LEMA Exercise Conducted		Dec-19	CEO
BF Response Plan competed		Jun-19	CEO / GO
Comments			
As determined through workshops on 27 / 28th November 2018. Items added during April 2019 Review; largely focused on developments in the LEMC space with LEMA currently under development (progressing well) and State Risk Project - Local assessment workshops scheduled.			

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments
Original Due Date	# Extensions	Comments / Current Status		
		Complete		
		Partially complete		
		Booked in		
		Partially complete		

IT or communication systems and infrastructure

Nov-18

Risk Description

Disruption, financial loss or damage to reputation from a failure of information technology systems.
Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked.

Examples include failures or disruptions caused by:

-Hardware or software

-Networks

-Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

-Configuration management

-Performance monitoring

This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include;

Weather impacts	Non-renewal of licences
Power outage on site or at service provider	Inadequate IT incident, problem management & Disaster Recovery
Out-dated, inefficient or unsupported hardware or software	Lack of process and training
Incompatibility between operating systems	Vulnerability to user error

Key Controls	Type	Date	Rating
Data Back-up Systems	Recovery	Nov-18	Inadequate
Outsourced Performance Monitoring (Infinitum) & Support	Detective	Nov-18	Adequate
UPS / Generator entry point	Recovery	Nov-18	Adequate
Two-way comms / mobile phones	Preventative	Nov-18	Adequate
Telephony	Preventative	Nov-18	Adequate
IT Infrastructure Replacement Program	Preventative	Nov-18	Inadequate
Disaster Recovery Plan	Detective	Apr-19	Inadequate

Overall Control Ratings: Adequate

Residual Risk Rating

Consequence Categories	Consequence:	Major (4)
Service Interruption / Financial	Likelihood:	Possible (3)
	High	

Key Performance Indicators	Tolerance	Latest Result	Trend
System outages	1 per month		
Number of customer complaints due to IT/Comms issues	5 per outage		
Vendor Help Desk (IT Vision) support requests	5 per month		

Actions (Treatments)	Due Date	Responsibility
Install link to Depot	May-19	FM
Review server needs for 19/20 budget	Jun-19	FM
Review service provision from Infinitum	May-19	FM
Conduct IT Infrastructure & telephony review (with view to replacement program)	Feb-19	FM

Comments

As determined through workshops on 27 / 28th November 2018 Addition 2/19 (Bel)- KPIS- Business continuity, Staff able to function with communications, Minimal time loss with power disruptions, Recovery Plan implemented.

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data

- 3	- 2	- 1	Current	Comments
Original Due Date	# Extensions	Comments / Current Status		
		Equipment ordered; requires install		
		Underway		
	1	Will review through budget planning process		
		Complete		

Misconduct		Nov-18	
Risk Description			
Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent endorsed policies, procedures or delegated authority.			
This would include instances of: -Relevant authorisations not obtained. -Distributing confidential information. -Accessing systems and / or applications without correct authority to do so. -Misrepresenting data in reports. -Theft by an employee -Inappropriate use of plant, equipment or machinery -Inappropriate use of social media. -Inappropriate behaviour at work. -Purposeful sabotage			
This does not include instances where it was <u>not</u> an intentional breach - refer Errors, Omissions or Delays.			
Potential causes include;			
Inadequate training of code of conduct \ induction	Greed, gambling or sense of entitlement		
Changing of job roles and functions/authorities	Collusion between internal & external parties		
Delegated authority process inadequately implemented	Password sharing		
Disgruntled employees	Sharing of confidential information		
Key Controls	Type	Date	Rating
Delegations Register - Framework	Detective	Nov-18	Adequate
Segregation of Duties (Financial)	Preventative	Nov-18	Inadequate
IT Security Access Framework (Profiles and passwords)	Preventative	Nov-18	Adequate
Induction Process (Code of Conduct)	Preventative	Nov-18	Adequate
Procurement Process (Purchase Order Process) - Manual	Preventative	Nov-18	Adequate
Induction Process (OHS & General)	Preventative		Inadequate
PID Procedures, Disciplinary Procedures	Preventative		Inadequate
Overall Control Ratings:			Inadequate
Residual Risk Rating			
Consequence Categories	Consequence:	Major (4)	
Financial / Reputation	Likelihood:	Unlikely (2)	
	Moderate		
Key Performance Indicators	Tolerance	Latest Result	Trend
Incidents Reported, Public Interest Disclosure	0		
Induction paperwork on file to include signed Code of Conduct/Confidentiality	2		
Internal Audits of procurement process- negative findings (segregation of duties, authorisation, POs)	2		
Actions (Treatments)	Due Date	Responsibility	
Review IT Systems / Data access for staff (including unauthorised access - log ins)	Feb-19	FM	
Consider password refresh alternatives	Feb-19	FM	
Implement Purchase Module in Synergy	May-19	FM	
Review Creditors security (payments) process	Apr-19	FM	
Review Code of Conduct documents and process	Mar-19	CEO / GO	
Implement actions from Financial Audit (management actions)	Jun-19	FM	
Comments			
As determined through workshops on 27 / 28th November 2018			

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments
Original Due Date	# Extensions	Comments / Current Status		
Feb-19	1	Partially complete		
Feb-19	1	Partially complete		
Apr-19	1	Due May 2019		
Mar-19		Complete		
		To be reported on at May Audit Committee		

Nov-18

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.

This includes:

- Contact lists.
- Procedural documents, personnel files, complaints.
- Applications, proposals or documents.
- Contracts.
- Forms or requests.

Incompatible systems	Outdated record keeping practices
Inadequate access and / or security levels	Lack of system/application knowledge
Inadequate Storage facilities (including climate control)	High workloads and time pressures
High Staff turnover	Standard Operating Policies not followed

Key Controls	Type	Date	Rating
Records Management Policy	Preventative	Nov-18	Adequate
Procedural Documentation on Records Management	Preventative	Nov-18	Inadequate
Records Management Framework	Preventative	Nov-18	Inadequate
Staff Training	Preventative/Detective	Apr-18	Inadequate

Overall Control Ratings:	Inadequate
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Consequence Categories	Consequence:	<i>Minor (2)</i>
<i>Compliance / Service Interruption / Financial</i>	Likelihood:	<i>Possible (3)</i>
	Moderate	

Key Performance Indicators	Tolerance	Latest Result	Trend
% of documents not stored electronically or archived off-site	5%		
Number of outstanding records not entered into Synergy YTD	50		
% of Customer Service records actioned within agreed timeframes	100%		

Actions (Treatments)	Due Date	Responsibility
Review Records Management Process (assistance from CoGG)	Jun-19	CEO / FM
Develop key Finance procedures - check point	Jun-19	FM
Develop key OSH & HR procedures - check point	Dec-19	GO / RRC
Staff Training on synergy and archiving	Sep-19	CEO / FM

As determined through workshops on 27 / 28th November 2018 KPIs- Records adequately stored, Staff trained in Records , Efficient file retrieval capability, Employee PD's reviewed with KPI's.

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

- 3	- 2	- 1	Current	Comments

Original Due Date	# Extensions	Comments / Current Status
Mar-19	1	Unable to secure CGG due to capacity; seeking alternatives

External theft, fraud & damage (incl. cyber)		Nov-18		
Risk Description				
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic).				
For the purposes of;				
-Fraud: benefit or gain by deceit				
-Malicious Damage				
-Theft: stealing of data, assets or information				
Potential causes include;				
Inadequate security of equipment / supplies / cash		Inadequate provision for patrons belongings		
Robbery		Lack of Supervision		
Scam Invoices		Collusion with internal staff		
Key Controls		Type	Date	Rating
Security Access controls (Admin; Depot; Heritage Buildings, Rec Centres)- physical (locks, gates)		Preventative	Nov-18	Adequate
IT Security Arrangements (passwords, security levels etc)		Preventative	Nov-18	Adequate
Fraud Risk Assessment - part of external audit by Butler Settineri		Detective	Apr-18	Adequate
Financial Management practices and procedures		Preventative	Apr-18	Inadequate
Overall Control Ratings:				Adequate
Residual Risk Rating				
Consequence Categories		Consequence:		Insignificant (1)
Service Interruption / Financial / Reputation		Likelihood:		Possible (3)
		Low		
Key Performance Indicators		Tolerance	Latest Result	Trend
# Incidents/Breaches		1 per year		
Actions (Treatments)		Due Date	Responsibility	
Remind staff around the risks for 'dodgy' e-mails.		Dec-19	FM	
Review/Update system of controls for external transactions		Jun-19	FM	
Comments				
As determined through workshops on 27 / 28th November 2018. KPIS- # Incidents - Thefts , Near misses - Reported, Clean Financial Management Checks				

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments

Original Due Date	# Extensions	Comments / Current Status
		Ongoing as part of work of Temporary Finance Officer

Nov-18

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated internal & public domain legal documentation.

It does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices").

Lack of training, awareness and knowledge	Lack of Legal Expertise
Staff / Councillor Turnover	No Compliance Officer or person responsible for Compliance
Inadequate record keeping/ failure of corporate electronic systems	Failure to govern, transparently & embrace good governance practices
Ineffective policies & processes	Ineffective monitoring of changes to legislation

Overall Control Ratings:	Adequate
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Consequence Categories	Consequence:	<i>Moderate (3)</i>
<i>Compliance / Reputation</i>	Likelihood:	<i>Unlikely (2)</i>
	Moderate	

Actions (Treatments)	Due Date	Responsibility
Consider Compliance Training Options (Councillors and Staff)	Jun-19	CEO / GO
Consider joining LG Pro on a corporate membership	Jun-19	CEO
Consider re-organisation of Audit Committee	Apr-19	CEO
Transfer PID & FOI Procedures into Policy & Procedure Manual	Jun-19	GO
Review of Risk Management System, including Strategic Risks	May-19	CEO / GO

As determined through workshops on 27/28th November 2018. KPIs- Compliance Audit Return completed and adequate, Annual Budget completed, Annual Budget Review Completed, Annual Report completed, Risk Management Reporting to A/Committee completed

(measured by completeness, accuracy, timeliness, fraud) and operated ineffectiveness (done by sampling)...

Original Due Date	# Extensions	Comments / Current Status
Apr-19	1	Will form part of budget consideration
		Complete
		Due for May Audit Committee Meeting

Nov-18

		<i>Has taken place for Ranger only</i>
		<i>Development yet to take place</i>
		<i>In development</i>

Asset management practices		Nov-18	
Risk Description			
Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads and playgrounds and all other assets during their lifecycle from procurement to disposal.			
Areas included in the scope are; -Inadequate design (not fit for purpose) -Ineffective usage (down time) -Outputs not meeting expectations -Inadequate maintenance activities. -Inadequate financial management and planning (capital renewal plan). It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.			
Potential causes include;			
Skill level & behaviour of operators	Unavailability of parts		
Lack of trained staff	Lack of formal or appropriate scheduling (maintenance / inspections)		
Outdated equipment	Unexpected breakdowns		
Insufficient budget to maintain or replace assets			
Key Controls	Type	Date	Rating
Plant Replacement Program	Preventative	Nov-18	Inadequate
Asset Management Framework (Plan & Strategy)	Preventative	Nov-18	Adequate
Building Maintenance Program	Preventative	Nov-18	Adequate
Fleet Management System	Preventative	Nov-18	Inadequate
Road Asset Management System (RAMMS)	Preventative	Nov-18	Adequate
Overall Control Ratings:			Inadequate
Residual Risk Rating			
Consequence Categories	Consequence:		Catastrophic (5)
Financial / Property	Likelihood:		Unlikely (2)
	High		
Key Performance Indicators	Tolerance	Latest Result	Trend
Substantiated complaints against asset conditions	TBD		
Asset Consumption Ratio	0.60 - 0.75		
Asset Sustainability Ratio	0.90 - 1.10		
Asset Renewal Funding Ratio	0.95 - 1.05		
Outdated or dormant stock	Nil		
Stock written off	Nil		
Actions (Treatments)	Due Date	Responsibility	
Develop a road maintenance program (to support LTFP)	Jun-19	CEO	
Identify road that are able to be transferred MR2030 (and therefore available for funding)	Apr-19	CEO	
Embed maintenance program for plant & equipment - Check point	Apr-19	CDO / WKS	
Develop Building Maintenance program (schedule / budget) for next financial year	Jun-19	CDO	
Develop an Asset Management Plan	Dec-19	CEO / FM	
Investigate options for an all encompassing asset register (small assets)	Jun-19	FM	
Comments			
As determined through workshops on 27 / 28th November 2018. KPIs- Asset Sustainability Ratio, Asset Consumption Ratio, Asset Renewal Funding Ratio, % Satisfaction with with Shire Assets			

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
2014	2015	2016	2017 (Current)	Comments

Original Due Date	# Extensions	Comments / Current Status
Apr-19	1	Heirarchy developed; plan under development for 19/20 budget
		Completed for current year; only Milo rd added.
		Much improved
Apr-19	1	Under way for 19/20 budget
Dec-19	1	Set to be adopted March-April 2019

Original Due Date	# Extensions	Comments / Current Status
Jan-19	1	Unable to complete due to current workload and time restraints. Extended until 05/19.
Mar-19	0	Completed

Environment management		Nov-18	
Risk Description			
Inadequate prevention, identification, enforcement and management of environmental issues.			
The scope includes; -Lack of adequate planning and management of erosion issues. -Failure to identify and effectively manage contaminated sites (including groundwater usage). -Waste facilities (landfill / transfer stations). -Weed & mosquito / Vector control. -Ineffective management of water sources (reclaimed, potable) -Illegal dumping. -Illegal clearing / land use.			
Potential causes include;			
Inadequate management of landfill sites	Inadequate reporting / oversight frameworks		
Lack of understanding / knowledge	Community apathy		
Inadequate local laws / planning schemes	Differing land tenure (land occupancy or ownership conditions)		
Prolific extractive industry (sand, limestone, etc.)	Competing land use (growing population vs conservation)		
Key Controls	Type	Date	Rating
Landfill Management / Oversight Process	Detective	Nov-18	Adequate
Asbestos Management (Contaminated Sites)	Preventative	Nov-18	Adequate
Mosquito Management	Preventative	Nov-18	Inadequate
Regular environmental health inspections	Preventative / Detective	Nov-18	Adequate
Overall Control Ratings:			Adequate
Residual Risk Rating			
Consequence Categories	Consequence:	Catastrophic (5)	
Reputation / Financial	Likelihood:	Rare (1)	
	Moderate		
Actions (Treatments)		Due Date	Responsibility
Conduct community consultation on Transfer Station project		Mar-19	CEO / CDO
Install a monitoring bore at landfill site.		Jun-19	CEO
Identify best approach to manage contaminated road reserve		Jun-19	EHO
Develop Mosquito Management Plan		Feb-19	EHO
Comments			
As determined through workshops on 27 / 28th November 2018			

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data		
Original Due Date	# Extensions	Comments / Current Status
		Waiting on plan from EHO; due end Apr 2019
		Waiting on plan from EHO; due end Apr 2019
Feb-19	1	Generic Plan provided to the Shire only. Awaiting timeframe for delivery

Facilities / Venues / Events / Properties			Nov-18
Risk Description			
Failure to effectively manage the day to day operations of facilities, venues and / or events.			
This includes; -Inadequate procedures in place to manage quality or availability. -Poor crowd control -Ineffective signage -Booking issues -Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility) -Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)			
Potential causes include;			
Double bookings	Traffic congestion or vehicles blocking entry or exit		
Illegal / excessive alcohol consumption	Insufficient time between bookings for cleaning or maintenance		
Bond payments poorly managed	Difficulty accessing facilities / venues.		
Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)	Poor service from contractors (such as catering or cleaning)		
Key Controls	Type	Date	Rating
Event Management Process (Internal)	Preventative	Nov-18	Adequate
Event Approval Process (External)	Detective	Nov-18	Adequate
Facility Maintenance Program	Preventative	Nov-18	Adequate
Key & Booking Management Process	Preventative	Nov-18	Inadequate
Rental Property Register with Bond Section	Preventative / Detective	Apr-19	Inadequate
New employee induction packages- include bond/lease forms	Preventative	Apr-19	Inadequate
Overall Control Ratings:			Adequate
Residual Risk Rating			
Consequence Categories	Consequence:	Moderate (3)	
Reputation / Financial	Likelihood:	Unlikely (2)	
	Moderate		
Key Performance Indicators	Tolerance	Latest Result	Trend
Number of complaints regarding facilities	1 per year / facility		
Actions (Treatments)	Due Date	Responsibility	
Update website to include event application process	Apr-19	CDO	
Investigate (and implement where necessary) liquor licence requirements	Jun-19	CDO	
Ensure budget allocation for improved key / card access for key buildings (Admin / Rec Centre)	Apr-19	CDO	
Review and improve key & booking management process	Feb-19	FM / CDO	
New employee induction packages- to include rental agreement and bond lodgement form- to be given when job offered to allow time for processing prior to relocating/commencement of role	Jun-19	Relevant Manager	
Comments			
As determined through workshops on 27 / 28th November 2018			

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments

Original Due Date	# Extensions	Comments / Current Status
		3/19- Partially Complete. Just require update on alcohol licensing & food permits?
		3/19- Partially complete. Require procedure for community members to be drawn up

Safety and Security practices		Nov-18		
Risk Description				
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.				
Potential causes include;				
Lack of appropriate PPE / equipment		Inadequate signage, barriers or other exclusion techniques		
Inadequate first aid supplies or trained first aiders		Poor storage and use of dangerous goods		
Inadequate security protection measures in place for buildings, depots and other places of work		Ineffective / inadequate testing, sampling or other health-related requirements		
Inadequate or unsafe modifications to plant & equipment		Lack of mandate and commitment from senior management		
Key Controls		Type	Date	Rating
OSH Management Framework		Preventative	Nov-18	Inadequate
Workplace Inspections		Preventative	Apr-19	Inadequate
Staff Individual Training Plans		Preventative	Apr-19	Inadequate
Hazard Register		Detective	Apr-19	Inadequate
Contractor / Site Inductions		Preventative	Apr-19	Adequate
Organisational Emergency Mgt (Evac plans & drills, Wardens,etc)		Preventative/Detective	Apr-19	Adequate
Staff Inductions		Preventative	Apr-19	Adequate
Overall Control Ratings:			Inadequate	
Residual Risk Rating				
Consequence Categories		Consequence:	Catastrophic (5)	
Health / Financial / Service Interruption / Compliance		Likelihood:	Unlikely (2)	
		High		
Key Performance Indicators		Tolerance	Latest Result	Trend
OSH Audit Results		60%		
Incidents(including near misses) reported		<3 p.a.		
Workers Compensation Claims		<3 p.a.		
Actions (Treatments)			Due Date	Responsibility
Complete items as identified in the Safety Assessment Action Plan - Check Point			Nov-19	CEO / GO
Comments				
As determined through workshops on 27 / 28th November 2018 Added 2/19 by GO- KPIs for auditing- audit Results - LGIS, Safety Team Meeting minutes, Reduced items in audits, Audit Actions - Implemented				
Process has been made challenging by vacancy in LGIS Regional Risk Coordinator Role in early 2019				

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments
Original Due Date	# Extensions	Comments / Current Status		

Projects / Change management

Nov-18

Risk Description

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes.

This includes:

-Inadequate change management framework to manage and monitor change activities.

-Inadequate understanding of the impact of project change on the business.

-Failures in the transition of projects into standard operations.

-Failure to implement new systems

-Inadequate handover process

This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"

Potential causes include;

Lack of communication and consultation

Lack of investment

Ineffective management of expectations (scope creep)

Inadequate project planning (resources/budget)

Excessive growth (too many projects)

Inadequate monitoring and review

Project risks not managed effectively

Lack of project methodology knowledge and reporting

Key Controls

Type

Date

Rating

Project Management Approach

Preventative

Nov-18

Adequate

Project Status Reporting

Detective

Nov-18

Adequate

Membership to WALGA and use of Procurement templates

Preventative

Apr-19

Adequate

Overall Control Ratings:

Adequate

Residual Risk Rating

Consequence Categories

Consequence:

Catastrophic (5)

Financial / Service Interruption / Reputation

Likelihood:

Unlikely (2)

High

Key Performance Indicators

Tolerance

Latest Result

Trend

Missed deadlines / milestones

2 per project

Budget overrun

\$0

Failed objectives

2 per project

Deviations from the project scope

2 per project

Contract variations

2 per project

Actions (Treatments)

Due Date

Responsibility

Develop a Project Status Report for Council purposes (one pager - traffic light system)

Feb-19

CEO

Comments

As determined through workshops on 27 / 28th November 2018

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments

Original Due Date	# Extensions	Comments / Current Status
Feb-19		<i>Completed</i>

Employment practices

Nov-18

Risk Description

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).

This includes:

-Not having appropriately qualified or experienced people in the right roles.

-Insufficient staff numbers to achieve objectives.

-Breaching employee regulations.

-Discrimination, harassment & bullying in the workplace.

-Poor employee wellbeing (causing stress).

-Key person dependencies without effective succession planning in place.

-Industrial activity.

Potential causes include;

Leadership failures

Ineffective performance management programs or procedures

Key / single-person dependencies

Limited staff availability - labour market conditions

Poor internal communications / relationships

Inadequate induction practices

Ineffective Human Resources policies, procedures and practices

Inconsistent application of policies

Key Controls

HR Policies & Procedures

Preventative

Nov-18

Inadequate

Training Needs Analysis & Training Register

Preventative

Nov-18

Inadequate

Staff Inductions (Code of Conduct Component)

Preventative

Nov-18

Adequate

Performance Review Process

Detective

Nov-18

Adequate

Workforce Plan

Preventative

Apr-19

Inadequate

Overall Control Ratings:

Inadequate

Residual Risk Rating

Consequence Categories

Consequence:

Major (4)

Compliance / Service Interruption

Likelihood:

Unlikely (2)

Moderate

Key Performance Indicators

Staff turnover rate

2 per year

Absenteeism (Unauthorised Leave Without Pay)

3 working days per year

Workers Compensation Claims (Stress Claims)

2 per year

Number of Staff being performance managed

2 per year

Out of date Workforce Plan

0

Actions (Treatments)

Develop a workforce plan

Jun-20

CEO

Review implementation of Performance review process

Jun-19

CEO

Update Code of Conduct and Induction process

Jun-19

GO

Consider options for obtaining assistance for HR related functions

Apr-19

CEO

Create an organisational training register (amalgamate individual plans) based on gaps identified

Jun-19

CEO

Comments

As determined through workshops on 27 / 28th November 2018 KPIs- % Staff turnover rate, Absenteeism, Workers Compensation Claims (Stress Claims), Employee feedback

Control Assurance						
Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data				
- 3	- 2	- 1	Current	Comments

Original Due Date	# Extensions	Comments / Current Status
		Limited low-cost options aside from WALGA; potential that contract Governance Officer can assist

Community Engagement Nov-18

Risk Description

Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.

This Includes:

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives.

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

Potential causes include;

Budget Funding Issues	Miscommunication / Poor communication
Media Attention	Relationship breakdowns with community groups
Ineffective documentation or procedures	Oversight in regards to failure to advertise statutory notices
Short lead times	Signifanct workload on Community Engagement staff

Key Controls	Type	Date	Rating
Newsletters / Noticeboards / E-mails / Website	Preventative	Feb-19	Adequate
Community Meetings and workshops	Preventative	Feb-19	Adequate
Councillor Briefing sessions and workshops	Preventative	Feb-19	Adequate

Overall Control Ratings:	Adequate
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Residual Risk Rating

Consequence Categories	Consequence:	Minor (2)
Reputation, Compliance	Likelihood:	Possible (3)
	Moderate	

Key Performance Indicators	Tolerance	Latest Result	Trend
% community feeling they have opportunities to participate in planning	80%		
% community satisfaction with the Shire's advocacy and community representation	70%		
Failure to give notice in accordance with LGA	10%		

Actions (Treatments)	Due Date	Responsibility
Feedback mechanisms developed- inclusive practices	Dec-19	CDO
Community engagement strategy review/developed	Dec-19	CDO

Comments

2/19- Bel.

Control Assurance

Control Owner	Control Documented	Completeness	Accuracy	Timeliness	Fraud	Comments

KPI / Action Data

- 3	- 2	- 1	Current	Comments

Original Due Date	# Extensions	Comments / Current Status

ID No.	Risk Category	Risk Description	Risk Owner	Trend	Treatment Action in FY17/18	Treatment Action in the next 12 months
1	Governance	Failure to govern effectively, transparently and in compliance with legislation	Council / CEO / GO	Increased Risk Profile has increased due to: Change in Council mix- change in direction/focus <ul style="list-style-type: none"> Knowledge loss due to turnover of Councillors Limited uptake on training opportunities Cost to bring specialised training opportunities to the Region Currently no information sessions provided to prospective Councillors prior to election on the requirements and responsibilities of the role. 	1. (Externally) Phase 1 Review of Local Government Act 1995 introducing new requirements for Councillor Training	2. Include declaration forms, code of conduct, training application forms to new councillor package. 3. Develop standard training requirements for a Councillor with eventual training calendar (in line with LG Act Changes) 4. Provide a prospective Councillor training session prior to Elections 5. Provide Manual for new Councillors - including Shire Integrated Plan Documents, overview of Councillor information, HR forms.
2	Workforce	Failure to meet organisational objectives through effective/efficient use of human resources and effective workforce planning.	CEO	Increased Risk Profile has increased due to: <ul style="list-style-type: none"> Outdated Workforce Plan High staff turnover during 2016/17 with loss of senior staff Highly competitive recruitment environment Regional location with schooling restrictions Senior level positions require broad skill set Minimal internal procedures documented Historically limited performance management Historically limited role clarity Small workforce resulting in high workload for staff and limited redundancy in case of staff illness or departure 	1. Engagement of additional staff to develop internal procedures for finance 2. Development of PDs and performance reviews of all staff	1. Participate in WALGA remuneration survey 2. Consideration of flexible working arrangements- i.e. working from home, flexible hours, job sharing, or other arrangements 3. Update workforce plan 4. Develop standard training requirements for each position (complement the PDs) 5. Develop customised staff training matrix & organisational training calendar 6. Identify, prioritise and then budget for procedural updating to ensure knowledge continuity and service capacity- emergency mx, finance, admin, human resources, governance, community, OSH, works. 7. Ongoing review of pay and performance

2	Asset Mx	Ineffective asset management of Shire owned assets and facilities; risk for long term sustainability and of major infrastructure failure if the Shire fails to adequately plan for funding of major projects and asset management replacement	FM / CEO	Increased Risk profile has been increasing due to: <ul style="list-style-type: none"> • Restricted funding • Lack of asset condition inspections • Updated, but not properly aligned Asset Management Plan • Stringent grant guidelines • Outdated Integrated Planning / DAIP documents to assist with grant applications 	1. Development of Asset Management Plan & Community Strategic Plan	1. Deliver the Asset Management Strategy and related asset management activities; 2. Community consultation on Levels of Service (which improves the alignment of our activities with community needs); particularly around roads 3. Produce asset management plans for Roads and Drainage. 4. Integrate AMP into Long Term Financial Plan 5. Update Integrated Planning / DAIP documents to assist with grant applications
3	ICT	Ineffective Information Security Systems resulting in malicious or accidental loss or manipulation of data or ICT systems failure	FM	Increased Risk profile has been increasing since 2016 due to: <ul style="list-style-type: none"> • lack of financial resourcing • outdated IT software/hardware • lack of disaster recovery/business continuity planning 		1. Development of Disaster Recovery Plan / Business Continuity Plan inclusive of testing 2. Increased 3rd party penetration testing, 3. Security level classifications established 4. Test controls via internal audit
4	Social & Financial	Inability to manage community expectations and increasing demands of community groups	CDO	Increased Risk profile has been increasing due to: <ul style="list-style-type: none"> • Restricted funding • Undefined services standards/ levels • Outdated Community Strategic Plan • Lack of a centralised process for the provision of financial assistance; currently ad-hoc and not clearly delineated within budget (MOUs, reoccurring contributions, fee exemptions, facility usage etc) • Ad-hoc communication/ engagement practices between Shire & community • Increased compliance awareness of Councils due to auditing, investigations, ombudsman etc • Reliance on grant funding for projects • Change in demographical / social makeup of community 	1. Website development 2. Engagement of facilitator for SCP 3. Development of Community Assistance Scheme	1. Implementation of Strategic Community Plan & other Integrated Planning documents 2. Community consultation on Levels of Service (which improves the alignment of activities with community needs.) 3. Implementation and trial of the 'Community Assistance Scheme'. 4. Development of customer satisfaction/feedback surveys. 5. Implement Internal Audit Plan. 6. Continual website development to increase access to information / forms and improve 'self-help' customer service

5	Legal	Increased exposure to litigation	CEO	Increased. Due to: <ul style="list-style-type: none"> restricted budget decreasing ability to maintain assets resource sharing resulting in decreased service levels increased penalties under legislation (OSH) increased community awareness of rights under legislation increased service level expectations from the community increased scrutiny from regulators 	1. Insurance review	1. Completion of integrated planning documents 2. Ongoing development and implementation of Policies and Procedures to provide protective governance framework
6	Social & Financial	Ineffective strategies to optimise economic development of the Shire/assist to maintain Shire population		Decreased Due to: <ul style="list-style-type: none"> Increased advertising presence of the Shire to Statewide audience Increased stakeholder engagement by the CEO and President Investment into tourism projects to attract visitors and increase awareness of Shire Continued support of desirable services 	1. Investment into Astro-tourism & tourism via external marketing & consultancy services 2. Continued subsidisation of health service. 3. Review of Town Planning Scheme 4. CEO taking on Chair role with Wildflower Country	1. Review of town planning scheme. 2. Ongoing involvement with Astrotourism WA 3. Ongoing investigation of alternative industries to assist growth of Mingenew (e.g. Space industry, farm tourism)
7	Financial	Reduction in funding available for local government		Stable Due to: <ul style="list-style-type: none"> Reprioritisation of State/Federal funding Financial pressure on State/Federal governments Changes in grant priorities 	1. Number of services (building, planning, EHO, ranger, emergency mx) are delivered via a shared service agreement with other local governments	1. Detailed strategic and operational planning (rates modelling & budgeting) 2. Ongoing lobbying for more funding
8	Emergency Management	Failure to plan for Disaster Recovery		Stable Due to: <ul style="list-style-type: none"> Reinstatement of Mingenew LEMC Engagement from DFES around State Risk Project Relatively active and well-resourced Bushfire Brigade 	1. Commencement of LEMA Review 2. Confirmation of State Risk Project – Local Workshops	1. Development of Business Continuity Plan 2. Completion of Local Emergency Management Arrangements & Recovery Plan
9						
10						
11						

12						
13						
14						
15						

Shire of Mingenew Risk Dashboard Report April 2019

IT or communication systems and infrastructure		Risk	Control
		High	Adequate
Disruption, financial loss or damage to reputation from a failure of information technology systems.			
Actions	Due Date	Responsibility	
Install link to Depot	May-19	FM	
Review server needs for 19/20 budget	Jun-19	FM	
Review service provision from Infinitum	May-19	FM	
Conduct IT Infrastructure & telephony review (with view to replacement program)	Feb-19	FM	

Document Management processes		Risk	Control
		Moderate	Inadequate
Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation.			
Actions	Due Date	Responsibility	
Review Records Management Process (assistance from CoGG)	Jun-19	CEO / FM	
Develop key Finance procedures - check point	Jun-19	FM	
Develop key OSH & HR procedures - check point	Dec-19	GO / RRC	

Errors, omissions & delays		Risk	Control
		Not Material	Inadequate
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process			
Actions	Due Date	Responsibility	
Participate in Bi-ennial WALGA remuneration survey	Jan-21		
Review of MOUs and performance management of MOU employees	Dec-19	CEO	
Develop/Review Implement/Reinforce the Customer Service Charter	Jun-19	GO	

Misconduct		Risk	Control
		Moderate	Inadequate
Intentional activities intended to circumvent the Code of Conduct or activities in excess of authority, which circumvent			
Actions	Due Date	Responsibility	
Review IT Systems / Data access for staff (including unauthorised access - log ins)	Feb-19	FM	
Consider password refresh alternatives	Feb-19	FM	
Implement Purchase Module in Synergy	May-19	FM	
Review Creditors security (payments) process	Apr-19	FM	
Review Code of Conduct documents and process	Mar-19	CEO / GO	
Implement actions from Financial Audit (management actions)	Jun-19	FM	

Projects / Change management		Risk	Control
		High	Adequate
Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time			
Actions	Due Date	Responsibility	
Develop a Project Status Report for Council purposes (one pager - traffic light system)	Feb-19	CEO	

Business disruption		Risk	Control
		Moderate	Inadequate
Failure to adequately prepare and respond to events that cause disruption to normal business activities. This could be			
Actions	Due Date	Responsibility	
Develop Business Continuity Plan for Shire	Dec-19	CEO / GO	
Local LEMC formed	Feb-19	CEO	
LEMA Exercise Conducted	Dec-19	CEO	
BF Response Plan competed	Jun-19	CEO / GO	

Employment practices		Risk	Control
		Moderate	Inadequate
Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).			
Actions	Due Date	Responsibility	
Develop a workforce plan	Jun-20	CEO	
Review implementation of Performance review process	Jun-19	CEO	
Update Code of Conduct and Induction process	Jun-19	GO	
Consider options for obtaining assistance for HR related functions	Apr-19	CEO	

External Theft & Fraud		Risk	Control
		Low	Adequate
Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any			
Actions	Due Date	Responsibility	
Remind staff around the risks for 'dodgy' e-mails.	Dec-19	FM	
Review/Update system of controls for external transactions	Jun-19	FM	

Asset management practices		Risk	Control
		High	Inadequate
Failure or reduction in service of infrastructure assets, plant, equipment or machinery.			
Actions	Due Date	Responsibility	
Develop a road maintenance program (to support LTFP)	Jun-19	CEO	
Identify road that are able to be transferred MR2030 (and therefore available for funding)	Apr-19	CEO	
Embed maintenance program for plant & equipment - Check point	Apr-19	CDO / WKS	
Develop Building Maintenance program (schedule / budget) for next financial year	Jun-19	CDO	
Develop an Asset Management Plan	Dec-19	CEO / FM	
Investigate options for an all encompassing asset register (small assets)	Jun-19	FM	

Safety and Security practices		Risk	Control
		High	Inadequate
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability			
Actions	Due Date	Responsibility	
Complete items as identified in the Safety Assessment Action Plan - Check Point	Nov-19	CEO / GO	

Governance & Compliance risk (statutory, regulatory)		Risk	Control
		Moderate	Adequate
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an			
Actions	Due Date	Responsibility	
Consider Compliance Training Options (Councillors and Staff)	Jun-19	CEO / GO	
Consider joining LG Pro on a corporate membership	Jun-19	CEO	
Consider re-organisation of Audit Committee	Apr-19	CEO	

Environment management		Risk	Control
		Moderate	Adequate
Inadequate prevention, identification, enforcement and management of environmental issues.			
Actions	Due Date	Responsibility	
Conduct community consultation on Transfer Station project	Mar-19	CEO / CDO	
Install a monitoring bore at landfill site.	Jun-19	CEO	
Identify best approach to manage contaminated road reserve	Jun-19	EHO	
Develop Mosquito Management Plan	Feb-19	EHO	

Facilities / Venues / Events / Properties		Risk	Control
		Moderate	Adequate
Failure to effectively manage the day to day operations of facilities, venues and / or events.			
Actions	Due Date	Responsibility	
Update website to include event application process	Apr-19	CDO	
Investigate (and implement where necessary) liquor licence requirements	Jun-19	CDO	
Ensure budget allocation for improved key / card acces for key buildings (Admin / Rec Centre)	Apr-19	CDO	

Procurement / Contract Management / Disposal / Tender Practices		Risk	Control
		Moderate	Adequate
Failures in the procurement, acquisition, acceptance or disposal process for goods (assets) or services as governed by			
Actions	Due Date	Responsibility	
Identify standardised criteria / weighting (evaluation) process for assessing RFT / RFQ responses & complete procedures- including disposal of assets	Jan-19	GO	
Contract Register review to become a regular fixture in the Leadership Meetings	Mar-19	GO	

Community Engagement		Risk	Control
		Moderate	Adequate
Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key			
Actions	Due Date	Responsibility	
Feedback mechanisms developed- inclusive practices	Dec-19	CDO	
Community engagement strategy review/developed	Dec-19	CDO	

6.3 3-YEAR INTERNAL AUDIT PLAN

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference:
Date: 17 April 2019
Author: Belinda Bow, Governance Officer

Summary

The Audit Committee is requested to endorse an Internal Audit Plan to guide internal audit activities for the coming three years.

OFFICER RECOMMENDATION AND COUNCIL DECISION- Resolution A01051904

Moved: Cr McGlenn / Seconded: Cr Newton

That the Audit and Risk Committee:

1. Note the proposed Audit Plan for the financial years 2019/20, 2020/21 & 2021/22.
2. Recommend that Council endorse the Audit Plan as presented in attachment 2.

VOTING DETAILS:

CARRIED: 6/0

Attachment

6.3.1 Proposed Audit Committee Schedule

6.3.2 Detailed Audit Plan with Timeline

Background

In order to address the sound financial and operational management of the Shire, as well as the mitigation of operational and strategic risk, an internal audit plan has been developed to allow the Audit and Risk Committee to consider a range of internal audit projects and activities and prioritise them for implementation.

Comment

The intent of this document is to provide a clear path forwards for the internal audit function so that the function can be resourced effectively. It is designed to align:

- Legislative requirements (including Reg 17 Audit Reporting)
- Operational requirements for good business practice (e.g. review/development of key documents, or improvement of business processes)
- Risk Management (by addressing risks identified through the Shire's Risk Management Register)

The existence of such a plan, endorsed by Council, can also potentially assist with:

- Demonstrating to regulators, including the OAG, Council's awareness of certain risks or deficiencies and a clear strategy to address them
- Demonstrating to funding bodies (where relevant) that certain projects are of priority and worthy of external funding
- Giving clarity to the Chief Executive Officer and Staff regarding Council's desired direction for its audit function
- Maintaining a baseline level of preparedness for an eventual OAG Performance Audit

Statutory Environment

Nil

Policy Implications

Nil at this stage. Some Internal Audit projects will likely involve review/creation/retirement of Shire Policies to meet their aims.

Financial Implications

The audit plan recommendations will be included in the draft budget for the coming financial year. Whilst some items will be internally managed and resourced, in the interest of managing conflict of interest and separation of duties, as well as ensuring appropriate expertise, some items will require external input.

Strategic Implications

The matter before the Committee generally accords with the following Shire desired outcomes as expressed in the Shire of Mingenew Strategic Community Plan:

8. Outcome 4.2 An open and accountable local government that is respected, professional and trustworthy.
9. Outcome 4.4 Long term planning and strategic management.
10. Outcome 4.5 Achieve a high level of compliance.
11. Outcome 1.3 Protect and enhance economic infrastructure.
12. Outcome 2.5 Safe and functional road and ancillary infrastructure.
13. Outcome 3.2 Maintain the provision of high quality community infrastructure.
14. Outcome 3.7 Maintain a safe community environment.

Voting Requirements

Simple Majority

Summary of the Audit Schedule

Year	Month	CAR	Risk Reg Review- tracking of progress	External Financial Audits	Reg 17.	FMR	**Project #
19/20	Aug		April 2019, Aug 19				1
19/20	Nov			Final Audit			2
19/20	Mar						3
19/20	May			Interim	Report due	Report due	
20/21	Aug						4
20/21	Nov			Final Audit			5
20/21	Mar						6
20/21	May			Interim			7
21/22	Aug						8
21/22	Nov			Final Audit			9
21/22	Mar						10
21/22	May			Interim			11

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

6.4 REGULATION 17 PROGRESS REPORT 1

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference:
Date: 24 April 2019
Author: Belinda Bow, Governance Officer

Summary

For the Audit and Risk Committee to review the progress made since the last review to evidence risk management, internal control and legislative compliance.

OFFICER RECOMMENDATION AND COUNCIL DECISION- Resolution A01051905

Moved: Cr Newton / Seconded: Cr McGlenn

That the Audit and Risk Committee accept the Regulation 17 Progress Report 1.

VOTING DETAILS:

CARRIED 6/0

Attachments

6.4.1 Last Regulation 17 Review and Report- 2016

6.4.2 Last Financial Management Systems Review- 2016

Background

On 8 February 2013, the Department of Local Government and Communities (Department) advised all local governments via Circular No 5 of the amendments made to the Local Government (Audit) Regulations 1996. The amendments to the Local Government (Audit) Regulations 1996 extended the functions of local government Audit Committees to include reviewing the effectiveness of local government's systems with regard to risk management, internal control, and legislative compliance.

Specifically, the amendments required a local government's CEO to review, at least once every two years, the appropriateness and effectiveness of the local government's systems and procedures with regard to risk management, internal control and legislative compliance. On 26 June 2018, this timeframe was further amended with Regulation 17 now requiring that the aforementioned be reviewed no less than once in every 3 financial years.

The last Regulation 17 review was undertaken presented to the (then) Audit Committee on 21 December 2016 with the recommendations from the Committee being endorsed by Council at its ordinary meeting held on the same day (see attachment 1). A progress report is now presented to the Committee to provide an update on undertakings by the Shire since the last review to evidence risk management, internal control and legislative compliance. Whilst the Shire's due date for the CEO's report as to the appropriateness and effectiveness of the local government's systems and procedures with regard to risk management, internal control and legislative compliance is not due until June 2020 it is the intention of the CEO to evidence progress through regular updates summarising achievements and results of audits. A final decision on appropriateness and effectiveness will then be provided prior to the Reg 17 Audit due date.

Comment

Risk Management Policy, Procedures and Framework

In the second and third quarter of the 2018/19 financial year the Shire has, with the assistance of LGIS, reviewed and updated its Risk Management Policy and Risk Management procedures which sets out the

identification, assessment, management, reporting and monitoring of risks. The policy and procedures form the Risk Management Framework for the Shire and details:

- the principles of risk management
- the roles and responsibilities of risk management from the Audit Committee to individual employees
- risk appetite statements
- risk level matrix and criteria for assessing risks in term of likelihood and consequences.

The document's aim was to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resources and workload pressure. The documents were endorsed by Council in April 2019. The Risk Management Policy and Procedures will be kept under review by the Shire's Management Team and its employees and is due to be formally reviewed in the third quarter of 2019/20. (annually).

Corporate Risk Register

The Shire's risk register captures risks that may prevent the achievement of the Shire's key strategic objectives and major systems and projects. The register includes financial and non-financial systems and helps ensure compliance with key legislation, details current controls and identifies new controls to reduce risks.

The register is an important element in the overall Risk Management Framework that assists the Shire in capturing and recording risks that threaten the major systems and the delivery of major projects. Since the development of the Risk Register, it has been presented to the Audit Committee and Council on an ad-hoc basis for review, with the last being in 12/2016. In the second and third quarter of 2018/19 the leadership team, with assistance from LGIS, has reviewed and updated the risk register and is presented to the Audit and Risk Committee for review at agenda item 6.3. The register is a living document, overseen by the Governance Officer. The Committee should note that the register has already had progress updates, risk tolerance indicators, strategic risks and additional control mechanisms added since the initial November 2018 update. Continue review of this register will assist in identifying areas of high priority for future resourcing and auditing.

Compliance Calendar

A Compliance Calendar is a tool to assist the Shire in its obligations for statutory reporting, legislative compliance or formal submissions that are required under various legislative provisions. The aim of the calendar is to document required milestones complete with timeframe and responsible officer/s to meet ensure legislative requirements are met.

The Governance Officer created a Compliance Calendar in 2018 in response to a lack of legislative governance detected within the Shire. Whilst the Calendar is available to all officers to view and utilise (via populating with data relevant to each officer), the overall management, review and monitoring of remains the responsibility of the Governance Officer in line with the roles job description / KPIs.

The compliance calendar has assisted in the budgeting process for the upcoming financial year. It has highlighted the legislative requirements that are due for the Shire and as such has ensured financial provisions have been considered for their completion. The 2019/20 financial will require the following be completed or commenced to ensure legislative compliance:

- a) Ward Boundary review
- b) Record Keeping Plan and Processes review
- c) Elections
- d) Regulation 17 audit
- e) CEO Performance review
- f) Potential fair value review of land and buildings / plant and equipment if not extended to a 5 year timeframe.

- g) Financial Systems review
- h) Municipal Heritage Register review.

Compliance Audit Return

The Shire continues to complete the annual Compliance Audit Return and return it to the Department of Local Government and Communities by the required deadline. This return is presented to the Audit and Risk Management Committee before a recommendation to Council.

Matters of non-compliance raised in the 2018 return were either:

1. Rectified or acted upon as soon as the error was realised (prior to the CAR audit report); or
2. Added to the risk register with documented controls for prevention of re-occurrence;

Whilst that the Compliance Audit Return identifies many (but not all) of the legislative compliance and reporting obligations affecting local government and takes the form of an annual "self assessment" the report in itself is not a guarantee of compliance across all areas as there are some areas that are not assessed and its reliability is only as valid as the reporting officers internal audit process. For this reason, an internal audit plan carried out by a combination of internal and external auditors to assess identified gaps is important.

Agenda and Minutes

The focus of risk implication has yet to be included in the agenda format. This is something that a number of local governments throughout Western Australia have adopted and brings a focus on to risk with every decision Council makes. It forms part of the standard agenda and ensures staff look at the potential risk involved in each decision of Council. A revised agenda format that includes 'risk' is to be trialled in 2019.

Audit Services

The Office of the Auditor General has appointed Butler Settineri to conduct the interim and final audits of the Shire's accounts and annual financial report. Findings from the previous financial year's financial audit (2016/17) has been presented and reviewed at Item 6.1 of this agenda.

Financial Management Review

The CEO is responsible for implementing policies, procedures and controls which are designed to ensure the effective and efficient management of the Shire's resources. A triennial review of financial management systems as required by Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 was last undertaken by Butler Settineri (Council's Audit firm) in August 2016. Council accepted the report at the September 2016 Ordinary Meeting of Council. The report concluded the following:

"From the work performed during our review , we note that the financial management framework is generally in good working order.....In particular we found that all major controls in relation to financial controls for the receipting of monies, safeguarding of assets and control over expenditure are in place and functional."

Butler Settineri did make recommendations to the CEO on systems and procedures that were assessed as having opportunities for improvement and those recommendations are being revisited to ensure they have been addressed and controls remain effective (see Attachment 2). The Shire is presently seeking quotes to conduct its next Financial Management Review; either late in the 18/19 or early in the 19/20 Financial Year.

Organisational Structure, HR and IR

As Council would be aware the Staff Organisational structure was reviewed and changed in March 2017 where 2 positions were eliminated (Finance Officer and Customer Service Officer) and the roles of Governance Officer, Records Officer, Works Supervisor and Turf Maintenance Officer was created. Council also opted out of the DFES funded SESM program and reduced funding of Ranger services, in favour of shared resourcing with neighbouring Shires to address sustainability concerns.

This has meant that:

- Most of the day to day governance and compliance activities now falls to a dedicated position and has facilitated greater oversight and accountability in the areas of risk, governance and compliance.
- Changing of the organisational structure and redefining of role parameters has been needed to capture all tasks carried out by redundant roles and ensure segregation of duties is retained;
- A greater number of services are provided via contracted staff under a shared resourcing arrangement (e.g. Ranger/Emergency Services, Town Planning, Building Approvals, Environmental Health)
- A review of the workforce plan is now required to capture the re-structure (scheduled to take place by end of 2019 calendar year); and
- An evaluation as to the effectiveness of the current structure needs to be conducted to ensure sufficient human resourcing is in place to deliver:
 - a) strategic community plan targets (compliant resolution, service provision etc)
 - b) the delivery and monitoring of risk management programs
 - c) the maintenance of internal controls and legislative compliance (evidence by management letters, audit findings etc).

(Especially given that the external auditor has expressed concerns of the smaller staffing structure on multiple occasions as per 2016 & 2017 management letters).

To primarily assist in human resource management and review processes a thorough review of all position descriptions was undertaken in the first and second quarter of 2018/19. The updated job descriptions enabled the Shire to carry out Performance Management reviews of all staff in accordance with legislative requirements, something that the Shire has previously been non-compliant in. It is worth noting that there are currently no processes in place to address performance management of personnel who provide services under MOU. This is a risk documented in the risk register.

The updated job descriptions and organisational structure will now lead into and inform the review of the Workforce Plan (including a succession plan), updated policies and procedures for employment practices and all areas of human resource management which is scheduled to take place in 2019/20. Once completed these HR documents will assist in the evaluation of the organisational structure by noting legislative and internal control requirements.

Employee contract reviews and updates took place in late 2018 and early 2019 in accordance with recommendations of the WALGA Award Transition Review into the Shire's IR arrangements which was undertaken in 2018. Key achievements have been:

- a) confirmation of non-adoption of historical Enterprise Bargaining Agreement
- b) consistency of payment rates within the contracts of employees whom are working the same job classification;
- c) consistency in the percentage of super co-contribution offered by the Shire for employees
- d) elimination of consistent higher duties allowances within office staff
- e) consistency in contract content between employees of the same role
- f) consistency of allowance entitlements between employees of the same role
- g) identification and addressing of historical underpayment of staff
- h) introduction of new Code of Conduct for all staff

ICT Review

The Shire has spent time reviewing its ICT set-up and making improvements. Due to the aged, patch-work nature of our systems this has been a somewhat difficult process at times, however the positive results are now being experienced as implementation smooths out.

- a) Penetration test by IT provider to test security arrangements of the Shire's electronic data;
- b) Ex-employees have been removed from the Shire's system to prevent access to the Shire's database.

- c) Purchasing module ordered to allow for segregation of duties in regard to incurring liabilities and making payments.
- d) Upgrade of shire telephone system to increase available lines, improve reliability and provide better after-hours capability
- e) Upgrade of shire internet connection (4G-ADSL hybrid, to improve speeds and reliability)
- f) Planned installation of link between administration office and depot office, to allow for installation of telephone and/or computer for works supervisor at depot (currently the Works Supervisor is required to share desk-space with administration staff, when it is available)

The next steps will be on implementing the Purchasing module and conducting a Security Access review to assess personnel access parameters to electronic documents.

Asset Management

The Shire has, with assistance from Moore Stephens, updated the Asset Management Plan. The modernised document is still reliant upon some older Council-adopted inputs (Corporate Business Plan and Long-Term Financial Plan). It will continue to be updated, in the new format, as these integrated planning documents are also updated.

Integrated Planning

The Shire has completed the overdue review of its Strategic Community Plan. The review featured significant community input and will serve as the basis for an updated Corporate Business Plan (which will, in turn, inform updated Long-Term Financial Plan, Workforce Plan etc.) The final draft will be presented at a Special Meeting on 1 May 2019 for Council endorsement.

You will notice that integrated planning documents feature prominently in controlling identified strategic risks in the risk register. It is therefore important that these plans are updated promptly.

Consultation

Nils Hay, Chief Executive Officer
Jeremy Clapham, Finance Manager

Statutory Environment

In accordance with the Local Government (Audit) Regulations 1996 (Regulations) a local government's CEO is to review at least once every three years, the appropriateness and effectiveness of the local government's systems and procedures with regard to risk management, internal control and legislative compliance.

Policy Implications

There are no policy implications as a result of this stage.

Financial Implications

There are no known significant financial implications in relation to this item.

Strategic Implications

The matter before the Committee generally accords with the following Shire desired outcomes as expressed in the Shire of Mingenew Strategic Community Plan:

1. Outcome 4.2 An open and accountable local government that is respected, professional and trustworthy.
2. Outcome 4.4 Long term planning and strategic management.
3. Outcome 4.5 Achieve a high level of compliance.

Voting Requirements

Simple Majority

9.1.3 REVIEW OF INTERNAL CONTROLS

Location/Address: Shire of Mingenew
Name of Applicant: Shire of Mingenew
Disclosure of Interest: Nil
File Reference: ADM0362
Date: 16 December 2016
Author: Martin Whitely, Chief Executive Officer

Summary

This report recommends that the Audit Committee notes and accepts the review of the Shire's internal control procedures and recommends adoption of these by Council.

Attachment

- ≠ Risk Dashboard Report (Confidential Attachment)
- ≠ Local Government Operational Guidelines Number 09 – Audit in Local Government – Appendix 3

Confidential Attachment – in accordance with section 5.23(2)(f) of the Local Government Act 1995 – a matter that if disclosed, could reasonably be expected to –

- (i) ***Impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or***
- (ii) ***Endanger the security of the local government's property.***

Background

The Local Government Audit Regulations 1996 have extended the functions of local government Audit Committees. These functions now include reviewing the Chief Executive Officer's report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committee's consideration of that review to the Council.

The review is required to be carried out on a biennial basis with the deadline for this review being December 2016. The regulation requires that the Audit Committee considers the review prior to consideration by Council.

Comment

The attached Internal Control Environment documentation and identification of Shire internal controls has been developed and includes a list of risk areas.

The following risk areas have been addressed:

- ≠ Misconduct
- ≠ Business & Community Disruption
- ≠ Inadequate Environmental Management
- ≠ Errors, omissions and delays
- ≠ External theft and fraud (including Cyber Crime)
- ≠ Failure of IT &/or communication systems and infrastructure
- ≠ Failure to fulfil statutory, regulatory or compliance requirements
- ≠ Inadequate safety and security practices
- ≠ Providing inaccurate advice/information
- ≠ Ineffective employment practices

- ≠ Inadequate document management processes
- ≠ Inadequate project/change management
- ≠ Inadequate engagement practices
- ≠ Inadequate supplier/contractor management
- ≠ Inadequate asset sustainability practices
- ≠ Ineffective management of facilities, venues, events

Consultation

Nita Jane, Deputy Chief Executive Officer

Statutory Environment

Local Government (Audit) Regulations 1996

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

[Regulation 17 inserted in Gazette 8 Feb 2013 p. 868.]

Policy Implications

Risk Management Policy

Financial Implications

Nil

Strategic Implications

Community Strategic Plan

Outcome 4.2 - An open and accountable local government that is respected, professional and trustworthy

Outcome 4.5 - Achieve a high level of compliance

Outcome 4.5.1 – Ensure compliance with local, town planning, building and health and all other relevant legislation.

Voting Requirements

Simple Majority

COMMITTEE RECOMMENDATION – ITEM 9.1.3
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That Council:

- 1. Notes and accepts the review of the Shire's internal control procedures; and**
- 2. Recommends adoption of this review by Council.**

Shire of Mingenew Risk Dashboard Report November 2016

Executive Summary

In the Shire's first report under the introduced risk management framework, prepared in December 2014, the focus was on embedding and driving continual improvement. This report (and future reports) continue to provide relevant insight and recommendations to assist governance activities for the Executive Leadership Team. It is supported by the attached documents.

1. Risk Profiles for the 16 themes discussed.
2. Risk Management Policy and Procedures.

Recommendations

Embedding

1. Arrange for the attached (reviewed) Policy and Procedures to be endorsed and adopted.

Risk Profiles

1. Discuss and review the attached Risk Profiles Review and approve all Risk Profiles (from a Risk & Control perspective).
2. Confirm Current Issues / Actions / Treatments (Responsibility & Due Date)

<u>Misconduct</u>		Risk	Control
		High	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review internal procedures regarding usage of delegations	Annually	CEO	

<u>Business & community disruption</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Develop Business Continuity Plan for Admin Building.	Jun-17	CEO	
Review and update plans	Jun-17	CEO	
Prepare Building/Infrastructure Maintenance Program	April each year	Works Manager	
Prepare/Equip Evacuation Centre	Jun-17	CEO	

<u>Inadequate environmental management</u>		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Construction of transfer station in Mingenew	Jun-17	CEO	
Planning Scheme review to be undertaken	Jun-17	CEO	
Local Law review to be undertaken	Mar-17	CEO	
Control of Gorteria	Ongoing	Works Manager	
Ongoing mosquito fogging	Ongoing	Works Manager	

<u>Errors, omissions & delays</u>		Risk	Control
		Low	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review and update procedural manuals	Mar-17	DCEO	
Review Complaints Handling procedure	Mar-17	CEO	
	Mar-17	CEO	
	Mar-17	CEO	

<u>External theft & fraud (inc. Cyber Crime)</u>		Risk	Control
		Low	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
No actions required at this stage			

<u>Failure of IT &/or communication systems and infrastructure</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review IT Infrastructure replacement program (similar to plant replacement)	April/May each year	DCEO	

<u>Failure to fulfil statutory, regulatory or compliance requirements</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Preparation of a Compliance Calendar and Circulation to all staff	Mar-17	CEO	
Review of Compliance Audit Return and action non-compliances	Mar-17	CEO	
Review of Compliance Audit Return and action non-compliances	Mar-17	CEO	

<u>Inadequate safety and security practices</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Refer to OSH Tracker for regular updates	Quarterly	CEO	
Review Organisational Emergency Preparedness requirements	Jun-17	CEO	
Continue with Contractor inductions	Ongoing	DCEO	
Review and update Contractor insurance cover (Certificates of Currency)	Quarterly	DCEO	

Shire of Mingenew Risk Dashboard Report November 2016

			Establish Safe Work Method Statements for High Risk Construction work required by OSH Regulation	Ongoing	Works Manager
			Undertake evacuation drills	Mar-17	CEO
			Set up evacuation centre	Mar-17	CEO

<u>Providing inaccurate advice / information</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review and update procedure manuals	Mar-17	DCEO	
Carry out Training Needs Analysis for employees	Ongoing	CEO	

<u>Ineffective employment practices</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Develop a "Leave Management" Policy for the Shire	Jun-17	CEO	
Review Induction process (all components)	Jun-17	DCEO	
Implement a performance review policy (Refer FMR)	Mar-17	CEO	

<u>Inadequate document management processes</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Incorporate review process for policy & procedures	Jun-17	CEO	
Review current filing and archiving processes	Mar-17	DCEO	
Review current processes with in / out correspondence (receipt, allocation, tracking, completion / filing)	Mar-17	DCEO	
Review of action items identified in Record Keeping Plan	Mar-17	DCEO	
Prepare an implementation plan with timeline for action items in Record Keeping Plan	Apr-17	DCEO	

<u>Inadequate project / change management</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review Risk Profile within 6 months based on projects due or underway	Ongoing	CEO	
Implement Project Management Framework	Dec-17	CEO	

<u>Inadequate engagement practices</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review Risk Profile after new CEO is embedded	Mar-17	CEO	
Review engagement policy and procedure	Jun-17	CEO	
Review of Strategic Community Plan	Jun-17	CEO	
Review of Corporate Business Plan	Jun-17	CEO	
New website implementation	Jun-17	CEO	

<u>Inadequate supplier / contract management</u>		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Review Contract Management System to monitor expiry and conditions	Quarterly	CEO	
Consider all major contracts and ensure that regular review meetings occur	Quarterly	CEO	

<u>Inadequate asset sustainability practices</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Prepare Asset Management Plans for all classes of assets	Jun-17	DCEO	
Prepare an Asset Management Strategy	Jun-17	DCEO	
Update Long Term Financial Plan	Jun-17	CEO	
Update Plant Replacement program	Jun-17	Works Manager	
Condition assessment of infrastructure assets to be undertaken	Jun-17	DCEO	

<u>Ineffective management of facilities / venues / events</u>		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	Due Date	Responsibility	
Maintenance schedule	Ongoing	Works Manager	
Cleaning records	Ongoing	CEO	

Business & community disruption

Nov-16

This Risk Theme is defined as:

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (inc. vandalism). This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

Potential causes include:

- Cyclone, Storm Surges, Fire, Earthquake
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended power outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Date	Shire Rating
<i>Business Continuity Framework</i>	<i>Preventative</i>	<i>Dec-16</i>	<i>Inadequate</i>
<i>Functional LEMC</i>	<i>Preventative</i>	<i>Dec-16</i>	<i>Adequate</i>
<i>Current LEMA & Recovery Plans</i>	<i>Recovery</i>	<i>Dec-16</i>	<i>Adequate</i>
<i>LEMC Exercises</i>	<i>Detective</i>	<i>Dec-16</i>	<i>Adequate</i>
<i>Volunteer Management & Training</i>	<i>Preventative</i>	<i>Dec-16</i>	<i>Adequate</i>
<i>Building/Infrastructure Maintenance Program completed</i>	<i>Preventative</i>	<i>Dec-16</i>	<i>Adequate</i>
<i>Prepared Evacuation Centre</i>	<i>Preventative</i>	<i>Dec-16</i>	<i>Inadequate</i>

Overall Control Ratings:	Inadequate
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Rick Ryan (CESM) 0417 697 896

Risk Ratings	Shire Rating
Consequence:	<i>Catastrophic</i>
Likelihood:	<i>Rare</i>

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
<i>Business Continuity Framework and Plan in place and current</i>	<i>Biannual review</i>	<i>Jun-17</i>	

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Develop Business Continuity Plan for Admin Building.</i>	<i>Jun-17</i>	<i>CEO</i>
<i>Review and update plans</i>	<i>Jun-17</i>	<i>CEO</i>
<i>Prepare Building/Infrastructure Maintenance Program</i>	<i>April each year</i>	<i>Works Manager</i>
<i>Prepare/Equip Evacuation Centre</i>	<i>Jun-17</i>	<i>CEO</i>

Failure of IT &/or communication systems and infrastructure

Nov-16

This Risk Theme is defined as;

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware &/or Software
- IT Network
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance Monitoring
- IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

Potential causes include:

- Weather impacts
- Power outage at service provider
- Out dated / inefficient hardware
- Incompatibility between operating system and Microsoft
- Power failure
- Infrastructure breakdown such as landlines, radio communications.
- Lack of training
- Software vulnerability (e.g. MS Access)

Key Controls	Type	Date	Shire Rating
<i>Data Back up Systems</i>	<i>Recovery</i>	<i>Dec-16</i>	Adequate
<i>Performance Monitoring (Sunset IT)</i>	<i>Detective</i>	<i>Dec-16</i>	Adequate
<i>UPS</i>	<i>Preventative / Recovery</i>	<i>Dec-16</i>	Inadequate
<i>IT Infrastructure Replacement / Refresh Program</i>	<i>Preventative</i>	<i>Dec-16</i>	Adequate

Overall Control Ratings:	Inadequate
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Risk Ratings	Shire Rating
Consequence:	<i>Moderate</i>
Likelihood:	<i>Possible</i>

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result

Comments

It was noted that the Corporate Business Plan rated ICT system risk as medium " ICT systems can quickly reach their tipping point, and the functionality of new technology can greatly enhance workforce productivity".

Back up procedures have been improved.

IT requirements reviewed each year during the budget process

Disaster Recovery Plan has been reviewed.

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Review IT Infrastructure replacement program (similar to plant replacement)</i>	<i>April/May each year</i>	<i>DCEO</i>

External theft & fraud (inc. Cyber Crime)

Nov-16

This Risk Theme is defined as:

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

Examples include:

- Scam Invoices
- Cash or other valuables from 'Outstations'.

Potential causes include:

- Inadequate security of equipment / supplies / cash
- Robbery
- Scam Invoices
- Inadequate provision for patrons belongings
- Lack of Supervision

Key Controls	Type	Date	Shire Rating
Physical security measures	Preventative	Dec-16	Adequate
IT Firewall Systems & Procedures	Preventative	Dec-16	Adequate
Overall Control Ratings:			Adequate

Risk Ratings	Shire Rating
Consequence:	Insignificant
Likelihood:	Possible
Overall Risk Ratings:	Low

Key Indicators	Tolerance	Date	Overall Shire Result
# Incidents	Nil	Annual review	

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
No actions required at this stage		

Misconduct

Nov-16

This Risk Theme is defined as:
Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or delays in transaction processing, or Inaccurate Advice.

- Potential causes include:**
- Lack of training
 - Changing of job titles
 - Delegated authority process inadequately implemented
 - Disgruntled employees
 - Lack of understanding
 - Poor internal checks (PO's and delegated authority)
 - Password sharing

Key Controls	Type	Date	Shire Rating
Delegation Register - Framework	Detective	Dec-16	Adequate
Procurement Process (Purchase Order Process)	Preventative	Dec-16	Adequate
Segregation of Duties (Financial)	Preventative	Dec-16	Adequate
IT Security Access Framework (Profiles & Passwords)	Preventative	Dec-16	Adequate
Induction Process (Code of Conduct)	Preventative	Dec-16	Adequate
Overall Control Ratings:			Adequate

Risk Ratings	Shire Rating
Consequence:	Major
Likelihood:	Possible
Overall Risk Ratings:	High

Key Indicators	Tolerance	Date	Overall Shire Result
Issues raised by Auditors	Nil	Annually	
Issues identified through Compliance Audit	Nil	Annually	

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
Review internal procedures regarding usage of delegations	Annually	CEO

Inadequate safety and security practices

Nov-16

This Risk Theme is defined as:
Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

Potential causes include:

- Lack of appropriate PPE / Equipment
- Inadequate first aid supplies or trained staff
- Rubbish / Litter Control
- Inadequate training and competency of staff
- Inadequate security arrangements
- Inadequate signage, barriers or other exclusion techniques
- Storage and use of Dangerous Goods
- Ineffective / inadequate testing, sampling (similar) health based req'
- Lack of established Safe Work Procedures
- Lack of mandate and commitment from Senior Management

Key Controls	Type	Date	Shire Rating
Workplace Inspections	Preventative	Dec-16	Inadequate
Staff Individual Training Plans	Preventative	Dec-16	Adequate
Hazard Register/OSH Tracker	Detective	Dec-16	Inadequate
OSH Management Framework	Preventative	Dec-16	Adequate
Contractor / Site Inductions	Preventative	Dec-16	Adequate
Staff Inductions	Preventative	Dec-16	Adequate
OSH Budget (Shire - Allocated resources)	Preventative	Dec-16	Adequate
Pre-Employment Medicals	Detective	Dec-16	Adequate
Organisational Emergency Mgt (Evac plans & drills, Wardens,etc)		Dec-16	Not Rated
Overall Control Ratings:			Inadequate

Risk Ratings	Shire Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
4801 Audit Results	Quinquennial	2017	
Workers Compensation Incidents (over past 12 months)	Annual	2017	
OSH Tracker Close out rates	monthly	2017	
Tiered Level Safety Assessments	Triennial	2017	
Enforcement activity (Improvement/Prohibition notice)	Fluid	2017	
OSH Expenditure	Annual	2017	
No. Safety Team Meetings	Quarterly	2017	
Comments As rated by Monty Archdale (Regional Risk Coordinator LGIS) on December 2016.			

Current Issues / Actions / Treatments	Due Date	Responsibility
Refer to OSH Tracker for regular updates	Quarterly	CEO
Review Organisational Emergency Preparedness requirements	Jun-17	CEO
Continue with Contractor inductions	Ongoing	DCEO
Review and update Contractor insurance cover (Certificates of Currency)	Quarterly	DCEO
Establish Safe Work Method Statements for High Risk Construction work required by OSH	Ongoing	Works Manager
Undertake evacuation drills	Mar-17	CEO
Set up evacuation centre	Mar-17	CEO

Inadequate project / change management

Nov-16

This Risk Theme is defined as:
Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Failures of IT Project Vendors/Contractors

This includes Directorate or Service Unit driven change initiatives except new Plant & Equipment purchases. Refer "Inadequate Asset Management"

- Potential causes include:**
- Lack of communication and consultation
 - Lack of investment
 - Ineffective management of expectations (scope creep)
 - Inadequate project planning (resources/budget)
 - Shire growth (too many projects)
 - Inadequate monitoring and review
 - Project risks not managed effectively
 - Lack of Project methodology knowledge and reporting requirements

Key Controls	Type	Date	Shire Rating
<i>Project management framework/procedure</i>	<i>Preventative</i>	<i>Dec-16</i>	Adequate
Overall Control Ratings:			Adequate

Risk Ratings	Shire Rating
Consequence:	<i>Moderate</i>
Likelihood:	<i>Possible</i>
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

It was noted that the Corporate Business Plan rated Project Management as a high risk "Projects need to be fully planned to enable most efficient work flows within organisation and community".

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Review Risk Profile within 6 months based on projects due or underway</i>	<i>Ongoing</i>	<i>CEO</i>
<i>Implement Project Management Framework</i>	<i>Dec-17</i>	<i>CEO</i>

Errors, omissions & delays

Nov-16

This Risk Theme is defined as:
Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

- Inaccurate data being used for management decision making and reporting.
- Delays in service to customers
- Inaccurate data provided to customers

This excludes process failures caused by inadequate / incomplete procedural documentation - refer “Inadequate Document Management Processes”.

- Potential causes include:**
- Human Error
 - Inadequate procedures or training
 - Lack of Staff (or trained staff)
 - Incorrect information
 - Miscommunication
 -

Key Controls	Type	Date	Shire Rating
<i>Documented Procedures / Checklists</i>	<i>Preventative</i>	<i>Dec-16</i>	Adequate
<i>Complaints Handling</i>	<i>Recovery</i>	<i>Dec-16</i>	Adequate
<i>Segregation of Duties (Financial Control)</i>	<i>Preventative / Detective</i>	<i>Dec-16</i>	Effective

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	<i>Insignificant</i>
Likelihood:	<i>Likely</i>

Overall Risk Ratings:	Low
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Key Indicators	Tolerance	Date	Overall Shire Result

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Review and update procedural manuals</i>	<i>Mar-17</i>	<i>DCEO</i>
<i>Review Complaints Handling procedure</i>	<i>Mar-17</i>	<i>CEO</i>

Inadequate document management processes

Nov-16

This Risk Theme is defined as:

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts.
- Forms, requests or other documents.

Potential causes include:

- Spreadsheet/Database/Document corruption or loss
- Inadequate access and / or security levels
- Inadequate Storage facilities (including climate control)
- High Staff turnover
- Outdated record keeping practices / incompatible systems
- Lack of system/application knowledge
- High workloads and time pressures
- Incomplete authorisation trails

Key Controls	Type	Date	Shire Rating
<i>Policy & Procedural Review Process</i>	<i>Detective</i>	<i>Dec-16</i>	Adequate
<i>Records Management Process</i>	<i>Preventative</i>	<i>Dec-16</i>	Inadequate
<i>Document / Correspondence receipt & action process</i>	<i>Preventative</i>	<i>Dec-16</i>	Inadequate

Overall Control Ratings:	Inadequate
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Risk Ratings	Shire Rating
Consequence:	<i>Moderate</i>
Likelihood:	<i>Possible</i>

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
<i>Register of unsuccessful retrievals (Record Keeping Plan)</i>		<i>2017</i>	
<i>Register of missing files (Record Keeping Plan)</i>		<i>2017</i>	
<i>Number of "outstanding" items in Records Management System</i>		<i>2017</i>	

Comments

It was noted that the Corporate Business Plan rated Document Management as a high risk "The knowledge base of the organisation is held in the document management system which has not been well maintained in the past".

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>Incorporate review process for policy & procedures</i>	<i>Jun-17</i>	<i>CEO</i>
<i>Review current filing and archiving processes</i>	<i>Mar-17</i>	<i>DCEO</i>
<i>Review current processes with in / out correspondence (receipt, allocation, tracking, completion / filing)</i>	<i>Mar-17</i>	<i>DCEO</i>
<i>Review of action items identified in Record Keeping Plan</i>	<i>Mar-17</i>	<i>DCEO</i>
<i>Prepare an implementation plan with timeline for action items in Record Keeping Plan</i>	<i>Apr-17</i>	<i>DCEO</i>

Inadequate supplier / contract management

Nov-16

This Risk Theme is defined as:
Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Concentration issues
- Vendor sustainability

It does not include failures in the tender process; refer “Inadequate Procurement, Disposal or Tender Practices”.

- Potential causes include:**
- Funding
 - Complexity and quantity of work
 - Inadequate tendering process
 - Geographical remoteness
- Inadequate contract management practices
 - Ineffective monitoring of deliverables
 - Lack of planning and clarity of requirements
 - Historical contracts remaining

Key Controls	Type	Date	Shire Rating
Contract Management System	Preventative		Adequate
Review Meetings (Waste Mgt)	Detective		Adequate

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Contract Management System to monitor expiry and conditions	Quarterly	CEO
Consider all major contracts and ensure that regular review meetings occur	Quarterly	CEO

Providing inaccurate advice / information

Nov-16

This Risk Theme is defined as:
Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct.

Examples include;

- incorrect planning, development or building advice,
- incorrect health or environmental advice
- inconsistent messages or responses from Customer Service Staff
- any advice that is not consistent with legislative requirements or local laws.

- Potential causes include:**
- Lack of qualified staff
 - Long lead times for responses
 - Increasing workloads
 - Lack of appropriate technical knowledge relevant to the context
 - Poor working relationships between internal staff/departments

Key Controls	Type	Date	Shire Rating
Procedures	Preventative	Dec-16	Inadequate
Training Needs Analysis	Detective	Dec-16	Inadequate
Performance Review Process	Detective	Dec-16	Inadequate
Policies	Preventative	Dec-16	Inadequate
Overall Control Ratings:			Inadequate

Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
# Complaints / issues regarding inaccurate advice / information			
Comments			
Current Issues / Actions / Treatments		Due Date	Responsibility
Review and update procedure manuals		Mar-17	DCEO
Carry out Training Needs Analysis for employees		Ongoing	CEO

Ineffective employment practices

Nov-16

This Risk Theme is defined as:
Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding OH&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

- Potential causes include:**
- Leadership failures
 - Available staff / volunteers are generally highly transient.
 - Single Person Dependencies
 - Poor internal communications / relationships
 - Ineffective performance management programs or procedures.
 - Ineffective training programs or procedures.
 - Limited staff availability - mining / private sectors (pay & conditions).
 - Inadequate Induction practices.

Key Controls	Type	Date	Shire Rating
Policy & Procedures	Preventative	Dec-16	Inadequate
Training Needs Analysis & Training Register	Preventative	Dec-16	Adequate
Workforce Plan (Succession Planning Component)	Preventative	Dec-16	Inadequate
Staff Inductions (Code of Conduct Component)	Preventative	Dec-16	Adequate
Performance Review Process	Detective	Dec-16	Adequate
Overall Control Ratings:			Inadequate

Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result

Comments
The following related areas were highlighted in the Corporate Business Plan: HR Processes (High Risk); Workforce Planning & Cost Modelling (High Risk); Skills Development (Medium Risk); Workforce (High Risk).

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop a "Leave Management" Policy for the Shire	Jun-17	CEO
Review Induction process (all components)	Jun-17	DCEO
Implement a performance review policy (Refer FMR)	Mar-17	CEO

Failure to fulfil statutory, regulatory or compliance requirements

Nov-16

This Risk Theme is defined as:
Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate employee and visitor safety and security") or any Employment Practices based legislation (refer "Ineffective Employment practices")

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

- Potential causes include:**
- Lack of training, awareness and knowledge
 - Staff Turnover
 - Inadequate record keeping
 - Ineffective processes
 - Lack of Legal Expertise
 - Councillor Turnover
 - Breakdowns in Tender process
 - Ineffective monitoring of changes to legislation

Key Controls	Type	Date	Shire Rating
Compliance Return (DLG)	Detective	Dec-16	Adequate
Compliance Calendars	Preventative	Dec-16	Inadequate
External Auditor Reviews (Compliance)	Detective	Dec-16	Adequate
Subscriptions (WALGA)	Preventative	Dec-16	Adequate
Induction Process - Councillors / Staff	Preventative	Dec-16	Adequate
Staff Network Channels	Preventative	Dec-16	Adequate
Tender Process (eQuotes)	Preventative	Dec-16	Adequate

Overall Control Ratings:	Adequate
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Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Possible

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
Compliance Audit Return - number of non-compliances	Nil	March each year	
External Audit Report - number of issues raised	Nil	December each year	

Comments
Review of 2015 Compliance Return identified no areas of non-compliance. The external audit for 2015/16 has been completed and was unqualified with XXX moderate risk items identified in the Management Report. A number of subscriptions are maintained including WALGA Tax, Training and Development, Insurance and Risk, Employee Relations. Inductions information for Councillors, Admin Staff and Works Staff (though some of them are dated 2011) and various Staff Network Channels such as Rates Officers Group, Community Development Officers Group, State Law Publisher email notification service, DLG Circulars, IT Vision newsletter, Moore Stephens Newsletters and liaison with other LGA's in the region

Current Issues / Actions / Treatments	Due Date	Responsibility
Preparation of a Compliance Calendar and Circulation to all staff	Mar-17	CEO
Review of Compliance Audit Return and action non-compliances	Mar-17	CEO
Review Audit Management Report and action comments raised	Yearly	CEO

Inadequate asset sustainability practices

Nov-16

This Risk Theme is defined as:

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, footpaths and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include:

- Skill level & behaviour of operators
- Lack of trained staff
- Outdated equipment
- Unavailability of parts
- Lack of formal or appropriate scheduling (maintenance / inspections)
- Unexpected breakdowns

Key Controls	Type	Date	Shire Rating
Asset Management System (Spreadsheet - Fixed Assets)	Preventative		Adequate
Asset Management Plan	Preventative		Inadequate
Planned Building Maintenance	Detective		Inadequate
Planned Replacement Program	Preventative		Inadequate
Road Asset Management System (ROMANS)	Preventative		Adequate

Overall Control Ratings:	Inadequate
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Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Possible

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
Asset Sustainability Ratio	>90%	Jun-17	49%
Asset Consumption Ratio		Jun-17	Not Calculated
Asset Renewal Funding Ratio		Jun-17	Not Calculated

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
Prepare Asset Management Plans for all classes of assets	Jun-17	DCEO
Prepare an Asset Management Strategy	Jun-17	DCEO
Update Long Term Financial Plan	Jun-17	CEO
Maintain ROMANS data	Jun-17	Works Manager
Update Plant Replacement program	Jun-17	Works Manager
Condition assessment of infrastructure assets to be undertaken	Jun-17	DCEO
Valuation of Land and Buildings assets to be undertaken	Jun-17	DCEO

Inadequate engagement practices

Nov-16

This Risk Theme is defined as:
Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues.
- Infrastructure Projects.
- Regional or District Committee attendance.
- Local Planning initiatives.
- Strategic Planning initiatives

This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.

- Potential causes include:**
- Budget / funding issues
 - Media attention
 - Inadequate documentation or procedures
 - Short lead times
 - Miscommunication / Poor communication
 - Relationship breakdowns with community groups

Key Controls	Type	Date	Shire Rating
Maintenance of Shire Website and Facebook	Preventative	Dec-16	Inadequate
Regular newsletters/briefings in local paper	Preventative	Dec-16	Adequate
Attendance at community group meetings	Preventative	Dec-16	Adequate
Engagement Policy	Preventative	Dec-16	Inadequate

Overall Control Ratings:	Inadequate
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Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	Moderate

Key Indicators	Tolerance	Date	Overall Shire Result
Written complaints received	1 per annum	Dec-16	
Non-compliance advice from third party	NIL	Dec-16	

Comments

It was noted that the Corporate Business Plan rated Stakeholder Management System risk as medium "The current system works as the organisation is small, however increasing the project load will cause the current system to be put under pressure. Loss of any individual will cause loss of key relationship". For the purposes of risk rating, the above is rated as Moderate.

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Risk Profile after new CEO is embedded	Mar-17	CEO
Review engagement policy and procedure	Jun-17	CEO
Review of Strategic Community Plan	Jun-17	CEO
Review of Corporate Business Plan	Jun-17	CEO
New website implementation	Jun-17	CEO
Social Media Strategy	Jun-17	CEO

Ineffective management of facilities / venues / events

Nov-16

This Risk Theme is defined as:

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

Potential causes include:

- Double bookings
- Illegal alcohol consumption
- Managing bond payments
- Animal contamination.
- Failed chemical / health requirements.
- Access to facilities / venues.

Key Controls	Type	Date	Shire Rating
Events Policy / Procedures	Preventative	Dec-16	Adequate
Booking System	Preventative	Dec-16	Inadequate
Maintenance Schedules	Detective	Dec-16	Inadequate

Overall Control Ratings:	Inadequate
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Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Unlikely

Overall Risk Ratings:	Moderate
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Key Indicators	Tolerance	Date	Overall Shire Result
Number of Written Complaints	1 per annum	Dec-16	

Comments

Current Issues / Actions / Treatments	Due Date	Responsibility
Maintenance schedule	Ongoing	Works Manager
Cleaning records	Ongoing	CEO

Inadequate environmental management

Nov-16

This Risk Theme is defined as:

Inadequate prevention, identification, enforcement and management of environmental issues. The scope includes;

- Lack of adequate planning and management of erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

Potential causes include:

- Inadequate management of landfill sites
- lack of understanding / knowledge
- Inadequate local laws / planning schemes
- Inadequate reporting / oversight frameworks
- Community apathy.

Key Controls	Type	Date	Shire Rating
Mosquito Control	Preventative	Dec-16	Adequate
Regular oversight at landfill Sites	Detective	Dec-16	Inadequate
Planning scheme review process	Preventative	Dec-16	Inadequate
Local Laws review process	Preventative	Dec-16	Inadequate

Overall Control Ratings:	Inadequate
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Risk Ratings	Shire Rating
Consequence:	Moderate
Likelihood:	Likely

Overall Risk Ratings:	High
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Key Indicators	Tolerance	Date	Overall Shire Result
% of waste placed in landfill			
Reduction in weed infestation density and area			

Comments

Contaminated site has been identified
Noxious weed (Gorteria) identified at various sites (Mingenew Hill and golf course)
Protection of listed flora

Current Issues / Actions / Treatments	Due Date	Responsibility
Construction of transfer station in Mingenew	Jun-17	CEO
Planning Scheme review to be undertaken	Jun-17	CEO
Local Law review to be undertaken	Mar-17	CEO
Control of Gorteria	Ongoing	Works Manager
Ongoing mosquito fogging	Ongoing	Works Manager



Government of **Western Australia**
Department of **Local Government and Communities**

Local Government Operational Guidelines

Number 09 – Revised September 2013

Audit in Local Government

The appointment, function
and responsibilities of
Audit Committees

1. Introduction

The *Local Government Act 1995* (the Act) requires that all local governments establish an audit committee. An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The purpose of this guideline is to assist local governments to establish and operate an effective audit committee. Clear and comprehensive terms of reference, setting out the committee's roles and responsibilities, are essential and a model terms of reference for an audit committee is provided with this guideline. Matters such as the governing legislation, membership, primary roles and responsibilities of the committee and ancillary functions are also addressed. Guidance is provided to the committee as it approaches its task of appointing an external auditor through provision of a minimum standard audit specification and as it forms an opinion of the local government's internal audit requirements.

2. Audit Requirements, Committees and Functions

The relevant parts of the Act and regulations that relate to audit requirements, audit committees and their functions are listed below.

Financial Management

In relation to financial management under Part 6 of the Act, a local government is to –

- a) prepare and adopt an annual budget in the form and manner prescribed (section 6.2). A copy of the budget is to be sent to the Department within 30 days of adoption.
- b) prepare an annual financial report and such other financial reports as prescribed. The accounts of the local government and annual financial report are to be submitted to the auditor for audit by 30 September (section 6.4).
- c) have a municipal fund and a separate and distinct trust fund (section 6.6).
- d) establish and maintain reserve funds for the holding of monies set aside for future use (section 6.11).

Audit Requirements for Local Governments

Part 7 of the Act and the *Local Government (Audit) Regulations 1996* (the Regulations) address the situation of audit. In relation to the duties of the local government with respect to audits –

- a) the local government is to do everything in its power to –
 - i. assist the auditor to conduct an audit and carry out his or her other duties under the Act; and

- ii. ensure that audits are conducted successfully and expeditiously;
- b) a local government is to meet with its auditor at least once in every year;
- c) a local government is to examine the report of the auditor and is to –
 - i. determine if any matters raised require action to be taken by the local government; and
 - ii. ensure that appropriate action is taken in respect of those matters;
- d) a local government is to –
 - i. prepare a report on any actions taken in respect of any matters raised in the report of the auditor; and
 - ii. forward a copy of that report to the Minister by the end of the next financial year, or six months after the last report prepared by the auditor is received by the local government, whichever is the latest in time.
- e) the only powers and duties that can be delegated to a committee are any of the powers and duties of the local government under Part 7 of the Act; that is, those relating to audit. The committee cannot on-delegate the powers and duties delegated to it;
- f) an audit committee with a member who is a person that is not an elected member can be delegated powers and duties referred to in (e); and
- g) a decision of the committee is to be made by simple majority.

Audit Committee Functions

The Regulations state that an audit committee –

Establishment of the Audit Committee

The Act and Regulations provide that:

In relation to the establishment of an audit committee –

- a) each local government is to establish an audit committee consisting of three or more persons to exercise the powers and discharge the duties conferred on it;
- b) members of the committee are to be appointed by an absolute majority decision of Council. At least three of the members, and the majority of the members, are to be elected members;
- c) the Chief Executive Officer (CEO) is not to be a member of the committee and may not nominate a person to be a member or have a person to represent him or her as a member of the committee;
- d) an employee is not to be a member of the committee;
- (a) is to provide guidance and assistance to the local government –
 - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act;
 - (ii) as to the development of a process to be used to select and appoint a person to be an auditor;
- (b) may provide guidance and assistance to the local government as to –
 - (i) matters to be audited;
 - (ii) the scope of audits;
 - (iii) its functions under Part 6 of the Act;
 - (iv) the carrying out of its functions relating to other audits and other matters related to financial management;
- (c) is to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to –
 - (i) report to the council the results of that review;
 - (ii) give a copy of the CEO's report to the council;

- (d) review the annual Compliance Audit Return and report to the council the results of that review, and
- (e) consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and report to the council the results of those reviews.

3. Operation of Audit Committees

Role and Responsibilities

The role of the audit committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

The audit committee should critically examine the audit and management reports provided by the external auditor. The committee would then determine if matters raised in the reports require action to be taken by the local government and ensure that appropriate action is implemented.

A further role for the audit committee would be to receive and authorise the report relating to the audit prepared by the CEO that is to be sent to the Minister.

This report would outline any actions the local government has taken or intends to take in relation to the matters identified by the auditor.

While a formal internal audit function could be considered to be an operational function and therefore the responsibility of the CEO, it is desirable for an internal auditor to have a direct line of communication to the Audit Committee.

The Audit Committee needs to form an opinion of the local government's internal audit requirements and recommend a course of action that ensures that any internal audit processes adopted are appropriate, accountable and transparent. The role of the external auditor in this regard can be established at the time of appointment.

Please note that an audit committee (or any other committee) cannot be given a management task where the Act and Regulations make the CEO specifically responsible. Where the local government is assigned the function through the legislation, the audit committee may have a role unless the function has been delegated to the CEO by the Council.

The deliberations and recommendations of the committee must be independent and autonomous. Therefore, the Act prohibits the CEO being a member of the committee. However, it is essential that the CEO be given every opportunity to provide his/her expert advice to the committee as he/she does with full Council and other committees.

A model terms of reference is attached as Appendix 1 to assist local governments to define an appropriate role for its audit committee. When considering the model, local governments need to remember it is a guide and they can delete or modify any matters they believe not applicable.

It is important to note that the legislation gives the audit committee a specific role in appointing the auditor. It is to recommend to the Council who should be appointed as the auditor. Attached as Appendix 2 is a model 'Minimum Standard Audit Specification' that local governments can use when developing a process to be used to select and appoint a person to be the auditor.

Local governments can amend the document to suit their individual requirements. Any scope adopted must meet, as a minimum, the legislative requirements, as outlined in the Act and the Regulations.

The legislation specifies that a local government is required to meet with its auditor at least once in every year. The term "local government" in this context means the Council. If Council so resolved via a formal delegation, a meeting between the audit committee and the auditor would satisfy this requirement.

It is acknowledged that the requirement to meet at least once per year may incur a significant financial burden for the more remote local governments. In such circumstances the meeting can be conducted by telephone or video conference. The Council or audit committee should resolve how the meeting with the auditor will be conducted and for the record of the meeting to show that the auditor was involved and the matters discussed. It would be inappropriate for Council representatives to meet with the auditor in their offices unless they were members of the Audit Committee or a significant majority of the members are present.

The committee may need to liaise regularly with the external auditor to discuss the audit plan, results of the audit and implementation of any recommendations for action emerging from the audit. How communication and liaison between auditor and committee is to occur should be addressed in the agreement of appointment.

Advice from the auditor may address issues such as –

- (i) an assessment of accounting procedures;
- (ii) an assessment of internal controls;
- (iii) an assessment of risk;
- (iv) compliance with the Act and associated regulations;
- (v) compliance with Council policies;
- (vi) performance assessments on the efficiency and effectiveness of operations;
- (vii) processes of the internal audit;
- (viii) outcomes of the external audit prior to issue of management and audit reports; and
- (ix) changes to accounting standards and legislation and the impact on the local government.

Membership

The Act requires that an audit committee is to consist of a minimum of 3 members and in that situation all must be council members. Where a committee consists of more than 3 members then a majority of those members must be council members. Local governments may decide to appoint a committee involving only elected members or they may appoint one or more persons who are external to the Council. If a Council considers it appropriate, the whole Council can be appointed to the audit committee.

If the local government wishes to appoint one or more persons other than elected members to the committee, which is recommended, it should ensure that they have the requisite knowledge and skills to provide benefit to the committee.

Operation of the Committee

Irrespective of the membership of the committee, all legislative requirements relating to committee meetings such as advertising meeting dates, notice of meeting and keeping minutes of meetings need to be complied with.

The legislation prevents a meeting fee being paid to an external person but it is permissible for a payment to be made as a reimbursement of expenses, commensurate with the expertise and knowledge such people bring to the committee. The Council will need to determine whether payment will be offered and the level of that reimbursement payment.

Members of the committee should be encouraged to attend appropriate courses to keep them up to date with legislation, accounting and other relevant issues.

Other Responsibilities

Local governments are required by legislation to complete a statutory compliance return (Compliance Audit Return or CAR) annually and have the return adopted by Council. The return is a checklist of a local government's compliance with the requirements of the Act and its Regulations, concentrating on areas of compliance considered "high risk."

The Audit Committee is to review the annual CAR and report to the Council the results of that review, prior to adoption of the return by Council. After adoption, the return is to be signed by the Mayor or President and the CEO prior to it being forwarded to the Department.

The Audit Committee is to consider the CEO's biennial reviews (see Regulation 17.) of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and report to the council the results of those reviews.

Attached as Appendix 3 is information to assist in determining what falls within the terms 'risk management,' 'internal control' and 'legislative compliance.'

The audit committee could also consider proposals from the CEO as to whether the compliance audit, and the biennial reviews of risk management, internal control and legislative compliance, are undertaken internally or an external party is contracted to undertake the task. In the case of an external party the audit committee would have responsibility to receive the review report from the CEO and make recommendations on it to full Council.

4. The External Audit

Appointment of the Auditor

The Act and Regulations provide that –

- a) on the recommendation of the audit committee a local government is to from time to time appoint, by absolute majority, a person to be its auditor;
- b) the local government may appoint one or more persons as its auditor;
- c) the local government's auditor is to be a person who is –
 - a. a registered company auditor; or
 - b. an auditor approved by the Minister;
- d) a person may not be appointed as a local government auditor if that person is –
 - a. a councillor or employee of the local government;
 - b. in debt to the local government for more than \$5,000;
 - c. a councillor or employee of a regional local government in which the local government is a participant;
 - d. a member of an incorporated association formed by the local government; or
 - e. a class of persons as prescribed in the Regulations;
- e) an auditor is not to be appointed for more than five years; and
- f) the appointment of a person as an auditor is to be made by agreement in writing and is to include –
 - i. the objectives of the audit;
 - ii. the scope of the audit;
 - iii. a plan for the audit;
 - iv. details of the remuneration and expenses to be paid to the auditor; and
 - v. the method to be used by the local government to communicate with, and supply information to, the auditor.

The committee should undertake a proper selection and appointment process as part of appointing, or reappointing an auditor. If reappointment is being considered, the process should include the review of key issues as in i. to v. above.

It is important to realise that the Act specifies that it is a named person(s) that is appointed as auditor, not the company, or 'the partners' of the company which employs the person. Therefore, when the audit report is received it must be signed by the person(s) appointed as the auditor; it cannot be the generic signature identifying the firm.

Conduct of the Audit

The Act and Regulations provide that –

- a) the auditor is required by 31 December next following the financial year to which the audit relates, to examine the accounts and annual financial report submitted for audit;
- b) the auditor is to form an opinion as to whether –
 - i. the accounts are properly kept; and
 - ii. the annual financial report –
 - is prepared in accordance with the financial records; and
 - represents fairly the results of the operations of the local government and its financial position at 30 June;
- c) the auditor is to prepare a report on the audit and within 30 days of completing the audit forward a copy to –
 - i. the mayor or president;
 - ii. the CEO of the local government; and
 - iii. the Minister;

- d) the report is to give the auditor's opinion on –
 - i. the financial position of the local government; and
 - ii. the results of the operation of the local government;
- e) the report is to include –
 - i. any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government;
 - ii. any matters indicating non-compliance with financial management requirements of the Act, Regulations and any other written law;
 - iii. details of whether information and explanations were obtained;
 - iv. a report on the conduct of the audit; and
 - v. the opinion of the auditor as to whether or not the specific financial ratios reported are supported by verifiable information and reasonable assumptions;
- f) where it is considered appropriate to do so the auditor is to prepare a management report to accompany the auditor's report;
- g) where the auditor considers that –
 - i. there is any error or deficiency in an account or financial report;
 - ii. any money paid from, or due to the local government has been, or may have been misapplied; or
 - iii. there is a matter arising from the audit that needs to be addressed by the local government; details are to be included in the report to the Minister; and

- h) the auditor has a right of access at all reasonable times to such books, accounts, documents and assets of the local government as are in the opinion of the auditor necessary to allow the audit to be conducted.

Scope of the Audit

The Act and Regulations prescribe the scope of the external audit of the annual financial statements of a local government.

The scope details are going to vary between local governments but as an aid a model minimum standard audit specification is attached as Appendix 2 to this guideline. Individual local governments can amend that document to suit their particular needs.

Reporting by the Auditor

Regulations require the auditor, where appropriate, to prepare a management report to accompany the auditor's report. Although there is no legislative requirement for the auditor to prepare a management report unless he or she deems it appropriate, local government may wish to require the auditor to prepare a report on all issues identified during the audit.

The auditor, after completing the audit, is to forward a copy of his or her audit and management report to –

- the Mayor or President;
- the CEO of the local government; and
- the Minister via the Department.

It is the CEO's responsibility to ensure that the external audit report is provided to the audit committee. In considering the audit and management reports presented to the audit committee, the CEO should:

- a) examine any critical matters raised in the reports that affect the financial position of the local government; and
- b) provide comment on any critical matters raised and action proposed to be taken to address those matters.

Once Council has addressed matters raised, or accepted the CEO's planned remedial action on matters raised in the audit and management reports, the CEO should provide feedback to the Department on those matters.

Appendix 1

Model Terms of Reference – Audit Committees

Important: The following Model Terms of Reference contains clauses that may not be applicable to each local government. Local governments will need to consider each clause and only adopt those that are applicable to the roles and responsibilities and delegated powers and functions that will apply to their audit committee.

The clauses that may be considered optional have been asterisked (*).

Objectives of Audit Committees

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate –

- the enhancement of the credibility and objectivity of *internal and external financial reporting;

- *effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- *the coordination of the internal audit function with the external audit; and
- the provision of an effective means of communication between the external auditor, *internal auditor, the CEO and the Council.

Powers of the Audit Committee

The Audit committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

Membership

The committee will consist of *four members with three elected and *one external person. All members shall have full voting rights.

*External persons appointed to the

committee will have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.

*Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.

*Reimbursement of approved expenses will be paid to each external person who is a member of the committee.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

Meetings

The committee shall meet at least *quarterly.

Additional meetings shall be convened at the discretion of the presiding person.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

*The committee shall report annually to the Council summarising its activities during the previous financial year.

Duties and Responsibilities

The duties and responsibilities of the committee will be –

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor;
- c) Develop and recommend to Council –
 - a list of those matters to be audited; and
 - the scope of the audit to be undertaken;
- d) Recommend to Council the person or persons to be appointed as auditor;
- e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include –
 - the objectives of the audit;
 - the scope of the audit;
 - a plan of the audit;
 - details of the remuneration and expenses to be paid to the auditor; and
 - the method to be used by the local government to communicate with, and supply information to, the auditor;
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- g) Liaise with the CEO to ensure that the local government does everything in its power to –
 - assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - ensure that audits are conducted successfully and expeditiously;
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters to –
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- j) Review the scope of the audit plan and program and its effectiveness;
- k) *Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO (see reference to internal audit page 14);
- l) *Review the level of resources allocated to internal audit and the scope of its authority;
- m) *Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- n) *Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
- o) *Review the local government's draft annual financial report, focusing on –
 - accounting policies and practices;
 - changes to accounting policies and practices;
 - the process used in making significant accounting estimates;
 - significant adjustments to the financial report (if any) arising from the audit process;

- compliance with accounting standards and other reporting requirements; and
 - significant variances from prior years;
- p) *Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- q) *Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
- r) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
- s) Review the annual Compliance Audit Return and report to the council the results of that review, and
- t) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

Internal Audit

Many local governments have recognised the need to improve their internal auditing processes, and have moved to either employ an internal auditor or contract out the internal audit function.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an

organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of an internal audit would be determined by the Audit committee, with input from the CEO, based on the size of the local government's internal operations and the level of compliance to be achieved. The role differs from that of the external auditor who is appointed by council on the recommendation of the Audit Committee, to report independently to it, through the mayor/president and the CEO, on the annual financial statements. The external auditor's primary role is to decide whether the annual financial statements of a local government are free of material misstatement.

There are certain functions of the internal audit that complement the external auditor's role. As the external auditor plans for an effective audit they need to assess and determine whether to include the scope, procedures and outcomes of the internal audit. The CEO must refer all internal audit reports to the Audit Committee for consideration.

An internal auditor's activities should typically include the following:

- (a) review of the internal control structure, monitoring the operations of the information system and internal controls and providing recommendations for improvements;
- (b) a risk assessment with the intention of minimising exposure to all forms of risk on the local government;
- (c) examination of financial and operating information that includes detailed testing of transactions, balances and procedures;

- (d) a review of the efficiency and effectiveness of operations and services including non-financial controls of a local government;
- (e) a review of compliance with management policies and directives and any other internal requirements;
- (f) review of the annual Compliance Audit Return;
- (g) assist in the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance; and
- (h) specific tasks requested by management.

For local government, the internal auditor should report functionally to the audit committee and administratively to the CEO. It should be remembered that pursuant to section 5.41 of the Act, the CEO is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function. The CEO may choose to delegate this responsibility provided always that the delegation does not directly or indirectly interfere with the ability of the Internal Auditor to conduct an internal audit function free from interference.

A clear and properly defined reporting relationship ensures that the internal auditor is empowered to perform their role working with management. The direct reporting line to the audit committee also acts as an adequate safeguard in the event of a serious breakdown in internal controls or internal control culture at senior levels in the organisation.

While it is recognised that smaller councils may not be able to justify a

full-time internal auditor, a small size of operation does not justify forgoing internal audit altogether. If audit committee or management is of the view that the employment of an independent internal auditor either full-time or part-time is not warranted, it may request the council to have the internal audit function undertaken as necessary by an external contractor, or expand the role of its external auditor.

The external auditor or his or her professional company should only undertake internal audit functions that complement the external audit and do not cloud the objectivity and independence of the external audit. An external auditor must not audit information prepared by them or their accounting practice, as this is considered incompatible with the standard of independence.

Local governments that do not establish an internal audit process but require a review of the financial management systems and procedures, may decide to use the services of the external auditor for that purpose. Such reviews are to be undertaken every four years in accordance with regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

The review of financial management systems and procedures provides the external auditor with greater assurance of systems and procedures used to prepare the annual financial statements, and whether they provide information free of material misstatement.

Appendix 2

Model Minimum Standard Audit Specification

Important: The following Model Minimum Standard Audit Specification may be used as the basis for the calling of tenders or seeking of quotes for the appointment of an auditor. Local governments need to consider the Model to ensure that only those clauses applicable to its requirements are used. This applies, in particular, to the "Critical matters to be audited".

Introduction

This document is provided for the assistance of auditors who wish to apply for the role of auditor with the City/Town/Shire.

Auditors are required to address all of the matters outlined in the specification.

Auditors who submit an application may be asked to provide further information and/or make a presentation to the audit committee.

Objectives of the Audit

To provide an independent audit opinion of the accounts and annual financial reports of the local government for each financial year covered by the term of the audit appointment.

Term of Audit Appointment

For the financial years commencing 1 July through to 30 June..... (not more than 5 years)

Scope of the Audit

The auditor is to –

Carry out such work as is necessary to form an opinion as to whether –

- (a) the accounts are properly kept; and
- (b) the annual financial report –
 - (i) is prepared in accordance with the financial records; and
 - (ii) represents fairly the results of the operations of the local government and the financial position of the local government at 30 June in accordance with the Australian Accounting Standards, the *Local Government Act 1995* (as amended) (the Act), the *Local Government (Financial Management) Regulations 1996* (as amended) and other mandatory professional reporting requirements.

Give an opinion in his or her audit report on –

- (a) the financial position of the local government; and
- (b) the results of the operation of the local government.

Include in his or her audit report –

- (a) any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government;
- (b) any matters indicating non-compliance with financial management or control requirements of the Act, Regulations and any other written law;
- (c) details of whether information and explanations were obtained by the auditor;

- (d) a report on the conduct of the audit; and
- (e) the opinion of the auditor as to whether or not the specific financial ratios reported are supported by verifiable information and reasonable assumptions.

Audit Methodology and Approach

Other requirements of the Auditor –

- (a) The auditor is required to comply with the requirements of section 7.9 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*;
- (b) An audit is to be carried out in accordance with accounting standards adopted from time to time by the Australian Government Auditing and Assurance Standards Board (AuASB);
- (c) The auditor is to provide the local government with a general outline of his/her methodology;
- (d) The auditor is to provide the local government with a plan for the audit including –
 - timing of interim audit visits;
 - final audit visit (within 30 days of being advised that the accounts and annual financial report are available for audit);
 - timing of the legislative requirement to meet with the local government and whether that meeting will be in person or by some other means;
 - the method to be used to communicate with, and provide advice and information to, the local government; and
- (e) The auditor is required to produce an audit report as required by section 7.9 of the *Local Government Act 1995* and, if considered appropriate by the auditor, a management report.

Critical Matters to be Audited

The auditor is to include in his or her application the extent to which the critical matters outlined below will be audited so as to form an opinion on the manner in which they have been maintained.

- (i) Revenue
 - Rates revenue
 - Government grants
 - User pays revenue
 - Profit on sale of non-current assets
 - Other income
- (ii) Expenditure
 - Salary and wage costs
 - Depreciation
 - Materials and contract expenditure
 - Loss on sale of non-current assets
 - Insurances
 - Bad debts
 - Other expenditure
- (iii) Current Assets
 - Bank and short term investments
 - Receivables and prepayments
 - Inventory
- (iv) Non-Current Assets
 - Property, plant, furniture and equipment
 - Infrastructure and depreciation
 - Other receivables
- (v) Liabilities (Current and non-current)
 - Creditors and accruals
 - Loan borrowings including new loans raised
 - Provision for annual and long service leave entitlements
- (vi) Reserve Funds
- (vii) Contingent Liabilities
- (viii) Capital Commitments
- (ix) Accounting Policies and Notes to the Financial Statements
- (x) Cash Flow Statement
- (xi) The financial ratios required by the *Local Government (Financial Management) Regulations 1996*

Hours, Fees and Expenditure

The auditor is to provide –

- estimate of the time to be spent on the audit;
- fees for completing the audit in accordance with this specification;
- nominated auditor(s) and registered company audit number(s); and
- experience of the nominated auditors in completing local government audits.

The auditor is to provide a fee for any additional audit requested by Council.

Terms

Conditions to be noted by auditors –

- the auditor shall not sub contract to a third party;
- the auditor shall not, and has no right to, assign the audit contract to third parties;
- the auditor shall not be engaged by the local government to undertake any financial consultancy with the local government that requires the preparation of financial information that will be the subject of the annual audit; and
- the auditor shall confirm that he or she has, and will maintain during the duration of the audit term, professional indemnity insurance covering the legal liability arising out of any neglect, default, error, or omission.

Termination of Appointment

The appointment as auditor is terminated if –

- (a) the auditor ceases to be a registered company auditor;
- (b) the auditor ceases to be an approved auditor under Section 7.5 of the *Local Government Act 1995*;
- (c) the auditor is a disqualified person under Section 7.4(2) of the *Local Government Act 1995*;
- (d) the auditor resigns by notice in writing to Council; or
- (e) Council serves notice in writing to the auditor terminating the appointment.

Appendix 3

Issues that should be considered for inclusion in the CEO's Review of Risk Management, Internal Control and Legislative Compliance

Please note: Section 7 of the Department's Western Australian Local Government Accounting Manual provides a comprehensive internal control framework related to internal control and risk management.

Risk Management

Internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:

- Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered;
- Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;
- Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;
 - potential non-compliance with legislation, regulations and standards and local government's policies;
 - important accounting judgements or estimates that prove to be wrong;
 - litigation and claims;
 - misconduct, fraud and theft;
 - significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government;
- Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors;
- Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;
- Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;
- Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment;
- Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated,

monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

Internal Control

Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.

An effective and transparent internal control environment is built on the following key areas:

- integrity and ethics;
- policies and delegated authority;
- levels of responsibilities and authorities;
- audit practices;
- information system access and security;
- management operating style; and
- human resource management and practices.

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

Aspects of an effective control framework will include:

- delegation of authority;
- documented policies and procedures;
- trained and qualified employees;
- system controls;
- effective policy and process review;
- regular internal audits;
- documentation of risk identification and assessment; and

- regular liaison with auditor and legal advisors.

The following are examples of controls that are typically reviewed:

- separation of roles and functions, processing and authorisation;
- control of approval of documents, letters and financial records;
- comparison of internal data with other or external sources of information;
- limit of direct physical access to assets and records;
- control of computer applications and information system standards;
- limit access to make changes in data files and systems;
- regular maintenance and review of financial control accounts and trial balances;
- comparison and analysis of financial results with budgeted amounts;
- the arithmetical accuracy and content of records;
- report, review and approval of financial payments and reconciliations; and
- comparison of the result of physical cash and inventory counts with accounting records.

Legislative Compliance

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- Monitoring compliance with legislation and regulations;
- Reviewing the annual Compliance Audit Return and reporting to Council the results of that review;
- Staying informed about how management is monitoring the

effectiveness of its compliance and making recommendations for change as necessary;

- Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;
- Obtaining assurance that adverse trends are identified and review management's plans to deal with these;
- Reviewing management disclosures in financial reports of the effect of significant compliance issues;
- Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee;
- Considering the internal auditor's role in assessing compliance and ethics risks in their plan;
- Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements; and
- Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

These guidelines are also available on the Department's website at www.dlgc.wa.gov.au



About the Guideline series

This document and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Department officer knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation.

All guidelines are subject to review, amendment and re-publishing as required. Therefore, comments on any aspect of the guideline are welcome. Advice of methods of improvement in the area of the guideline topic that can be reported to other local governments will be especially beneficial.

For more information about this and other guidelines, contact the Local Government Regulation and Support Branch at:

Department of Local Government and Communities

Gordon Stephenson House, 140 William Street, Perth WA 6000

GPO Box R1250, Perth WA 6844

Telephone: (08) 6551 8700 Fax: (08) 6552 1555

Freecall (Country only): 1800 620 511

Email: info@dlgc.wa.gov.au Website: www.dlgc.wa.gov.au

Translating and Interpreting Service (TIS) – Tel: 13 14 50

MvdM: DW
MING01

12 August 2016

Mr M Whitely
Chief Executive Officer
Shire of Mingenew
22 Victoria Street
MINGENEW WA 6522

Dear Mr Whitely

**SHIRE OF MINGENEW
AGREED-UPON PROCEDURES ENGAGEMENT
GOVERNANCE POLICIES AND PROCEDURES REVIEW**

Please find enclosed documents that relate to the agreed-upon procedures engagement of the above mentioned Shire.

Should you require any other information, please do not hesitate to contact me.

Yours faithfully
BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Enc

SHIRE OF MINGENEW

AGREED-UPON PROCEDURES ENGAGEMENT

12 August 2016

CONTENT SUMMARY

1	Executive Summary	1
1.1	Background	1
1.2	Review objectives and scope	1
1.3	Approach	1
1.4	Key Findings	2
Appendix A	Review of implementation of Shire of Mingenew policies and procedures	
Appendix B	List of policies and procedures covered by this review	

This report is provided in accordance with the Agreed upon procedures engagement letter dated 27 May 2016 and is subject to its terms and conditions.

Our work was limited to that described in this report and was performed in accordance with ASRS 4400 as issued by AUASB. It did not constitute an examination or a review in accordance with generally accepted auditing standards or assurance standards. Accordingly, we provide no opinion or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this review, except to the extent specified in this report.

Our work was based only on the information made available up to the date of the review. Accordingly, changes in circumstances after this date or the availability of other information could affect our findings

This report is intended solely for Shire of Mingenew's internal use and benefit and may not be relied on by any other party. We accept no liability or responsibility to any other party who gains access to this report.

1. Executive Summary

1.1 Background

As outlined in our engagement letter dated 27 May 2016, you engaged us to perform the review of the policies, procedures and practises ("framework") relating to particular areas of the Shire of Mingenew.

Shire of Mingenew is a local government based in Western Australia. It is governed by 6 Councillors and a Shire President. Council is responsible for planning and making decisions on policies and developments affecting the area.

At the time of the review, the Shire employed 18 staff to implement the Council's decision, run its day-to-day operations and provide a range of programs and services for the community.

As required by Regulation 5(2) of the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer ("CEO") is to review the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly. The CEO is also required to report to the audit committee the results of this review.

During the early part of 2016, the CEO outsourced the above review and engaged Butler Settineri (Audit) Pty Ltd to conduct a review of the local government's system covering key financial management areas in the framework.

1.2 Review objectives and scope

The objective of this review is to compare the internal control policies and procedures adopted by the Shire of Mingenew with the minimum requirements of the Local Government Act 1995 and its associated regulations and to determine the extent to which the stated policies and procedures as adopted by Shire of Mingenew have been implemented by the CEO.

The scope included a review of the policies and procedures and the areas and cycles described in Appendix B to this report.

1.3 Approach

The review process was carried out as follows:

We obtained a list of all the policies and procedures as documented by the Shire from the Deputy CEO, Nita Jane.

We compared this listing and the relevant areas covered by these policies to the Local Government Act and Regulations, in particular the Local Government (Financial Management) Regulations, as amended from time to time.

We noted areas of concern, in particular where we identified a lack of documented policies and procedures, or where documented policies and procedures deviated from the requirements of the regulations.

We further performed walkthroughs through all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2014-2015) or the strategic importance as noted in the regulations or discussions from management.

From these walkthroughs we noted areas of concern for discussion with management. Areas of concern include any significant deviation from the documented framework, or where the current framework did not address key risk areas.

From the work performed above, we prepared a draft report to identify specific key risk areas and potential improvement recommendations.

After consulting with management and obtaining their comments on our recommendations, we now issue our final report to the audit committee.

1.4 Key findings

From the work performed during our review, we note that the financial management framework is generally in good order.

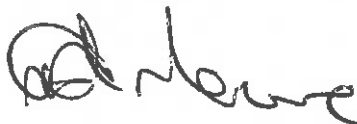
In particular, we found that all major controls in relation to financial controls for the receipting of monies, safeguarding of assets and control over expenditure are in place and functional.

Therefore, most of our findings are categorised as medium or low, which indicate a generally good system of internal control and we wish to congratulate Martin, Nita and the team on maintaining a high level of control with regards to the financial systems of the Shire.

We do have several recommendations to make however, and the detailed findings identified during our review can be found in Appendix A of this report. These recommendations have been discussed with management, and action plans to address these risks within acceptable timeframes were agreed on.

We would like to take this opportunity to thank all staff involved in this review for their courteous assistance.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Appendix A: Review of implementation of Shire of Mingenew policies and procedures

No.	Accounting Cycle	Audit Findings/Comment	Rating	Recommendation	Management comment
1.	Cash & Banking	<p>We noted that at the end of each day, the till at reception is counted by only one staff member.</p> <p>We also noted that the review of the cash reconciliations does not involve a physical recount of the cash.</p>	Medium	<p>We recommend that the daily cash count be performed by more than one person.</p> <p>Where this is not practical, we recommend that on an ad hoc basis, the senior finance administration officer incorporate the cash count as part of the daily review of the reconciliation to ensure that the cash reconciliation agrees to the cash balance at the end of that day.</p>	The process will be amended to have a second person count the daily cash.
2.	Cash & Banking	We noted that the petty cash box is kept locked in an open safe.	Low-Medium	We recommend that the petty cash box is kept locked during the day and that an officer is delegated the responsibility for the safekeeping of petty cash.	The Petty Cash is maintained by the SFO. The safe will be kept locked at all times.
3.	Purchases/ Expenses	During the review, we noted that the CEO's credit card is often used for fuel purchases when the credit card policy limits and restricts its use for this purpose.	Medium	We recommend that the credit cards are reviewed and maintained in line with your Credit Card Policy. Specifically, that the credit card is not used for fuel purchases and only fuel cards are used for this purpose.	The fuel card is limited to only the one fuel distributor in BP/Great Southern Fuels. Fuel purchases on the credit card occur predominantly when a BP or Great Southern Fuels outlet is unavailable or when fuel is purchased at a lower price than the

Appendix A: Review of implementation of Shire of Mingenew policies and procedures

No.	Accounting Cycle	Audit Findings/Comment	Rating	Recommendation	Management comment
					BP outlet. Suggest that the policy is reviewed to allow fuel purchases on the credit card.
4.	Purchases/ Expenses	It was noted that the Works Manager and the Senior Finance Officer are married, and the Senior Finance officer is one of the approving signatures on the Works Managers Purchase Order payments and payroll approval process.	Medium	We recommend that the CEO and the DCEO review anything the Works Manager raises as a Purchase Order before being paid and confirm the correct amount is then paid.	Creditors batches are checked at input stage (Batch Listing) by DCEO and invoices verified to Purchase Order. Creditors payments are checked prior to authorisation by DCEO.
5.	Purchase/ Expense	During the review, it was noted that the Delegations Authority for payments made by EFT or direct deposit only require one signature being the CEO or Manager Finance & Administration. However, we note in practice that the Senior Finance Officer provides a second signature for payments made by EFT and direct deposit	Low	We recommend the Delegation Authority is updated to reflect the current system in place and the correct role titles for the individuals involved.	The SFO is not authorising any payments – merely loading them onto the banking software. Payments are authorised by the DCEO.
6.	Purchase/ Expense	It was noted that the delegations'	Medium	It is recommended that the Delegations Authority is reviewed and the wording amended to include the DCEO and level of	The Delegation Authority will be updated to reflect DCEO instead of MFA.

Appendix A: Review of implementation of Shire of Mingenew policies and procedures

No.	Accounting Cycle	Audit Findings/Comment	Rating	Recommendation	Management comment
		authority doesn't specify the DCEO and the level of expenses this role can approve.		expenses that this role can approve.	
7.	Purchase/ Expense	<p>The current purchasing policy requires different quotes for different circumstances.</p> <p>However, we noted that the quotes obtained by the managers or relevant staff are not always kept and/or documented.</p>	Medium	<p>We recommend that copies of all quotes obtained are forwarded to the senior finance officer and attached to the purchase orders and invoices.</p> <p>This will not only demonstrate compliance with the purchasing policy, but will also allow the senior finance officer to act as another control in place to ensure that the purchasing policy has been adhered to.</p>	The procedure will be amended to ensure quotes are attached to the final purchase order and invoice.
8.	Purchase/ Expense	<p>The current purchasing policy requires a minimum of 2 verbal quotes to be obtained for all expenses.</p> <p>We also noted that the reason behind selecting one supplier over another was not documented.</p>	Low	<p>We recommend that the Shire develop a form or template to allow the relevant manager or officer to outline the reason for selecting a certain supplier.</p> <p>This will not only promote transparency in the purchasing process, but also will ensure that the purchase provides the best value for money for the Shire.</p>	The procedure will be amended to include a form to record verbal quotes.

Appendix A: Review of Implementation of Shire of Mingenew policies and procedures

No.	Accounting Cycle	Audit Findings/Comment	Rating	Recommendation	Management comment
9.	Purchase/Expense	We understand from conversations with management that quotations requested through WALGA eQuotes are opened solely by the CEO.	Medium	For tenders above \$150,000 we recommend another manager is present when the eQuotes are opened, after the tender closing date, reviewed and that they sign the tender documents to state they were present.	The procedure will be amended to ensure two officers are present during the opening of tenders and that there presence is documented on the tender documents.
10.	Payroll	We noted that the bank payment of payroll only requires the approval of the DCEO.	Medium	We recommend that approval for bank payroll payments are approved by the CEO as well as the DCEO.	The payroll is authorised by the CEO prior to the payment being made. Currently all bank transactions only require one authoriser (once they are uploaded by the SFO)
11.	Payroll	We noted that there is no formal policy in relation to the annual employee performance review and salary review process.	Medium	We recommend a policy is documented in order to demonstrate compliance with the Regulations.	A policy will be implemented for the annual employee performance review and salary review process.
12.	Rates	We noted that outstanding ratepayers are not being followed up in a timely manner and some debts may become large and unrecoverable.	Medium	We recommend that a review process is put in place to ensure that the rates recovery process is being consistently done and rates are being received in a timely manner.	A policy is in place for collection of outstanding rates. (3006.1). This will be adhered to.
13.	Fees and Charges	It is noted that private work orders	Medium	We recommend a standardised process where all the private work	A process will be implemented where all

Appendix A: Review of implementation of Shire of Mingenew policies and procedures

No.	Accounting Cycle	Audit Findings/Comment	Rating	Recommendation	Management comment
		<p>can be taken directly by the works manager instead of placing an order through the Shire administration office.</p> <p>As a result, there appears to be limited controls in place to ensure all works completed have been recorded.</p>		<p>orders are placed through the Shire reception and recorded in the private work order book.</p> <p>This can ensure the completeness of Shire private work charges revenue.</p>	private work orders are placed with the Debtors Officer and recorded in a private works register.
14.	Fees and charges	We found that there are no formal documented accounts receivable policies and procedures with regards to fees and charges included in the policy manual.	Medium	Although, this is not considered to be a significant risk area, it is recommended to include this in the Shire policy manual in order to standardise the policies and procedures surrounding debtor monitoring and control.	Policies and procedures for accounts receivable will be implemented.
15.	Grants	<p>We noted that compliance with grant conditions is the responsibility of a specific person in the Shire, normally the person who identifies the grant and applies for it.</p> <p>Therefore, there may be a risk that if the specific person who is managing the grant is away from the Shire for any reason that the requirements of the grant may not be met.</p>	Low	We recommend that a grant register is maintained confirming the person responsible as well as conditions to be met. We further recommend that the DCEO reviews the register on a monthly basis to confirm that all grant conditions have been complied with.	A grant register and a procedure for regular review of grant conditions will be implemented to ensure compliance.

Appendix B: List of policies and procedures covered by this review

A. Shire Policies

- Credit Cards Policy
- Purchasing Policy
- Delegation Register
- Policy Manual

B. Shire Procedures

- Processing Payroll Procedure
- Bank Reconciliation Procedure
- Internal Transfer Instructions
- Receipting Direct Deposits
- Uploading EFT Files and Domestic Transfers
- Monthly Fuel Stocks

C. Legislative Compliance

- Local Government (Audit) Regulations 1996
 - Regulation 7, Regulation 10 and Regulation 17
- Section 7 of the Department of Local Government Accounting Manual
- Local Government (Elections) Regulation 1996
 - Part 5A Disclosure of gifts-30G Register
- Local Government (Administration) Regulation 1996
 - Part 4 Local government employees-Regulation 18A to 18G
- Local Government Act 1995
 - Section 6.4
 - Section 5.16 to 5.18A
 - Section 5.36 to 5.37
 - Section 5.45 to 5.46
 - Section 5.67 to 5.68
 - Section 5.73 to 5.77
 - Section 5.88
 - Section 5.103
 - Section 5.120 to 5.121
 - Section 3.57 to 3.58
 - Section 7.1A to 7.1C
 - Section 7.3
 - Section 7.9
 - Section 7.12
- Local Government (Functions and General) Regulations 1996
 - Part 4 Provision of goods and services-Regulation
 - Part 3 Commercial enterprises by local governments
- Local Government (Financial Management) Regulations 1996
 - Regulation 5 to Regulation 13
 - Regulation 34

- 7.0 ELECTED MEMBERS/MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN
Nil
- 8.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
- 8.1 ELECTED MEMBERS
Nil
- 8.2 STAFF
Nil
- 9.0 CLOSURE
The President closed the meeting at 6.38pm.

These minutes were confirmed at an Audit and Risk Committee Meeting on

Signed _____
Presiding Officer

Date: _____

ATTACHMENT: 11.1

Finance Report Ending **April** 2019

SHIRE OF MINGENEW

MONTHLY FINANCIAL REPORT

For the Period Ended 30 April 2019

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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Shire of Mingenew
Compilation Report
For the Period Ended 30 April 2019

Report Purpose

This report is prepared to meet the requirements of *Local Government (Financial Management) Regulations 1996*, Regulation 34 .

Overview

Summary reports and graphical progressive graphs are provided on page 3, 4 and 5.

No matters of significance are noted.

Statement of Financial Activity by reporting program

Is presented on page 6 and shows a surplus as at 30 April 2019 of \$1,688,475.

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary.

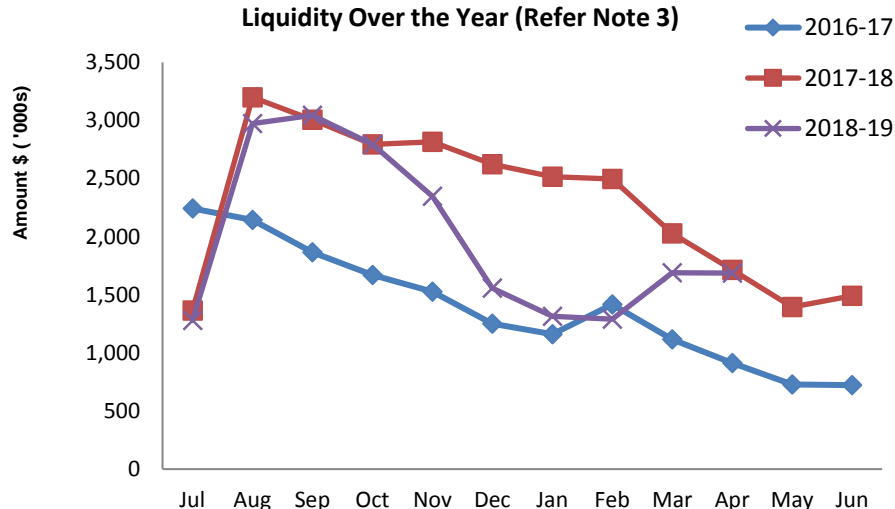
Preparation

Prepared by: Jeremy Clapham

Date prepared: 7/05/2019

Shire of Mingenew
Monthly Summary Information
For the Period Ended 30 April 2019

Liquidity Over the Year (Refer Note 3)



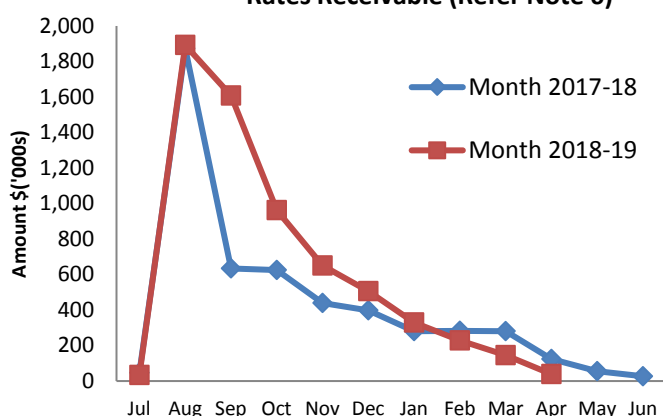
**Cash and Cash Equivalents
as at period end**

Unrestricted	\$ 1,082,924
Restricted	\$ 962,419
	<u>\$ 2,045,343</u>

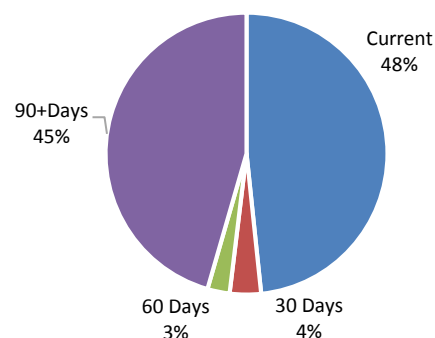
Receivables

Rates	\$ 38,819
Other	\$ 27,816
	<u>\$ 66,635</u>

Rates Receivable (Refer Note 6)



**Accounts Receivable Ageing (non- rates)
(Refer Note 6)**



Comments

Rates to be issued on 30 August 2018
First instalment due 5 October 2018
Final notices were issued 3rd October 2018
Second Instalment due 6 December 2018
Third instalment due 7 February 2019
4th & Final instalment due 8 April 2019

SUMMARY OF BILLING

Rates	1,857,456
Rubbish	65,394
ESL	29,438
	<u>1,952,288</u>

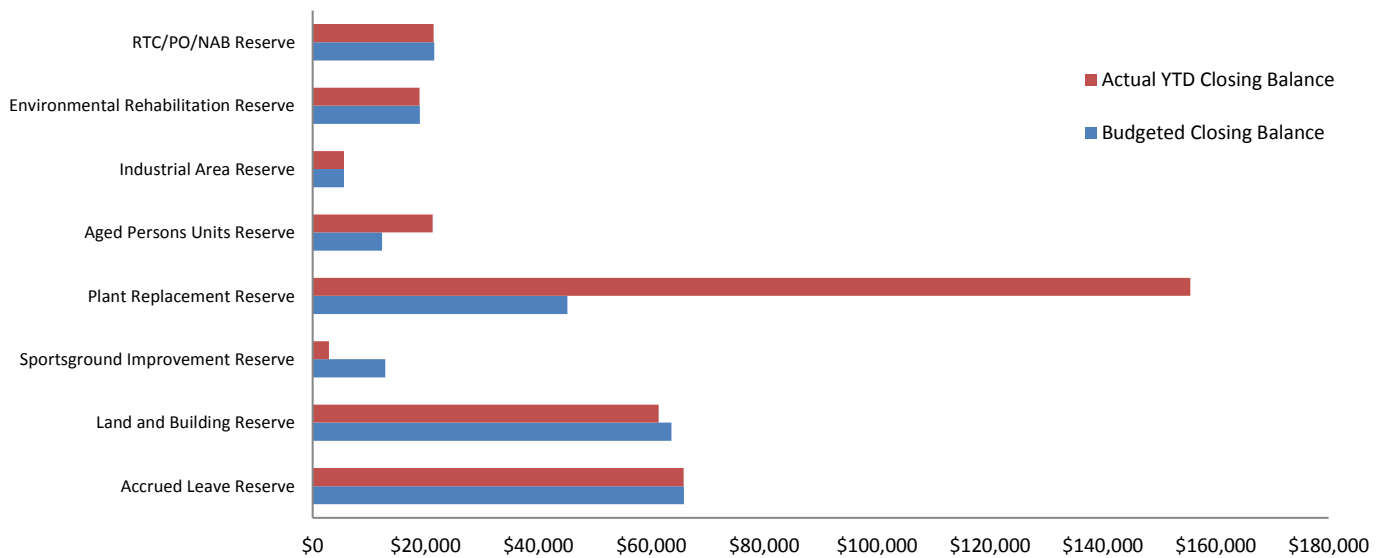
This information is to be read in conjunction with the accompanying Financial Statements and notes.

Shire of Mingenew
Monthly Summary Information
For the Period Ended 30 April 2019

Capital Expenditure Program YTD (Refer Note 13)



Year To Date Reserve Balance to End of Year Estimate (Refer Note 7)



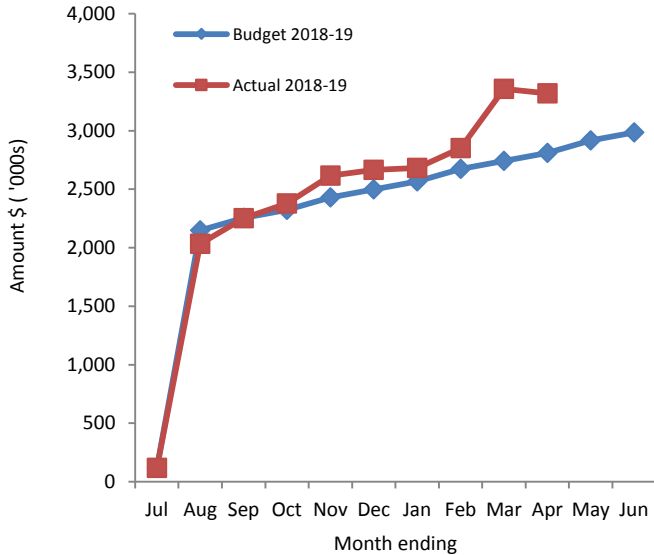
Comments

This information is to be read in conjunction with the accompanying Financial Statements and notes.

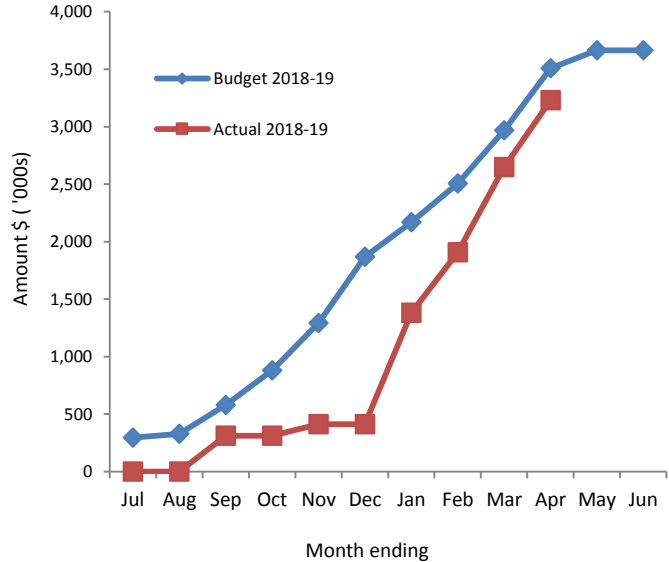
Shire of Mingenew Monthly Summary Information For the Period Ended 30 April 2019

Revenues

Budget Operating Revenues -v- Actual (Refer Note 2)

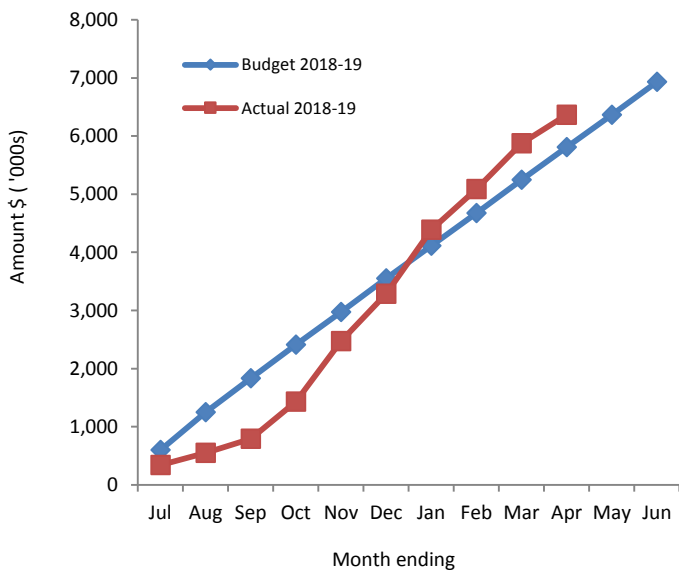


Budget Capital Revenue -v- Actual (Refer Note 2)

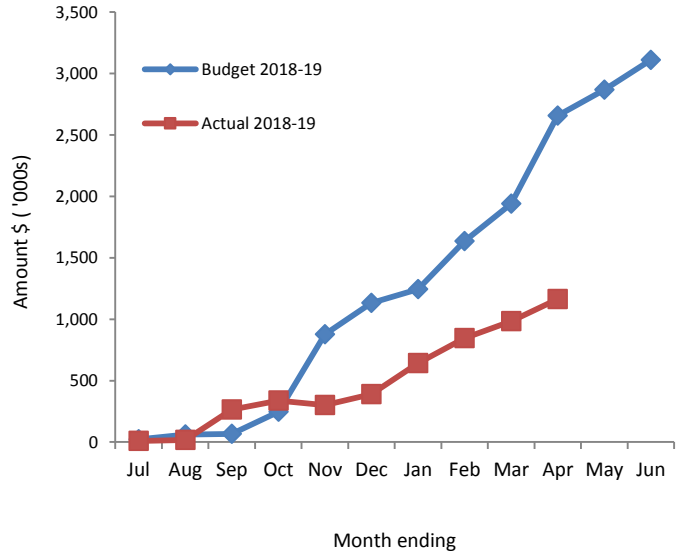


Expenditure

Budget Operating Expenses -v- YTD Actual (Refer Note 2)



Budget Capital Expenses -v- Actual (Refer Note 2)



Comments

This information is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30 April 2019

	Note	2018/19 Original Budget	2018/19 Amended Budget	2018/19 YTD Budget (a)	2018/19 YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
Operating Revenues		\$		\$	\$	\$	%	
General Purpose Funding		2,177,109	2,183,109	2,107,641	2,128,941	21,299	1.01%	
Governance		16,669	6,669	5,540	31,779	26,239	473.63%	▲
Law, Order and Public Safety		33,037	33,037	25,405	25,254	(151)	(0.59%)	
Health		371	371	300	461	161	53.64%	
Education and Welfare		3,755	3,755	3,110	745	(2,365)	(76.03%)	
Housing		102,729	114,235	95,190	97,887	2,697	2.83%	
Community Amenities		73,722	91,372	90,322	86,993	(3,329)	(3.69%)	
Recreation and Culture		33,960	33,960	33,730	30,390	(3,340)	(9.90%)	
Transport		560,585	560,585	474,670	589,064	114,394	24.10%	▲
Economic Services		10,445	15,445	12,840	14,272	1,432	11.16%	
Other Property and Services		112,925	106,175	95,130	78,805	(16,325)	(17.16%)	▼
Total Operating Revenue		3,125,307	3,148,713	2,943,879	3,084,592	140,713		
Operating Expense								
General Purpose Funding		(100,797)	(94,797)	(78,980)	(74,292)	4,688	5.94%	
Governance		(218,578)	(265,479)	(246,622)	(260,011)	(13,389)	(5.43%)	
Law, Order and Public Safety		(154,914)	(154,914)	(128,899)	(102,795)	26,104	20.25%	▲
Health		(138,237)	(149,582)	(124,698)	(106,527)	18,170	14.57%	▲
Education and Welfare		(82,152)	(82,152)	(68,340)	(51,629)	16,712	24.45%	▲
Housing		(180,208)	(195,108)	(163,651)	(171,944)	(8,293)	(5.07%)	
Community Amenities		(271,710)	(262,710)	(218,910)	(168,201)	50,708	23.16%	▲
Recreation and Culture		(942,475)	(1,082,975)	(905,085)	(857,219)	47,866	5.29%	
Transport		(4,348,541)	(4,469,716)	(3,724,386)	(4,304,494)	(580,109)	(15.58%)	▼
Economic Services		(387,508)	(383,034)	(319,426)	(257,308)	62,118	19.45%	▲
Other Property and Services		(109,139)	(57,009)	(62,433)	(18,976)	43,457	69.61%	▲
Total Operating Expenditure		(6,934,259)	(7,197,476)	(6,041,430)	(6,373,396)	(331,966)		
Funding Balance Adjustments								
Add back Depreciation		1,850,261	1,850,261	1,541,840	1,214,022	(327,818)	(21.26%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(50,000)	(50,000)	(41,660)	(32,228)	9,432	(22.64%)	
Adjust Provisions and Accruals		0	0	0	0	0		
Net Cash from Operations		(2,008,691)	(2,248,502)	(1,597,371)	(2,107,010)	(509,639)		
Capital Revenues								
Grants, Subsidies and Contributions	11	3,525,415	3,525,415	3,469,366	3,472,328	2,962	0.09%	
Proceeds from Disposal of Assets	8	157,000	117,000	117,000	101,818	(15,182)	(12.98%)	▼
Total Capital Revenues		3,682,415	3,642,415	3,586,366	3,574,146	(12,220)		
Capital Expenses								
Land Held for Resale	13	0	0	0	0	0		
Land and Buildings	13	(163,321)	(108,506)	(106,526)	(1,695)	104,831	98.41%	▲
Infrastructure - Roads	13	(2,084,696)	(2,054,696)	(1,771,384)	(582,617)	1,188,767	67.11%	▲
Infrastructure - Footpaths	13	0	0	0	0	0		
Infrastructure - Drainage & Culverts	13	0	0	0	0	0		
Infrastructure - Other	13	(401,000)	(296,000)	(204,995)	(288,479)	(83,484)	(40.73%)	
Plant and Equipment	13	(450,000)	(370,000)	(368,330)	(284,091)	84,239	22.87%	▲
Furniture and Equipment	13	(10,000)	(15,000)	(15,000)	(5,755)	9,245	61.63%	▲
Total Capital Expenditure		(3,109,017)	(2,844,202)	(2,466,235)	(1,162,638)	1,303,597		
Net Cash from Capital Activities		573,398	798,213	1,120,131	2,411,508	1,291,377		
Financing								
Proceeds from New Debentures		0	0	0	0	0		

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30 April 2019

	Note	2018/19 Original Budget	2018/19 Amended Budget	2018/19 YTD Budget (a)	2018/19 YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
Proceeds from Advances		0	0	0	0	0		
Self-Supporting Loan Principal		0	0	0	0	0		
Transfer from Reserves	7	120,544	120,544	100,440	102	(100,338)	(99.90%)	
Repayment of Debentures	10	(154,525)	(154,525)	(115,894)	(115,472)	422	(0.36%)	
Transfer to Reserves	7	(22,710)	(22,710)	(18,460)	(7,633)	10,827	(58.65%)	
Net Cash from Financing Activities		(56,691)	(56,691)	(33,914)	(123,003)	(89,089)		
Net Operations, Capital and Financing		(1,491,984)	(1,506,980)	(511,154)	181,495	692,649		
Opening Funding Surplus(Deficit)	3	1,491,987	1,506,980	1,506,980	1,506,980	0	0.00%	
Closing Funding Surplus(Deficit)	3	0	0	995,826	1,688,475	692,649		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.
Refer to Note 2 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 30 April 2019

	Note	2018/19 Original Budget	2018/19 Amended Budget	2018/19 YTD Budget (a)	2018/19 YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	
Operating Revenues								
Rates	9	\$ 1,857,912	1,863,912	1,864,086	1,865,935	1,849	0.10%	
Operating Grants, Subsidies and Contributions	11	364,398	367,648	289,341	366,592	77,252	26.70%	▲
Fees and Charges		237,487	256,643	231,772	259,945	28,173	12.16%	▲
Service Charges		0	0	0	0	0		
Interest Earnings		58,710	58,710	48,860	45,834	(3,026)	(6.19%)	
Other Revenue		556,800	551,800	468,160	514,058	45,898	9.80%	
Profit on Disposal of Assets	8	50,000	50,000	41,660	32,228	(9,432)	(22.64%)	
Total Operating Revenue		3,125,307	3,148,713	2,943,879	3,084,592	140,713		
Operating Expense								
Employee Costs		(1,083,085)	(1,280,569)	(1,066,710)	(979,796)	86,914	8.15%	
Materials and Contracts		(3,150,044)	(3,221,597)	(2,705,315)	(3,401,179)	(695,864)	(25.72%)	▼
Utility Charges		(124,853)	(124,133)	(103,360)	(85,679)	17,681	17.11%	▲
Depreciation on Non-Current Assets		(1,850,261)	(1,850,261)	(1,541,840)	(1,214,022)	327,818	21.26%	▲
Interest Expenses		(17,799)	(17,799)	(13,349)	(15,598)	(2,249)	(16.84%)	
Insurance Expenses		(129,616)	(129,616)	(129,455)	(124,537)	4,918	3.80%	
Other Expenditure		(578,601)	(573,501)	(481,401)	(552,585)	(71,184)	(14.79%)	▼
Loss on Disposal of Assets	8	0	0	0	0	0		
Total Operating Expenditure		(6,934,259)	(7,197,476)	(6,041,430)	(6,373,396)	(331,966)		
Funding Balance Adjustments								
Add back Depreciation		1,850,261	1,850,261	1,541,840	1,214,022	(327,818)	(21.26%)	▼
Adjust (Profit)/Loss on Asset Disposal	8	(50,000)	(50,000)	(41,660)	(32,228)	9,432	(22.64%)	
Adjust Provisions and Accruals		0	0	0	0	0		
Net Cash from Operations		(2,008,691)	(2,248,502)	(1,597,371)	(2,107,010)	(509,639)		
Capital Revenues								
Grants, Subsidies and Contributions	11	3,525,415	3,525,415	3,469,366	3,472,328	2,962	0.09%	
Proceeds from Disposal of Assets	8	157,000	117,000	117,000	101,818	(15,182)	(12.98%)	▼
Total Capital Revenues		3,682,415	3,642,415	3,586,366	3,574,146	(12,220)		
Capital Expenses								
Land Held for Resale	13	0	0	0	0	0		
Land and Buildings	13	(163,321)	(108,506)	(106,526)	(1,695)	104,831	98.41%	▲
Infrastructure - Roads	13	(2,084,696)	(2,054,696)	(1,771,384)	(582,617)	1,188,767	0	
Infrastructure - Footpaths	13	0	0	0	0	0		
Infrastructure - Drainage & Culverts	13	0	0	0	0	0		
Infrastructure - Other	13	(401,000)	(296,000)	(204,995)	(288,479)	(83,484)		
Plant and Equipment	13	(450,000)	(370,000)	(368,330)	(284,091)	84,239	22.87%	▲
Furniture and Equipment	13	(10,000)	(15,000)	(15,000)	(5,755)	9,245	61.63%	▲
Total Capital Expenditure		(3,109,017)	(2,844,202)	(2,466,235)	(1,162,638)	1,303,597		
Net Cash from Capital Activities		573,398	798,213	1,120,131	2,411,508	1,291,377		
Financing								
Proceeds from New Debentures		0	0	0	0	0		
Proceeds from Advances		0	0	0	0	0		

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 30 April 2019

	Note	2018/19 Original Budget	2018/19 Amended Budget	2018/19 YTD Budget (a)	2018/19 YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	
Self-Supporting Loan Principal		0	0	0	0	0		
Transfer from Reserves	7	120,544	120,544	100,440	102	(100,338)	(99.90%)	
Repayment of Debentures	10	(154,525)	(154,525)	(115,894)	(115,472)	422	0.36%	
Transfer to Reserves	7	(22,710)	(22,710)	(18,460)	(7,633)	10,827	58.65%	▲
Net Cash from Financing Activities		(56,691)	(56,691)	(33,914)	(123,003)	(89,089)		
Net Operations, Capital and Financing		(1,491,984)	(1,506,980)	(511,154)	181,495	692,649		
Opening Funding Surplus(Deficit)	3	1,491,987	1,506,980	1,506,980	1,506,980	0	0.00%	
Closing Funding Surplus(Deficit)	3	0	0	995,826	1,688,474	692,649		

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.
Refer to Note 2 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and notes.

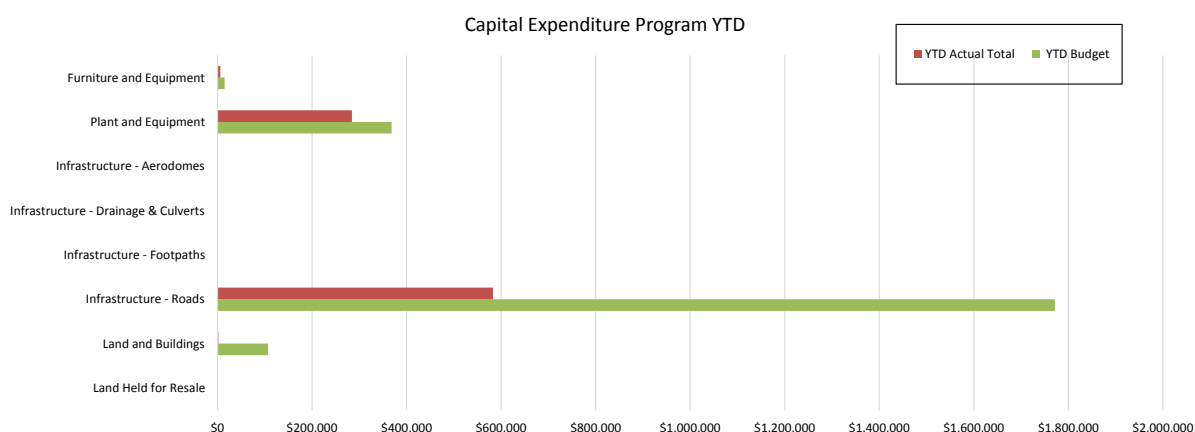
SHIRE OF MINGENEW
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 30 April 2019

	Note	YTD 30 04 2019		YTD 30 04 2019		Amended Annual Budget	Original Annual Budget	Variance
		YTD Actual New /Upgrade	YTD Actual (Renewal Expenditure)	YTD Actual Total	YTD Budget			
		(a)	(b)	(c) = (a)+(b)	(d)			(d) - (c)
		\$	\$	\$	\$	\$	\$	\$
Land Held for Resale	13	0	0	0	0	0	0	0
Land and Buildings	13	0	1,695	1,695	106,526	108,506	163,321	(104,831)
Infrastructure - Roads	13	0	582,617	582,617	1,771,384	2,054,696	2,084,696	(1,188,767)
Infrastructure - Footpaths	13	0	0	0	0	0	0	0
Infrastructure - Drainage & Culverts	13	0	0	0	0	0	0	0
Infrastructure - Aerodomes	13	0	0	0	0	0	0	0
Infrastructure -Other	13	0	288,479	288,479	204,995	296,000	401,000	83,484
Plant and Equipment	13	0	284,091	284,091	368,330	370,000	450,000	(84,239)
Furniture and Equipment	13	0	5,755	5,755	15,000	15,000	10,000	(9,245)
Capital Expenditure Totals		0	1,162,638	1,162,638	2,466,235	2,844,202	3,109,017	(1,303,597)

Funded By:

Capital Grants and Contributions	3,472,328	3,469,366	0	3,525,415	2,962
Borrowings	0	0	0	0	0
Other (Disposals & C/Fwd)	101,818	117,000	117,000	157,000	(15,182)
Own Source Funding - Cash Backed Reserves					
Land and Building Reserve	0	0	0	0	0
Sportsground Improvement Reserve	0	0	0	0	0
Plant Replacement Reserve	102	0	0	0	102
Aged Persons Units Reserve	0	0	0	111,463	0
Street Light Upgrade Reserve	0	0	0	9,081	0
Painted Road Reserve	0	0	0	0	0
Industrial Area Reserve	0	0	0	0	0
Total Own Source Funding - Cash Backed Reserves	(102)	100,440	0	120,544	(100,542)
Own Source Funding - Operations	(2,411,508)	(1,220,571)	2,727,202	(814,486)	(1,190,937)
Capital Funding Total	1,162,638	2,466,235	2,844,202	3,109,017	(1,303,597)

Comments and graphs



SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report 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.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

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

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.

All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) 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.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable.

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

(g) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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.

(h) 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 held for development and sale 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.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

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 local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Buildings	25 to 50 years
Construction other than Buildings (Public Facilities)	5 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Heritage Assets	25 to 50 years
Roads	25 years
Footpaths	50 years
Sewerage Piping	75 years
Water Supply Piping and Drainage Systems	75 years

(k) 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, are recognised as a current liability and are normally paid within 30 days of recognition.

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(o) 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 is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where 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 Council's intentions to release for sale.

(p) Nature or Type Classifications

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

administration fees, interest on instalments, interest on arrears and service charges.

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, and other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Excludes rubbish removal charges, interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

(q) Nature or Type Classifications (Continued)

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

(r) Statement of Objectives

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

Based upon feedback received from the community the vision of the Shire is:

"Standing proud, growing strong"

The Strategic Community Plan defines the key objectives of the Shire as:

"Economic: To be a diverse and innovative economy with a range of local employment opportunities.

Environment: A sustainable natural and built environment that meets current and future community needs.

Social: A safe and welcoming community where everyone has the opportunity to contribute and belong.

Civic Leadership: A collaborative and innovative community with strong and vibrant leadership."

(s) Reporting Programs

Council operations as disclosed in this statement encompass the following service orientated activities/programs:

GOVERNANCE

Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

costing (ABC).

GENERAL PURPOSE FUNDING

Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues. The costs associated with raising the above mentioned revenues, eg. Valuation expenses, debt collection and overheads.

LAW, ORDER, PUBLIC SAFETY

Enforcement of Local Laws, fire prevention, animal control and provision of ranger services.

HEALTH

Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.

(s) Reporting Programs (Continued)

EDUCATION AND WELFARE

Support of day care for children. Autumn Centre for Senior Citizens.
Youth & seniors projects.

HOUSING

Provision and maintenance of rented housing accommodation for pensioners and employees.

COMMUNITY AMENITIES

Sanitation, sewerage, stormwater drainage, protection of the environment, public conveniences, cemeteries and town planning.

RECREATION AND CULTURE

Parks, gardens and recreation reserves, library services, walk trails, youth recreation,
Public halls and Mingenew Recreation Centre.

TRANSPORT

Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic control, depot operations, plant purchase and cleaning of streets.

ECONOMIC SERVICES

Tourism, community development, pest control, building services and private works.

OTHER PROPERTY & SERVICES

Plant works, plant overheads and stock of materials.

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 2: EXPLANATION OF MATERIAL VARIANCES

Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues	\$	%			
Governance	26,239	473.63%	▲	Permanent	Relates to unbudgeted funds received for Traineeship
Transport	114,394	24.10%	▲	Timing	MRWA Direct Grant higher than budget and Police Licencing higher than budgeted (offset with Police Licencing expenditure)
Other Property and Services	(16,325)	(17.16%)	▼	Permanent	MWIRSA Reimbursement deferred; offset by no expenditure to occur in 2018/2019
Operating Expenses					
Law, Order and Public Safety	26,104	20.25%	▲	Timing	ESL expenditure underbudget
Education and Welfare	16,712	24.45%	▲	Timing	APU Expenditure underbudget
Community Amenities	50,708	23.16%	▲	Timing	Refuse site maintenance & asbestos management under budget
Recreation and Culture	47,866	5.29%		Timing	Public gardens, reserves, sporting complexes under budget
Transport	(580,109)	(15.58%)	▼	Timing	Police Licencing higher than budget (offset by Police Licencing income), depreciation (see below) and WANDRRA expenditure paid but not yet recovered
Other Property and Services	43,457	69.61%	▲	Timing	MRWIRSA Expenditure deferred as per revenue
Funding balance adjustments					
Depreciation	(327,818)	(21.26%)		Timing	Capital items not yet purchased and Road construction not yet completed
Capital Revenues					
Grants, Subsidies and Contributions	2,962	0.09%		Timing	WANDRRA, Blackspot, RRG grants
Proceeds from Disposal of Assets	(15,182)	(12.98%)	▼	Timing	Tractor not yet traded in
Capital Expenses					
Land and Buildings	104,831	98.41%	▲	Timing	No expenditure to date on capital L&B Projects (in particular Town Hall)
Infrastructure - Roads	1,188,767	67.11%	▲	Timing	Yandanooka NE Road, Yaragadee Bridge, Mingenew Mullewa Road, Coalseam Bridge
Infrastructure - other	(83,484)	(40.73%)		Timing	Netball courts
Plant and Equipment	84,239	22.87%	▲	Timing	Tractor not yet purchased

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 2: EXPLANATION OF MATERIAL VARIANCES

Reporting Program	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Financing					
Transfer from reserves	(100,338)	(99.90%)		Timing	Funds not yet transferred from reserves

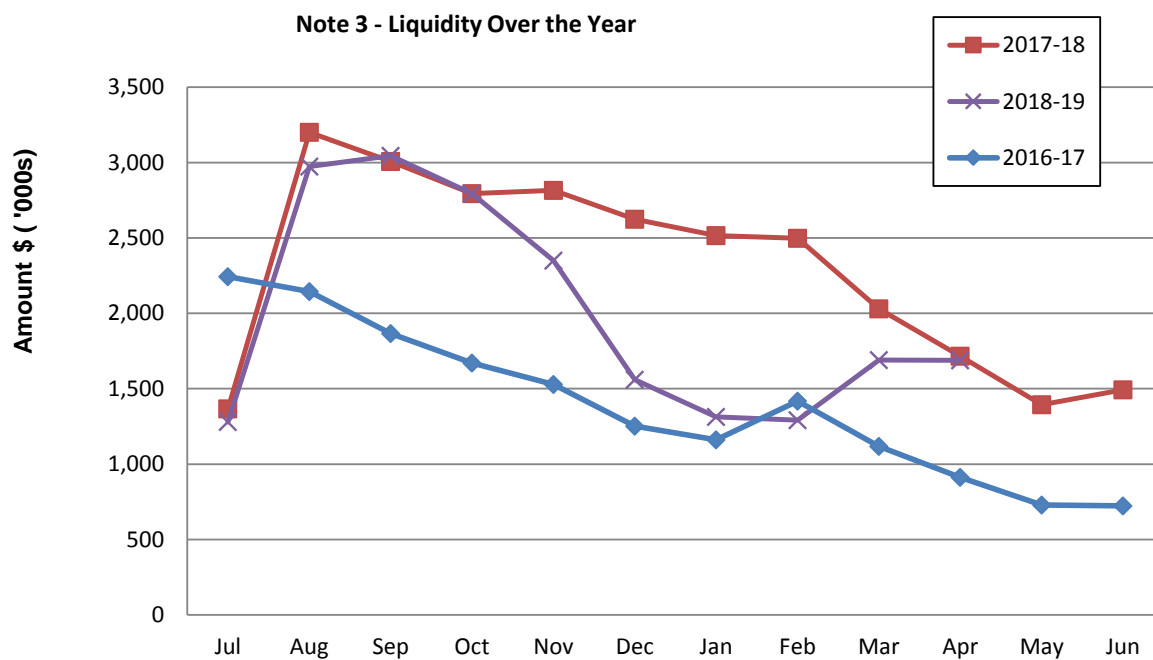
SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 3: NET CURRENT FUNDING POSITION

		Positive=Surplus (Negative=Deficit)		
Note	YTD 30 Apr 2019	30 June 2018	YTD 30 Apr 2018	
	\$	\$	\$	
Current Assets				
Cash - Unrestricted	4	1,082,924	1,044,403	1,061,783
Cash - Restricted Reserves	4	413,855	406,324	401,872
Cash - Restricted Unspent Grants		548,563	583,500	583,500
Cash - Trust		19,031	58,784	59,004
Investments		0	0	0
Rates - Current	6	38,819	44,775	121,984
Sundry Debtors	6	27,816	21,668	80,929
Provision for Doubtful Debts		(1,585)	(1,585)	(1,585)
ESL Levy		0	0	0
GST Receivable		33,285	18,399	17,124
Receivables - Other		0	0	0
Inventories - Fuel & Materials		3,065	3,065	3,065
Inventories - Land Held for Resale		40,394	40,394	80,788
		2,206,169	2,219,727	2,408,465
Current Liabilities				
Sundry Creditors		(6,632)	(165,321)	(88,723)
GST Payable		(11,314)	(21,340)	(10,747)
PAYG		(21,994)	(16,111)	(46,819)
Accrued Interest on Debentures		(2,496)	(2,496)	(2,496)
Accrued Salaries & Wages		(1,977)	(1,977)	(1,977)
Current Employee Benefits Provision		(214,319)	(214,319)	(231,014)
Trust Liability		(19,031)	(58,784)	(59,004)
Current Loan Liability		(1)	(115,473)	(38,259)
		(277,766)	(595,822)	(479,040)
NET CURRENT ASSETS		1,928,403	1,623,905	1,929,425
Less:				
Cash - Restricted Reserves		(413,855)	(406,324)	(401,872)
Inventories - Land Held for Resale		(40,394)	(40,394)	(80,788)
Add Back:				
Current Loan Liability	1	115,473	115,473	38,259
Cash Backed Employee Provisions		214,319	214,319	231,014
Net Current Funding Position (Surplus / Deficit)		1,688,474	1,506,980	1,716,038

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 3: NET CURRENT FUNDING POSITION



Comments - Net Current Funding Position

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 4: CASH AND INVESTMENTS

	Interest Rate	Unrestricted \$	Restricted \$	Trust \$	Total Amount \$	Institution	Maturity Date
(a) Cash Deposits							
Municipal Bank Account		1,082,624	0		1,082,624	NAB	At Call
Trust Bank Account				19,031	19,031	NAB	At Call
Cash Maximiser Account (Muni)		0	0		0	NAB	At Call
Cash On Hand	Nil	300			300	NAB	At Call
Reserve Funds	2.50%		413,855		413,855	NAB	30 June 2019
(b) Term Deposits							
Short Term Deposits	2.50%		548,563		548,563	NAB	30 June 2019
Total		1,082,924	962,419	19,031	2,064,374		

Comments/Notes - Investments

Restricted Cash

(1) Municipal Fund

Purpose for Funds Being Restricted	Funding Organisation	Due Date to be Expended	Amount
1 Nil			
2 Nil			
Sub-total			-

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 4: CASH AND INVESTMENTS

(2) Cash on Hand

Purpose for Funds Being Restricted	Funding Organisation	Date to be Expended	Amount
1 Nil			
2 Nil			
Sub-total			-

(3) Term Deposits

Purpose for Funds Being Restricted	Funding Organisation	Date to be Expended	Amount
1 Special Purpose Grants - Bridges	Financial Assistance Grants	30 June 2019	47,000
2 Special Purpose Grants - Bridges	Financial Assistance Grants	30 June 2019	498,000
3 Interest			3,563
Sub-total			548,563

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 5: BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account / Job No.	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
	Budget Adoption		Opening Surplus(Deficit)	\$	\$	\$	\$
	Actual Opening value as per audited financial report 30/06/2018				14,992	0	1,491,987
	Budget Review - November 2018						1,506,979
0121	Interim Rates Levied	Confirmed	Operating Revenue		6,000		1,512,979
0482	Rates Legal Costs	Confirmed	Operating Expenses		6,000		1,518,979
0272	Salaries (Muni Fund)	Confirmed	Operating Expenses			(30,000)	1,488,979
0282	Superannuation	Confirmed	Operating Expenses			(15,000)	1,473,979
0992	Employee Expenses - Other	Confirmed	Operating Expenses			(5,000)	1,468,979
0302	Staff Training	Confirmed	Operating Expenses			(5,000)	1,463,979
0322	Staff Conferences	Confirmed	Operating Expenses		5,000		1,468,979
0422	Advertising	Confirmed	Operating Expenses		8,000		1,476,979
0532	Asset Management Expenditure	Confirmed	Operating Expenses		5,000		1,481,979
0562	Computer S / W Licensing & Support	Confirmed	Operating Expenses			(5,000)	1,476,979
0582	CEO Recruitment Expenses	Confirmed	Operating Expenses		5,000		1,481,979
1002	Maternal & Infant Health Clinic	Confirmed	Operating Expenses			(5,000)	1,476,979
1582	Medical Practitioner Support	Confirmed	Operating Expenses		8,655		1,485,634
1706	Rental Revenue - 4 William Street, Mingenew	Confirmed	Operating Revenue		8,000		1,493,634
1707	Rental Revenue - 55 King Street, Mingenew	Confirmed	Operating Revenue		10,000		1,503,634
1708	Rental Revenue - 13 Moore Street, Mingenew	Confirmed	Operating Revenue		9,250		1,512,884
1716	Rental Expenditure - 4 William Street, Mingenew	Confirmed	Operating Expenses			(6,500)	1,506,384
1717	Budget amendments	Confirmed	Operating Expenses			(8,400)	1,497,984
1743	Rent Silver Chain	Confirmed	Operating Revenue			(8,844)	1,489,140
1773	Predicted variances	Confirmed	Operating Expenses			(5,000)	1,484,140
1772	Rubbish Site Maintenance	Confirmed	Operating Expenses		21,000		1,505,140
2233	Town Planning - Development Application Fees	Confirmed	Operating Revenue		7,650		1,512,790

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 5: BUDGET AMENDMENTS

2142	Mingenew Revitalisation Plan Project	Confirmed	Operating Expenses	5,000		1,517,790
2322	Public Conveniences	Confirmed	Operating Expenses		(12,500)	1,505,290
2422	Public Halls	Confirmed	Operating Expenses		(11,000)	1,494,290
2642	Public Gardens & Reserves	Confirmed	Operating Expenses		(49,500)	1,444,790
2652	Sporting Complex & Amenities	Confirmed	Operating Expenses		(40,000)	1,404,790
3322	Maintenance Grading	Confirmed	Operating Expenses		(14,363)	1,390,427
3342	Asset Preservation Urban	Confirmed	Operating Expenses		(31,369)	1,359,058
3352	Asset Preservation Rural	Confirmed	Operating Expenses		(113,243)	1,245,815
3432	Street Cleaning	Confirmed	Operating Expenses	14,500		1,260,315
3442	Traffic Signs & Control Equipment	Confirmed	Operating Expenses	5,000		1,265,315
3452	Tree Pruning	Confirmed	Operating Expenses		(12,000)	1,253,315
3842	Noxious Weeds / Pest Plants	Confirmed	Operating Expenses	6,475		1,259,790
4332	Engineering Contractor	Confirmed	Operating Expenses		(10,000)	1,249,790
7412	Tool Box Talks & Safety Team Meetings	Confirmed	Operating Expenses	5,380		1,255,170
7442	Occ. H.S. & Welfare	Confirmed	Operating Expenses	5,000		1,260,170
4472	Fuel & Oils	Confirmed	Operating Expenses	20,000		1,280,170
4482	Tyres & Sundries	Confirmed	Operating Expenses	20,000		1,300,170
2434	Town Hall Refurbishment	Confirmed	Capital Expenses	36,817		1,336,987
0001	Road Construction; Own Resources	Confirmed	Capital Expenses	30,000		1,366,987
0145	Wildflower Town Entrance Statements	Confirmed	Capital Expenses	5,000		1,371,987
0142	Mingenew Hill Walk Trail (Installation)	Confirmed	Capital Expenses	15,000		1,386,987
3874	Digital Farm Network Project	Confirmed	Capital Expenses	70,000		1,456,987
0150	Tennis Court Lighting	Confirmed	Capital Expenses	15,000		1,471,987
0071	Little Well Project	Confirmed	Capital Expenses		(10,000)	1,461,987
0175	Loader	Confirmed	Capital Expenses	55,000		1,516,987
	Trade in of Loader	Confirmed	Capital Revenue		(10,000)	1,506,987
0180	Tractor	Confirmed	Capital Expenses		(20,000)	1,486,987
0170	Works Managers Vehicle - Capital Purchase	Confirmed	Capital Expenses	45,000		1,531,987
0170	Trade in of Works Manager Vehicle	Confirmed	Capital Revenue		(30,000)	1,501,987
5152	PO Building Maintenance - includes utility charges	Confirmed	Capital Expenses		(10,000)	1,491,987
Budget Review - February 2019						
0073	Sundry Income - Photocopy / Fax	Confirmed	Operating Revenue		(10,000)	1,481,987

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 5: BUDGET AMENDMENTS

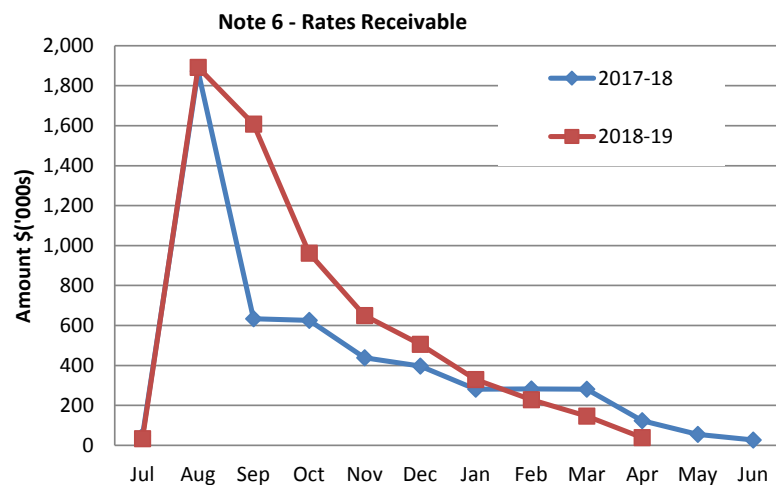
0432	Office Expenses - Other	Confirmed	Operating Expenses			(5,000)	1,476,987
0402	Equipment Repair & Maintenance	Confirmed	Operating Expenses			(4,900)	1,472,087
1002	Maternal & Infant Health Clinic	Confirmed	Operating Expenses			(15,000)	1,457,087
1833	Staff Housing Rent - 15 Field Street	Confirmed	Operating Revenue	3,800			1,460,887
1853	Staff Housing Rent - Triplex	Confirmed	Operating Revenue			(2,500)	1,458,387
1707	Rental Revenue - 55 King Street, Mingenew	Confirmed	Operating Revenue			(1,000)	1,457,387
1708	Rental Revenue - 13 Moore Street, Mingenew	Confirmed	Operating Revenue			(2,200)	1,455,187
1813	Recycling Income	Confirmed	Operating Revenue	10,000			1,465,187
2092	Asbestos Management	Confirmed	Operating Expenses	7,500			1,472,687
2112	Town Planning Costs	Confirmed	Operating Expenses			(2,000)	1,470,687
2322	Public Conveniences	Confirmed	Operating Expenses			(10,000)	1,460,687
2642	Public Gardens & Reserves	Confirmed	Operating Expenses			(40,000)	1,420,687
3352	Asset Preservation Rural	Confirmed	Operating Expenses	17,300			1,437,987
3372	Bridge, Culvert, Pipe	Confirmed	Operating Expenses	23,000			1,460,987
3402	Depot Maintenance	Confirmed	Operating Expenses			(15,000)	1,445,987
3492	Drainage	Confirmed	Operating Expenses	5,000			1,450,987
3842	Noxious Weeds / Pest Plants	Confirmed	Operating Expenses	3,000			1,453,987
3902	MIG Office Maintenance	Confirmed	Operating Expenses	10,000			1,463,987
4003	Grants - General	Confirmed	Operating Revenue	5,000			1,468,987
3962	North Midlands Trails Masterplan	Confirmed	Operating Expenses			(5,000)	1,463,987
4423	Reimbursements	Confirmed	Operating Revenue	8,250			1,472,237
7422	Less PWO Allocated To W&S	Confirmed	Operating Expenses			(8,250)	1,463,987
4463	Staff Fuel Card Reimbursements	Confirmed	Operating Revenue			(15,000)	1,448,987
4552	Staff Fuel Cards	Confirmed	Operating Expenses	15,000			1,463,987
4622	Expenses Other	Confirmed	Operating Expenses	5,000			1,468,987
A001	Capital works- Shire office	Confirmed	Capital Expenses	5,000			1,473,987
A302	Capital Works - Council Desks, Table & Chairs	Confirmed	Capital Expenses	5,000			1,478,987
H007	Capital Works - 1 Bedroom Unit	Confirmed	Capital Expenses	8,000			1,486,987
0142	Mingenew Hill Walk Trail (Installation)	Confirmed	Capital Expenses	10,000			1,496,987
A201	Office PCs & Laptops	Confirmed	Capital Expenses			(5,000)	1,491,987
Amended Budget Cash Position as per Council Resolution				0	608,569	(608,569)	1,491,987

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 6: RECEIVABLES

Receivables - Rates & Rubbish Receivable

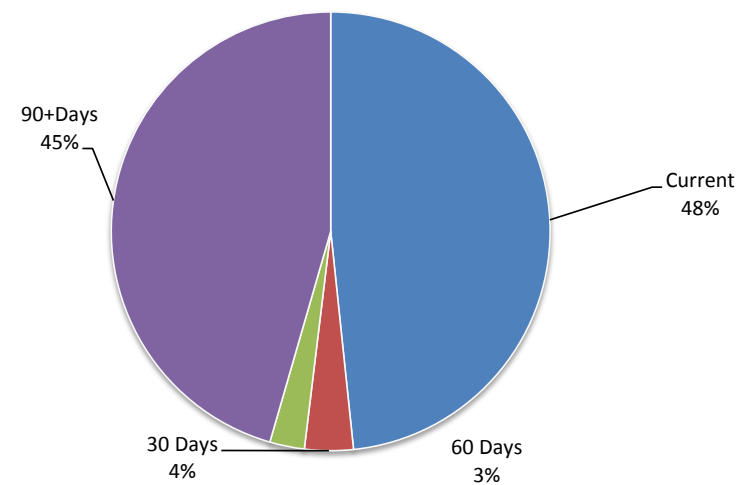
	YTD 30 Apr 2019	30 June 2018
	\$	\$
Opening Arrears Previous Years	44,775	83,832
Levied this year	1,857,456	1,852,748
Less Collections to date	(1,863,412)	(1,891,805)
Equals Current Outstanding	38,819	44,775
Net Rates Collectable	38,819	44,775
% Collected	97.96%	97.69%



Receivables - General

	Current	30 Days	60 Days	90+Days
	\$	\$	\$	\$
Receivables - General	13,446	997	710	12,663
Total Receivables General Outstanding				27,816

Note 6 - Accounts Receivable (non-rates)



Comments/Notes - Receivables Rates

Instalment Due Dates:

Instalment 1	5-Oct-18
Instalment 2	6-Dec-18
Instalment 3	7-Feb-19
Instalment 4	8-Apr-19

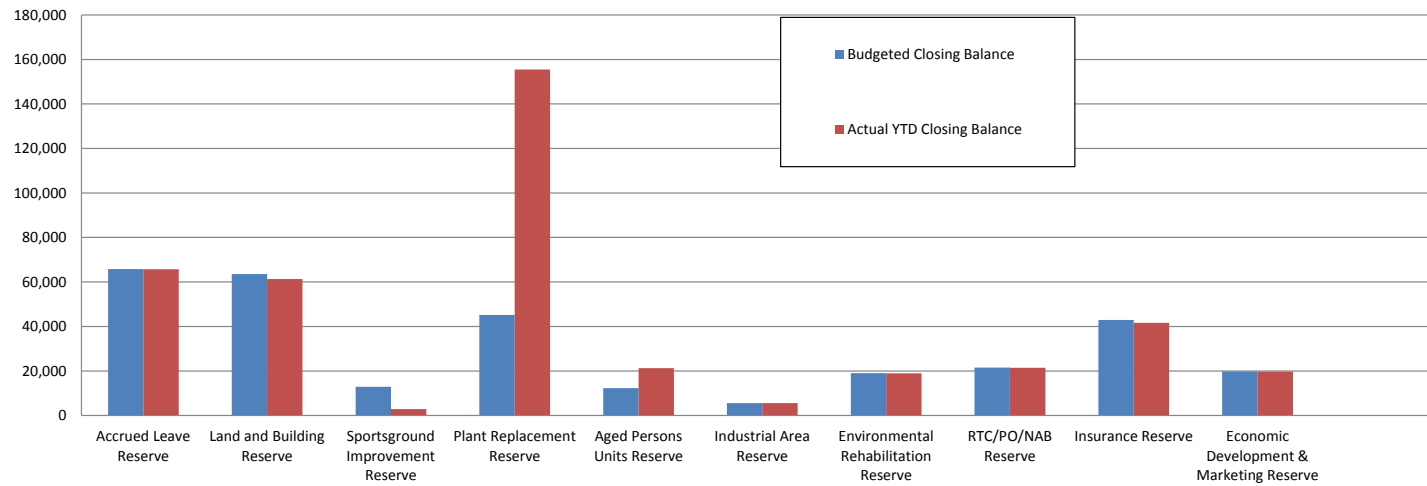
Comments/Notes - Receivables General

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 7: Cash Backed Reserve

Name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	YTD Actual Transfers In (+)	Budget Transfers Out (-)	YTD Actual Transfers Out (-)	Transfer out Reference	Budgeted Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Accrued Leave Reserve	64,509	1,250	1,213	0	0	0	0		65,759	65,721
Land and Building Reserve	60,169	3,425	1,130	0	0	0	0		63,594	61,299
Sportsground Improvement Reserve	2,811	60	53	10,000	0	0	0		12,871	2,864
Plant Replacement Reserve	152,727	3,875	2,869	0	0	(111,463)	(102)		45,139	155,495
Aged Persons Units Reserve	20,868	500	391	0	0	(9,081)	0		12,287	21,259
Industrial Area Reserve	5,454	125	102	0	0	0	0		5,579	5,556
Environmental Rehabilitation Reserve	18,570	450	349	0	0	0	0		19,020	18,918
RTC/PO/NAB Reserve	21,025	500	395	0	0	0	0		21,525	21,420
Insurance Reserve	40,882	2,025	768	0	0	0	0		42,907	41,650
Economic Development & Marketing Reserve	19,309	500	363	0	0	0	0		19,809	19,672
	406,324	12,710	7,633	10,000	0	(120,544)	(102)	0	308,490	413,855

Note 7 - Year To Date Reserve Balance to End of Year Estimate



SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 8 CAPITAL DISPOSALS

Actual YTD Profit/(Loss) of Asset Disposal				Disposals	Original Budget			Comments
					YTD 30/04/2019			
Cost	Accum Depn	Proceeds	Profit (Loss)		2018/2019 Budget Profit/(Loss)	2018/2019 Actual Profit/(Loss)	Variance	
\$	\$	\$	\$		\$	\$	\$	
				Plant and Equipment				
42,660	(12,833)	31,818	1,991	CEO Vehicle	1,000	1,991	991	
0			0	Case JC65 Tractor	9,000	0	(9,000)	
57,000	(17,236)	70,000	30,236	Volvo Loader	40,000	30,236	(9,764)	
0			0	Works Manager Vehicle	0	0	0	
99,660	(30,069)	101,818	32,227		50,000	32,227	(17,773)	

Comments - Capital Disposal/Replacements

AASB 101.10(e)

AASB 101.51

AASB 101.112

LGA S6.2(4)(b)

FM Reg 23(a)

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

9. RATING INFORMATION

RATE TYPE	Rate in \$	Number of properties	Rateable value \$	Rate Revenue \$	2018-19 interim rates \$	2018-19 back rates \$	Actual Rate Revenue \$	2018-19 Budgeted rate revenue \$	2018-19 Budgeted interim rates \$	2018-19 Budgeted back rates \$	2018-19 Budgeted total revenue \$
General rate											
GRV - Mingenew	0.149035	127	1,103,699	164,490	3,453	(325)	167,618	164,490			164,490
GRV - Yandanooka	0.149035	2	13,884	2,069			2,069	2,069			2,069
GRV- Commercial	0.149035	14	349,700	52,118	349		52,466	52,118			52,118
GRV - Industrial	0.149035	1	12,480	1,860		198	2,058	1,860			1,860
UV Rural & Mining	0.013684	115	110,855,505	1,517,398	102		1,517,501	1,516,949			1,516,949
UV Mining	0.013684	0	0	0			0	0			0
Sub-Totals		259	112,335,268	1,737,935	3,904	(127)	1,741,712	1,737,485	0	0	1,737,485
Minimum payment	Minimum \$										
GRV - Mingenew	700	64	28,162	44,800	1,400	(235)	45,965	44,800			44,800
GRV - Yandanooka	700	0	0	0			0	0			0
GRV- Commercial	700	9	6200	6,300			6,300	6,300			6,300
GRV - Industrial	700	2	1,850	1,400			1,400	1,400			1,400
UV Rural & Mining	1050	23	691,595	24,150			24,150	24,150			24,150
UV Mining	1050	8	27,199	8,400	1,050	407	9,857	8,400			8,400
Sub-Totals		106	755,006	85,050	2,450	172	87,672	85,050	0	0	85,050
	24 - 25										
	365		113,090,274	1,822,985	6,354	44	1,829,383	1,822,535	0	0	1,822,535
Discounts/concessions							(1,035)				(1,035)
Total amount raised from general rates							1,828,349				1,821,500
Write offs							(8,479)				0
Ex Gratia Rates							37,586				36,412
Total rates							1,857,456				1,857,912

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

10. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-18	Principal Repayments		Principal Outstanding		Interest Repayments	
		YTD Actual \$	Budget \$	YTD Actual \$	Budget \$	YTD Actual \$	Budget \$
Education & Welfare							
Loan 137 - Senior Citizens Buildings	87,814	15,828	21,172	71,986	66,642	2,118	2,440
Housing							
Loan 133 - Triplex	55,952	10,085	13,490	45,867	42,462	1,350	1,555
Loan 134 - SC Housing	42,623	7,683	10,276	34,940	32,347	1,028	1,185
Loan 136 - Staff Housing	106,294	19,159	25,627	87,135	80,667	2,564	2,954
Loan 142 - Staff Housing	49,086	8,872	11,935	40,214	37,151	1,184	1,364
Recreation & Culture							
Loan 138 - Pavilion Fitout	84,302	15,195	20,325	69,107	63,977	2,033	2,342
Transport							
Loan 139 - Roller	20,665	3,725	4,982	16,940	15,683	498	574
Loan 141 - Grader	71,754	12,933	17,300	58,821	54,454	1,731	1,994
Loan 144 - Side Tipping Trailer	49,086	8,847	11,835	40,239	37,251	1,184	1,364
Loan 145 - Drum Roller	72,926	13,145	17,583	59,781	55,343	1,759	2,027
						24 - 25	
	640,502	115,472	154,525	525,030	485,977	15,449	17,799

All debenture repayments were financed by general purpose revenue.

(b) New Debentures

Nil

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 11: GRANTS AND CONTRIBUTIONS

Program/Details GL	Grant Provider	Approval	2018/2019 Original Budget	2018/2019 Amended Budget Budget	Variations Additions (Deletions)	Operating 2018/2019 Budget	Capital 2018/2019 Budget	Recoup Status	
		(Y/N)	\$	\$	\$	\$	\$	2018/2019 YTD Actual	2018/2019 YTD Budget
GENERAL PURPOSE FUNDING									
Financial Assistance Grant - Roads	Grants Commission	Y	139,866	139,866	0	139,866	0	111,892	104,900
Financial Assistance Grant - General	Grants Commission	Y	129,381	129,381	0	129,381	0	109,771	97,036
GOVERNANCE									
Reimbursements	Miscellaneous	Y	10,154	154	(10,000)	10,154	0	855	130
Reimbursements	Miscellaneous	Y	1,000	1,000	0	1,000	0	0	830
Reimbursements	Miscellaneous	Y	1,000	1,000	0	1,000	0	757	830
Traineeship Grants	Miscellaneous	Y	0	0	0	0	0	17,336	0
LAW, ORDER, PUBLIC SAFETY									
ESL Administration Grant	Department of Fire & Emergency Services	Y	4,000	4,000	0	0	4,000	4,400	3,330
ESL Annual Grant	Department of Fire & Emergency Services	Y	25,287	25,287	0	0	25,287	19,050	18,965
HEALTH									
Nil		N	0	0	0	0	0	0	0
EDUCATION & WELFARE									
Seniors Week Grant	COTAWA	N	1,000	1,000	0	1,000	0	0	830
Community Christmas Tree	CBH	N	2,000	2,000	0	2,000	0	455	1,660
HOUSING									
Independent Living Units	WCHS	Y	0	0	0	0	0	0	0
Reimbursements	Bond Administrator	Y	0	0	0	0	0	(1,437)	0
COMMUNITY AMENITIES									
Thank a Volunteer Day	Department of Local Government & Comm	N	2,000	2,000		2,000	0	1,000	1,660
Transfer Station	Mid West Development Commission	Y	5,000	5,000	0	0	5,000	5,000	4,160
RECREATION AND CULTURE									
Netball Courts	DSR	Y	121,667	121,667	0	0	121,667	121,458	66,458
Railway Station	Lotterystwest	Y	0	0	0	0	0	(2,245)	0
TRANSPORT									
Flood Damage Funding	WANDRRA	Y	2,441,696	2,441,696	0	0	2,441,696	2,745,542	2,441,696
Direct Grant	Main Roads WA	Y	45,210	45,210	0	45,210	0	73,479	45,210
Blackspot Funding	Main Roads WA	Y	188,911	188,911	0	0	188,911	75,564	188,911
Regional Road Group	Main Roads WA	Y	544,674	544,674	0	0	544,674	301,297	544,674
Roads To Recovery	Department of Infrastructure	Y	223,467	223,467	0	0	223,467	223,467	223,467
Street Lighting	Main Roads WA	Y	2,500	2,500	0	2,500	0	2,351	2,080
ECONOMIC SERVICES									
DrumMuster	Reimbursements	N	1,000	1,000	0	1,000	0	0	830
Reimbursements - RTC Building	Reimbursements	N	0	0	0	0	0	420	0
Grants - General	Reimbursements	N	0	5,000	5,000	0	0	5,000	4,170
OTHER PROPERTY & SERVICES									
Staff Fuel Card Reimbursements	Reimbursements	Y	0	0	0	0	0	6,468	0
Expenses Recovered	Reimbursements	Y	0	0	0	0	0	7,845	0
Reimbursements - Workers Comp	LGIS	Y	0	0	0	0	0	947	0
Reimbursements - Sundry		Y	0	8,250	8,250	0	0	8,250	6,880
TOTALS			3,889,813	3,893,063	3,250	335,111	3,554,702	3,838,921	3,758,707
Grants	Operating		351,244	356,244	3,250			331,738	279,841
Grants	Non-operating		3,525,415	3,525,415	0			3,472,328	3,469,366
Contribution & Reimbursement	Operating & Non Operating		13,154	11,404	0			34,854	9,500
			<u>3,889,813</u>	<u>3,893,063</u>	<u>3,250</u>			<u>3,838,921</u>	<u>3,758,707</u>

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 12: TRUST FUND

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 Jul 18	Amount Received	Amount Paid	Closing Balance 30-Apr-19
	\$	\$	\$	\$
Councillors Nomination Fees	0	80	0	80
BCITF Levy	495	0	0	495
BRB Levy	1	401	(401)	1
Autumn Committee	974	0	0	974
Community Bus	2,200	1,245	(400)	3,045
ANZAC Day Breakfast Donation	501	0	0	501
Building Relocation Bond	1,000	0	0	1,000
Mid West Industry Road Safety Alliance	38,010	0	(38,010)	(0)
Mingenew Cemetery Group	4,314	0	0	4,314
Bonds	0	0	0	0
Housing Bonds	1,428	0	0	1,428
Cool Room Bond	530	0	0	530
Outdoor Camera Bond	350	0	0	350
Animal Trap Bond	0	0	0	0
Projector Screen	0	0	0	0
Other Bonds	200	0	0	200
Rates Incentive Prizes	100	0	0	100
Sinosteel Community Trust Fund	0	0	0	0
Tree Planter - LCDC	88	0	0	88
Weary Dunlop Memorial	87	0	0	87
Mingenew P & C - NBN Rental	6,376	(1,240)	0	5,136
Joan Trust	6	0	0	6
Youth Advisory Council	746	0	0	746
Centenary Committee	897	0	0	897
Community Christmas Tree	432	0	0	432
Silverchain Committee	0	0	0	0
Seniors Donations	50	0	0	50
	58,785	406	(38,811)	20,460

To be paid out of Trust a/c	-1428	-1428
Per Note 4		19,032

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 13: CAPITAL ACQUISITIONS

Description		Amended Annual Budget	Original Full Year Budget	YTD Budget	YTD Actual	Variance (Over)/Under	Comment
Land Held for Resale							
Community Amenities							
Other Property & Services							
Industrial Area Development	4504	0	0	0	0	0	
Total Land Held for Resale		0	0	0	0	0	
Land & Buildings							
Shire Office	A001	5,000	10,000	4,170	0	4,170	
Council Chambers	A302	5,000	10,000	4,170	0	4,170	
Staff Housing - 2 Bedroom Key Worker Housing	H007	2,000	10,000	1,680	1,695	(15)	
Town Hall	2434	86,506	123,321	86,506	0	86,506	
Old Railway Station	0070	10,000	10,000	10,000	0	10,000	
Business Incubator	5964	0	0	0	0	0	
Total Land & Building Total		108,506	163,321	106,526	1,695	104,831	
Infrastructure - Drainage/Culverts							
Transport							
Moore Street Drainage	3284	0	0	0	0	0	
Transport Total		0	0	0	0	0	
Infrastructure - Footpaths							
Transport							
Midlands Road Footpaths	1291	0	0	0		0	
Transport Total		0	0	0	0	0	
Infrastructure - Other							
Waste Transfer Station	3084	25,000	25,000	25,000	19,793	5,207	
Little Well Project	0071	35,000	25,000	34,625	30,459	4,166	
Mingenew Hill Project	0142	15,000	40,000	14,370	7,705	6,665	

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 13: CAPITAL ACQUISITIONS

Description		Amended Annual Budget	Original Full Year Budget	YTD Budget	YTD Actual	Variance (Over)/Under	Comment
Wildflower Town Entrance	0145	5,000	10,000	5,000	0	5,000	
Drovers Rest	0144	6,000	6,000	6,000	0	6,000	
Net Ball Court	0169	200,000	200,000	110,000	228,575	(118,575)	
Parks & Gardens	0	0	0	0	0	0	
Tennis Court Lights	0150	10,000	25,000	10,000	1,200	8,800	
Water Tanks & Reticulation	0167	0	0	0	746	(746)	
Digital Farm Network	3874	0	70,000	0	0	0	
Total Other Infrastructure		296,000	401,000	204,995	288,479	(83,484)	
Furniture & Office Equip.							
Chair Trolley	0014	0	0	0	0	0	
Office PCs & Laptops	A201	15,000	10,000	15,000	5,755	9,245	
Total Furniture & Office Equip.		15,000	10,000	15,000	5,755	9,245	
Plant , Equip. & Vehicles							
Governance							
CEO Vehicle Replacement	A101	60,000	0	60,000	59,091	909	
Account Closed; Incorrectly linked to Land & Buildings Category	A100	0	60,000	0	0	0	
Transport							
Works Manager Vehicle	0170	0	45,000	0	0	0	
Sundry Plant	0171	10,000	10,000	8,330	0	8,330	
Loader	0175	225,000	280,000	225,000	225,000	0	
Tractor	0180	75,000	55,000	75,000	0	75,000	
Total Plant, Equipment & Vehicles		370,000	450,000	368,330	284,091	84,239	
Roads & Bridges							
Roadworks Construction - Own Resources	0001	22,850	52,850	19,050	115	18,935	
Roadworks Construction - Own Resources	6073	0	0	0	6,459	(6,459)	
Yandanooka North East Road	1221	223,467	223,467	223,467	0	223,467	

SHIRE OF MINGENEW
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 April 2019

Note 13: CAPITAL ACQUISITIONS

Description		Amended Annual Budget	Original Full Year Budget	YTD Budget	YTD Actual	Variance (Over)/Under	Comment
Special Purpose Grant - Yarragadee Bridge	6075	0	0	0	0	0	
Special Purpose Grant - Yarragadee Bridge	1227	210,000	210,000	210,000	163,334	46,666	
Special Purpose Grant - Coalseam Bridge	1229	498,000	498,000	498,000	0	498,000	
Mingenew Mullewa Road Reseal (RRG)	RR65	441,500	441,500	441,500	182,047	259,454	
Mingenew Morawa / Yandanooka North East Intersection	BS05	45,000	45,000	45,000	14,155	30,845	
Yandanooka Melara / Narandagy / Manarra Rd Intersection	BS07	238,367	238,367	238,367	205,948	32,419	
RRG - Coalseam Road	RR61	375,512	375,512	96,000	10,560	85,440	
Total Roads & Bridges		2,054,696	2,084,696	1,771,384	582,617	1,188,767	
						0	
Capital Expenditure Total		2,844,202	3,109,017	2,466,235	1,162,638	1,303,597	

ATTACHMENT:

11.2 List of Payments - April 2019

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
NAB0219	04/04/2019	NAB	NAB CONNECT FEE MARCH 2019	M		45.74
COPY0319	05/04/2019	DE LAGE LANDEN	Photocopier Lease - MARCH 2019	M		356.80
MERCH0419	01/04/2019	NAB	Merchant Fee - MARCH 2019	M		70.76
WESTNET41901	01/04/2019	WESTNET	Internet Charges - MARCH 2019	M		129.95
PHONE0419	15/04/2019	BUSINESS 1300	Live Answering Services April 2019	M		99.00
LEASE 0419	29/04/2019	FINRENTINRENT	Computer Security Upgrade April 2019	M		656.57
NAB0419	29/04/2019	NAB	Merchant Fees - April 2019	M		53.74
FEES0419	30/04/2019	NAB	Bank Account Fees April 2019	M		50.00
FEES04192	30/04/2019	NAB	Bank Account Fees April 2019	M		33.30
8597	16/04/2019	SYNERGY	Streetlights Power Account	M		3,609.35
8598	16/04/2019	WATER CORPORATION	Water Account for BP Site	M		95.05
8599	18/04/2019	Shire Of Mingenew	BPH Bond Deduction for Rent Payment	M		1,586.05
8600	26/04/2019	SYNERGY	Rec Centre Power Account	M		2,061.10
8601	26/04/2019	WATER CORPORATION	Water Accounts March 2019	M		7,473.70
DOT010419	03/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 01/04/2019	M		1,127.60
EFT12303	01/04/2019	RMS Regional Media Specialists	Advertising Fees	M		418.00
EFT12304	01/04/2019	ABCO PRODUCTS	Cleaning Products	M		286.10
EFT12305	01/04/2019	AVON WASTE	Rubbish Collection Charges	M		10,082.93

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT12306	01/04/2019	Moore Stephens	Asset Management Planning	M		2,233.00
EFT12307	01/04/2019	ELDERS LIMITED	Cement	M		19.80
EFT12308	01/04/2019	Cassandra Eva	Expenses Claimed	M		159.78
EFT12309	01/04/2019	GERALDTON MOWER & REPAIR SPECIALIST	Purchase of Safety Equipment	M		258.00
EFT12310	01/04/2019	GREENFIELD TECHNICAL SERVICES	Project Management Fees - Coalseam Road	M		3,806.00
EFT12311	01/04/2019	GLOBE GROWING SOLUTIONS	Purchase of Paint	M		653.40
EFT12312	01/04/2019	Hitachi Construction Machinery (Australia) Pty Ltd.	Grader Service	M		2,116.35
EFT12313	01/04/2019	IT Vision	Monthly Payroll Services	M		3,754.66
EFT12314	01/04/2019	IRWIN PLUMBING SERVICES	Septic Tank Pump Out	M		4,456.10
EFT12315	01/04/2019	KICK SOLUTIONS	Laminating Works	M		118.00
EFT12316	01/04/2019	Mitchell and Brown	Set Top Box	M		49.00
EFT12318	01/04/2019	MINGENEW SPRING CARAVAN PARK	Accommodation Costs	M		1,919.00
EFT12319	01/04/2019	MINGENEW BAKERY	Mingenew Bakery	M		704.40
EFT12320	01/04/2019	Mingenew Hotel Motel	Accommodation Charges	M		250.00
EFT12321	01/04/2019	PAUL MORGAN	Expesnes Claimed	M		448.25
EFT12322	01/04/2019	Officeworks	Office Stationery	M		25.36
EFT12323	01/04/2019	PEMCO DIESEL PTY LTD	Service Reports	M		231.00
EFT12324	01/04/2019	Pro Earth Civil	Wandrra Flood Works - 28/11/2018 to 11/12/2018	M		28,736.30
EFT12325	01/04/2019	LANDMARK	Fertiliser	M		2,401.52

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT12326	01/04/2019	Think Water Geraldton	Purchase of Retic Parts	M		267.30
EFT12327	01/04/2019	TARTS & CO CATERING	Catering for Seniors	M		160.00
EFT12328	01/04/2019	WESTRAC PTY LTD	Parts Sale	M		261.74
EFT12329	01/04/2019	WILD VISTA	Purchase of Footage	M		396.00
EFT12330	01/04/2019	MINGENEW FABRICATORS	Fabrication Works Completed on Spreader	M		110.00
EFT12331	08/04/2019	Motorpass	Fuel Purchases March 2019	M		15,281.71
EFT12333	12/04/2019	CR Justin Bagley	Councillor Sitting Fees	M		941.00
EFT12334	12/04/2019	Australian Services Union	Payroll deductions	M		25.90
EFT12335	12/04/2019	CR GARY COSGROVE	Councillor Sitting Fees	M		941.00
EFT12336	12/04/2019	CHILD SUPPORT AGENCY	Payroll deductions	M		509.91
EFT12337	12/04/2019	CR LEAH EARDLEY	Councillor Sitting Fees	M		941.00
EFT12338	12/04/2019	CR Crispian Charles Reginald Lucken	Councillor Fees	M		1,400.00
EFT12339	12/04/2019	LGRCEU	Payroll deductions	M		20.50
EFT12340	12/04/2019	Shire Of Mingenew	Payroll deductions	M		100.00
EFT12341	12/04/2019	Kym McGlinn	Councillor Sitting Fees	M		941.00
EFT12342	12/04/2019	CR Robert William Newton	Councillor Sitting Fees	M		941.00
EFT12343	12/04/2019	CR HELEN NEWTON	Councillor Sitting Fees	M		3,433.00
EFT12377	16/04/2019	RMS Regional Media Specialists	Advertising Fees	M		1,292.50

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT12378	16/04/2019	AUSTRALIA POST	March 2019 Postage Fees	M		105.66
EFT12379	16/04/2019	AVON WASTE	Rubbish Collection Charges	M		2,512.01
EFT12380	16/04/2019	BUNNINGS Group Limited	Purchase of Garden Shed	M		1,365.18
EFT12381	16/04/2019	BOC GASES	Depot Gas Bottle Charges	M		47.78
EFT12382	16/04/2019	Bedrock Electrical Services	Electrical Works Completed in the Office	M		1,663.42
EFT12383	16/04/2019	BPH	Flood Damage Repairs	M		129,042.10
EFT12384	16/04/2019	BATAVIA COAST TRIMMERS	Shade Sail Installation	M		5,916.00
EFT12385	16/04/2019	DONGARA DRILLING & ELECTRICAL	Electrical Works Completed	M		1,809.84
EFT12386	16/04/2019	ELDERS LIMITED	Purchase of Droppers	M		327.80
EFT12387	16/04/2019	GERALDTON MOWER & REPAIR SPECIALIST	Parts for Whipper Snipper	M		129.00
EFT12388	16/04/2019	GHD PTY LTD	WANDRRA Project Management	M		10,438.10
EFT12389	16/04/2019	GREAT SOUTHERN FUEL SUPPLIES	Fuel Purchases March 2019	M		151.03
EFT12390	16/04/2019	IT Vision	Monthly Payroll Services	M		4,599.10
EFT12391	16/04/2019	INFINITUM TECHNOLOGIES	Purchase of Computer	M		2,103.00
EFT12392	16/04/2019	Jarrad Paul Kupsch	Purchase of Paint	M		208.00
EFT12393	16/04/2019	LAURA GRAY	Professional Fees	M		5,049.00
EFT12394	16/04/2019	MARKETFORCE	Advertising Fees	M		694.57
EFT12395	16/04/2019	MINGENEW IGA X-PRESS & LIQUOR	IGA Account March 2019	M		1,632.56
EFT12396	16/04/2019	PEST A KILL WA	5 Field Street Exterra	M		660.00

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EFT12397	16/04/2019	PPCA	Music License 2019	M		228.33
EFT12398	16/04/2019	PEMCO DIESEL PTY LTD	Mechanical Works Completed on MI 196	M		496.10
EFT12399	16/04/2019	Pro Earth Civil	WANDRRA FLOOD WORKS - 13/03/2019 to 23/03/2019	M		21,813.50
EFT12400	16/04/2019	Verity Ryan	Expenses Claimed	M		35.00
EFT12401	16/04/2019	REDMAC AG SERVICES	Parts for MI 473	M		100.76
EFT12402	16/04/2019	SHIRE OF CHAPMAN VALLEY	Planning Services	M		2,599.25
EFT12403	16/04/2019	SPORT AND RECREATION SURFACES	Netball Court Upgrade	M		36,928.54
EFT12404	16/04/2019	STANLEY VICTOR Stribley	Fuel Reimbursements	M		922.45
EFT12405	16/04/2019	Telstra Corporation	Telstra Account March 2019	M		1,603.38
EFT12406	16/04/2019	TRUCKLINE	Parts for MI 027	M		115.26
EFT12407	16/04/2019	MINGENEW FABRICATORS	Mechanical Works	M		7,791.65
EFT12408	16/04/2019	Western Australian Museum	Museum Entry	M		37.50
EFT12409	16/04/2019	Murchison Region Aboriginal Corporation	Rates refund for assessment A219 14 FIELD STREET MINGENEW 6522	M		1,202.78
EFT12410	18/04/2019	Australian Services Union	Payroll deductions	M		25.90
EFT12411	18/04/2019	BPH	Refund of Bond Payments	M		1,533.95
EFT12412	18/04/2019	CHILD SUPPORT AGENCY	Payroll deductions	M		509.91
EFT12413	18/04/2019	LGRCEU	Payroll deductions	M		20.50
EFT12414	18/04/2019	Shire Of Mingenew	Payroll deductions	M		100.00

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT12415	18/04/2019	Darren Shane Mills	Rates refund for assessment A867 LOT 2 ERNEST STREET MINGENEW 6522	M		1,554.92
EFT12416	18/04/2019	Wayne Angus Wynne	4 WILLIAMS STREET RENT	M		1,071.40
EFT12417	26/04/2019	AVON WASTE	Rubbish Collection Charges	M		2,561.56
EFT12418	26/04/2019	Afgri Equipment	Purchase of Parts for Mower	M		1,192.74
EFT12419	26/04/2019	AIT SPECIALISTS PTY LTD	Professional Services Provided	M		515.90
EFT12420	26/04/2019	BUNNINGS Group Limited	Purchase of Blinds	M		3,212.60
EFT12421	26/04/2019	Ella Budrikis	Reimbursement	M		380.00
EFT12422	26/04/2019	CUTTING EDGES PTY LTD	Cutting Edges for Graders	M		3,194.29
EFT12423	26/04/2019	Central Earthmoving Company Pty Ltd	Costs of Mulching	M		10,450.00
EFT12424	26/04/2019	DONGARA BUILDING & TRADE SUPPLIES	Purchase of Bins	M		128.25
EFT12425	26/04/2019	ELDERS LIMITED	Cement	M		135.60
EFT12426	26/04/2019	GERALDTON MOWER & REPAIR SPECIALIST	Service Chainsaw	M		1,337.00
EFT12427	26/04/2019	GREENFIELD TECHNICAL SERVICES	Project Manangement Fees	M		6,847.50
EFT12428	26/04/2019	HTD	Surveying Work	M		8,118.00
EFT12429	26/04/2019	KARL MONAGHAN PHOTOGRAPHY	Image Printing	M		482.00
EFT12430	26/04/2019	State Library Of Western Australia	Freight Charges	M		310.88
EFT12431	26/04/2019	C & J LUCKEN TRANSPORT	Gravel Cartage	M		19,140.00
EFT12432	26/04/2019	LATERAL ASPECT	Community Strategic Plan Costs	M		27,930.83

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EFT12433	26/04/2019	Mingenew Tourist & Promotions Comm	Sponsorship Fees	M		1,289.00
EFT12434	26/04/2019	STARICK TYRES	Tyres March 2019	M		3,642.44
EFT12435	26/04/2019	MIDWEST AERO MEDICAL AIR AMBULANCE P/L	Professional Services Provided in January & February 2019	M		6,000.00
EFT12436	26/04/2019	MINGENEW BAKERY	Bakery Account March 2019	M		583.80
EFT12437	26/04/2019	Officeworks	Various Stationary	M		210.84
EFT12438	26/04/2019	PALM ROADHOUSE	Catering Costs	M		302.50
EFT12439	26/04/2019	PEMCO DIESEL PTY LTD	Mechanical Work on Bus	M		334.40
EFT12440	26/04/2019	LANDMARK	Chemical for Main Oval	M		1,185.80
EFT12441	26/04/2019	Telstra Corporation	13 Moore Street Phone Account	M		42.08
EFT12442	26/04/2019	TRUCKLINE	Purchase of Parts for MI028	M		695.26
EFT12443	26/04/2019	VELPIC	Velpic Monthly Fees	M		393.80
EFT12444	26/04/2019	WESTRAC PTY LTD	Parts for Grader	M		776.26
DOT020419	04/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 02/04/2019	M		677.55
DOT030419	05/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 03/04/2019	M		2,096.10
DOT040419	08/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 04/04/2019	M		273.05
DOT050419	09/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 05/04/2019	M		21,069.55
DOT080419	10/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 08/04/2019	M		4,629.45
DD8804.1	01/04/2019	NAB BUSINESS VISA	Credit Card March 2019	M		997.60

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DD8827.1	14/04/2019	WA SUPER	Payroll deductions	M		2,721.24
DD8827.2	14/04/2019	Host Plus Superannuation Fund	Superannuation contributions	M		203.06
DD8827.3	14/04/2019	PRIME SUPER	Superannuation contributions	M		274.04
DD8827.4	14/04/2019	Australian Super	Superannuation contributions	M		675.01
DD8827.5	14/04/2019	Sun Super	Superannuation contributions	M		307.90
DD8827.6	14/04/2019	Australlian Super	Superannuation contributions	M		202.44
DD8827.7	14/04/2019	LGIA Super	Superannuation contributions	M		951.92
DD8827.8	14/04/2019	Ioof Portfolio Service Superannuation Fund	Superannuation contributions	M		87.94
DD8827.9	14/04/2019	ANZ Smart Choice Super	Superannuation contributions	M		57.51
DD8845.1	28/04/2019	WA SUPER	Payroll deductions	M		2,895.38
DD8845.2	28/04/2019	PRIME SUPER	Superannuation contributions	M		274.04
DD8845.3	28/04/2019	Australian Super	Superannuation contributions	M		675.01
DD8845.4	28/04/2019	Sun Super	Superannuation contributions	M		307.90
DD8845.5	28/04/2019	LGIA Super	Superannuation contributions	M		951.92
DD8845.6	28/04/2019	Australlian Super	Superannuation contributions	M		201.20
DD8845.7	28/04/2019	Ioof Portfolio Service Superannuation Fund	Superannuation contributions	M		87.94
DD8845.8	28/04/2019	BT Super For Life	Superannuation contributions	M		201.20
DD8845.9	28/04/2019	MLC SUPER FUND	Superannuation contributions	M		159.13
DOT090418	11/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 09/04/2019	M		1,479.00

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DOT100419	12/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 10/01/2019	M		367.30
DOT110419	15/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 11/04/2019	M		88.60
DOT120419	16/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 12/04/2019	M		655.20
DOT150419	17/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 15/04/2019	M		2,880.60
DOT160419	18/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 16/04/2019	M		3,629.55
DOT170419	23/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 17/04/2019	M		17.70
DOT180419	24/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 18/04/2019	M		22,575.45
DOT230419	26/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 23/04/2019	M		350.20
DOT240419	29/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 24/04/2019	M		599.10
DOT260419	30/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 26/04/2019	M		317.55
DOT280319	01/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 28/03/2019	M		489.20
DOT290319	02/04/2019	DEPARTMENT OF TRANSPORT	DoT Licensing Transactions: 29/03/2019	M		4,645.55
DD8827.10	14/04/2019	BT Super For Life	Superannuation contributions	M		203.06
DD8827.11	14/04/2019	MLC SUPER FUND	Superannuation contributions	M		159.13
DD8845.10	28/04/2019	Host Plus Superannuation Fund	Superannuation contributions	M		201.20

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REPORT TOTALS

Bank Code	Bank Name	TOTAL
M	MUNI - NATIONAL AUST BANK	536,714.25
TOTAL		536,714.25