

minutes

Finance and Audit Committee



Please be advised that a **Finance and Audit Committee** meeting commenced at **5.30pm** on **Monday 26 November 2018** in the council chambers at the administration building, 99 Shepperton Road, Victoria Park.

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

ANTHONY VULETA
CHIEF EXECUTIVE OFFICER

3 December 2018

(To be confirmed 17 December 2018)

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1. OPENING

Cr Ammons Noble opened the meeting at 5.31pm.

The Chief Operations Officer, Mr Ben Killigrew, joined the meeting at 5.31pm.

Cr Vernon joined the meeting at 5.31pm.

2. ATTENDANCE

Members:

Banksia Ward:

Cr C (Claire) Anderson

Cr K (Karen) Vernon

Jarrah Ward:

Cr B (Brian) Oliver

Cr J (Jennifer) Ammons Noble (Presiding Member)

Independent members:

Mr N (Neil) Formosa

Mr J (Jonathon) Carley

Chief Financial Officer

Mr N (Nathan) Cain

Chief Operations Officer

Mr B (Ben) Killigrew

Manager Technical Services

Mr J (John) Wong

Manager Business Services

Mr L (Luke) Ellis

Manager Corporate Services

Mr G (Graham) Pattrick

Senior Governance Advisor

Ms D (Danielle) Uniza

Financial Controller

Ms A (Ann) Thampoe

Macri Partners

Mr A (Anthony) Macri

Mr S (Suren) Herathmudalige

Secretary

Miss A (Amy) Noon

2.1 Apologies

Nil.

2.2 Approved leave of absence

Nil.

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3. DECLARATIONS OF INTEREST

Declarations of interest are to be made in writing prior to the commencement of the Meeting, (a form to assist Elected Members and Staff is attached at the end of this Agenda).

Declaration of Financial Interests

Nil.

Declaration of Proximity Interest

Nil.

Declaration of Interest affecting impartiality

Nil.

4. CONFIRMATION OF MINUTES

RESOLVED:

Moved: Mr Formosa

Seconded: Cr Oliver

That the minutes of the Finance and Audit Committee meeting, held on 22 October 2018, be confirmed.

The motion was put and

Carried (5:0)

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

5. TERMS OF REFERENCE

1. Name

Finance and Audit Committee

2. Purpose

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

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

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

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3. Scope

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

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

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

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

4. Deliverables

The committee will –

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

Specifically the committee will ensure delivery of the following –

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

5. Reporting

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

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

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6. Governance

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

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

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

7. Meeting arrangements

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

8. Authority

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

9. Review

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

6. PRESENTATIONS

6.1 Deputations

Nil.

7. METHOD OF DEALING WITH AGENDA BUSINESS

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Mr Carley

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

The motion was put and

Carried (5:0)

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

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8. REPORTS

8.1 Independent Audit Report and Annual Financial Report 2017 - 2018

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

Date:	15 November 2018
Reporting Officer:	A. Thampoe
Responsible Officer:	G. Pattrick
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the Finance and Audit Committee recommends that Council acknowledges the Audit Completion Report and draft Independent Auditor’s Report, and accepts the audited Annual Financial Report, for the 2017-2018 financial year, as included in the appendices for this report.

- The Annual Financial Report gives a true and fair view of the financial position of the Town of Victoria Park as at 30 June 2018 and of its financial performance for the year ended on that date; and
- The Annual Financial Report complies with the *Local Government Act 1995* (as amended), the *Local Government (Financial Management) Regulation 1996* (as amended) and the Australian Accounting Standards.

TABLED ITEMS:

Nil

BACKGROUND:

Each year, as part of Council’s audit process, an Independent Audit is undertaken to assess Council’s Annual Financial Report and the legitimacy and accuracy of Council’s accounts. An Independent Audit Report is then produced by the Auditor.

The Auditor, after completing the audit, is to forward a copy of the audit and / or management report to –

- The Mayor;
- The Chief Executive Officer; and
- The Minister, via the Department of Local Government, Sport and Cultural Industries.

The Independent Audit Report is also required to be included in Council’s Annual Report.

Any issues arising from the Independent Audit Report are to be investigated and action taken to resolve those issues.

DETAILS:

As part of Council’s committee structure, the Finance and Audit Committee has been

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established to review areas of an audit or compliance nature. The Audit Completion Report, draft Independent Auditor's Report and the audited Annual Financial Report are presented as attachments to this report.

Legal Compliance:

Local Government Act 1995 (as amended) (primarily Part 6 – Financial Management and Part 7 – Audit);

Local Government (Audit) Regulations 1996 (as amended);

Australian Accounting Standards; and

International Financial Reporting Standards.

Policy Implications:

Nil

Risk Management Considerations:

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Financial Impact: Council not accepting Independent Auditor's report	Moderate	Unlikely	Moderate	Provide reasoning and detailed explanations to Council to enable informed decision making.
Compliance: Annual Financial Report not complying with the requirements of the <i>Local Government (Financial Management) Regulations 1996</i>	Moderate	Unlikely	Moderate	Engage external auditors to audit the Annual financial statements.
Financial impact: Misstatement or significant error in Annual Financial Report	Major	Unlikely	Moderate	Daily and monthly reconciliations. Internal and external audits.
Financial Impact: Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties.

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Strategic Plan Implications:

CL6 in the Strategic Community Plan 2017-2032 - Finances are managed appropriately, sustainably and transparently for the benefit of the community.

CL 10 in the Strategic Community Plan 2017-2032 - Legislative responsibilities are resourced and managed appropriately, diligently and equitably.

Financial Implications:Internal Budget:

The costs to perform the Annual Financial Audit are within budget constraints.

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

The Independent Audit was undertaken in October 2018 (refer to attachments) in line with current Australian Auditing Standards.

The Auditor notes that the financial report:

1. Gives a true and fair view of the financial position of the Town of Victoria Park as at 30 June 2018 and of its financial performance for the year ended on that date; and
2. Complies with the *Local Government Act 1995 (as amended)* and the *Australian Accounting Standards*.

Note

An unadjusted misstatement relating to rates received in advance amounting to \$339,548, was identified during the audit and has been noted under "Specific Required Communications" section of the Audit Report.

The Auditor noted:

"There was one uncorrected misstatement pertaining to rates received in advance amounting to \$339,548 which has been classified as a liability instead of income in the financial report."

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By way of explanation to the above notation from the Auditor, under AASB 1004 – Contributions, rates received in advance should be reported as income in the year of receipt. However, AASB 1058 – Income of Not for Profit Entities (which becomes applicable to reporting periods beginning on or after 1 January 2019) permits rates received in advance to be treated as a liability at year end. Early application of this accounting standard is statutorily permitted.

Management have taken the conservative approach in recognising rates revenue received in advance as a liability, have considered comments by the Auditor, and have determined that the above unadjusted audit difference is immaterial to the financial statement given that an early application of AASB 1058 would be available in the 2018-2019 financial year.

Options

The Finance and Audit Committee can either recommend to Council to accept or to not accept the audited Annual Financial Report.

If the Committee recommends to Council the acceptance of the Annual Financial Report then the process for the production of the Annual Report can continue.

If the Committee recommends to Council to not accept the Annual Financial Report then the process for the production of the Annual Report cannot continue and the currently advertised date for the hosting of the Annual General Electors' Meeting will need to be revised. A further meeting of the Finance and Audit Committee will also be required as the Annual Financial Report is required to be accepted prior to the production of the Annual Report.

CONCLUSION:

The Annual Financial Report was audited by external auditors and, given there were no identified areas of non-compliance, it is recommended that the Committee recommend to Council to accept the 2017-2018 Annual Financial Report.

In accordance with the *Local Government Act 1995 (as amended)* (Section 7.12A – Duties of local government with respect to audits) a representative(s) from Council's Auditor, Macri Partners, will also be in attendance at the meeting to speak to the audit and take questions from committee members.

RESOLVED:

Moved: Mr Carley

Seconded: Cr Ammons Noble

That the Finance and Audit Committee discusses item 8.1 in-camera, with only the committee members, independent members, auditors and meeting secretary being present.

The motion was put and

Carried (5:0)

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

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*The Chief Finance Officer, Mr Nathan Cain, left the meeting at 5.33pm.
The Chief Operations Officer, Mr Ben Killigrew, left the meeting at 5.33pm.
The Manager Technical Services, Mr John Wong, left the meeting at 5.33pm.
The Manager Business Services, Mr Luke Ellis, left the meeting at 5.33pm.
The Manager Corporate Services, Mr Graham Pattrick, left the meeting at 5.33pm.
The Financial Controller, Ms Ann Thampoe, left the meeting at 5.33pm.
The Senior Governance Officer, Ms Danielle Uniza, left the meeting at 5.33pm.*

Cr Anderson joined the meeting at 5.34pm.

The committee members asked the following questions of the auditors:

- How did you find the officers that you dealt with? Were they responsive? What was the quality of the documents received?

There were no issues experienced when dealing with officers and the accounts were of a high standard with only cosmetic changes required. There was only one uncorrected error which relates to rates received in advance.

- Were the issues around infringement debtors picked up as part of the audit processes? What work has been performed on this?

There is no awareness of any significant issues in debt recovery however, these would usually be picked up as part of the interim visit.

- If issues around infringement debtors were picked up as part of the audit, would they be included in the interim audit letter?

Yes.

- If the infringement debtor reporting process was not being completed adequately, would this be picked up as part of the audit?

If infringement debts are not recorded, and there are errors with the system, they would not be picked up as part of the audit.

- What sort of system would fall over that would result in infringement debtors not being recorded?

Processes could cause the system to fall over such as who is responsible for issuing and authorising debts, and the need to record the debt right from when it is issued.

- To what extent does the audit include information technology controls? What is the scope?

Systems and procedures are audited as part of the interim audit. This is done broadly and includes, for example, whether passwords are being changed.

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- Should infringement debts be recorded in the audit report?

Infringement debts would be picked up as part of the audit if they were outstanding and recorded.

- When is the audit report signed by the auditors?

This usually happens once the Audit Committee acknowledges and accepts the audit reports, when the auditors are confident that there has been no major fraud and when the auditors are confident that the position of Council as at 30 June is correctly shown.

RESOLVED:

Moved: Cr Vernon

Seconded: Cr Ammons Noble

That the in-camera session be extended to include the Chief Financial Officer, Mr Nathan Cain.

The motion was put and

Carried (6:0)

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

The Chief Financial Officer, Mr Nathan Cain, joined the meeting at 6.03pm.

The committee members asked the following questions of the auditors and Chief Financial Officer:

- Are the amounts reflected for infringement debtors at 30 June recoverable?

Yes.

- Has the amount for infringement debtors gone up because they have been adding up?

Yes and no. Some of the infringement debts are past the two year limit for being able to be lodged with the Fines Enforcement Registry.

- Is there an internal process that has fallen over that meant that infringement debts could not be detected by the auditors? Have infringement debts been recorded? When would auditors have been able to pick these up?

It would say if infringement debts were picked up by the auditors in the last interim audit letter. Lodgement with the Fines Enforcement Registry was occurring and then due to issues with internal processes, this ceased to occur. Due to these issues, it was difficult for the error to be picked up internally.

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- Wouldn't the auditors detect that debts were building from year to year? Is there a systems problem?

Yes there was a systems issue. Systems have been reviewed and improved, and are now more robust.

- Should the auditors be remarking on infringement debtors in this audit?

The amount relating to infringement debtors is immaterial. The amount for materiality is \$1.2 million and amounts would not impact on the auditor's report if they were less than that.

- If infringements were being identified as outstanding debt but were less than \$1.2 million would they be mentioned?

No, they would not be mentioned, but the auditors should be aware.

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Cr Vernon

That the Finance and Audit Committee recommends to Council that, pursuant to Part 6 (Financial Management) and Part 7 (Audit) of the *Local Government Act 1995*, Council;

- 1. Acknowledges the Audit Completion Report and draft Independent Auditor's Report; and**
- 2. Accepts the audited Annual Financial Report, for the 2017-2018 Financial Year, as included in the appendices for this report, noting that the report:**
 - **Gives a true and fair view of the financial position of the Town of Victoria Park as at 30 June 2018 and of its financial performance for the year ended on that date; and**
 - **Complies with the *Local Government Act 1995* (as amended), the *Local Government (Financial Management) Regulation 1996* (as amended) and the Australian Accounting Standards.**

The motion was put and

Carried (6:0)

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

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RESOLVED:

Moved: Cr Vernon

Seconded: Cr Ammons Noble

That the committee move out of the in-camera session.

The motion was put and

Carried (6:0)

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

Mr Anthony Macri left the meeting at 6.22pm.

Mr Suren Herathmudalige left the meeting at 6.22pm.

The Chief Operations Officer, Mr Ben Killigrew, joined the meeting at 6.22pm.

The Manager Technical Services, Mr John Wong, joined the meeting at 6.22pm.

The Manager Business Services, Mr Luke Ellis, joined the meeting at 6.22pm.

The Manager Corporate Services, Mr Graham Pattrick, joined the meeting at 6.22pm.

The Senior Governance Officer, Ms Danielle Uniza, joined the meeting at 6.22pm.

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8.2 Schedule of accounts for 31 October 2018

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

Date:	19 November 2018
Reporting Officer:	A. Thampoe
Responsible Officer:	G. Patrick
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation - That the Finance and Audit Committee recommends that Council, acknowledges the Schedule of Accounts paid for the month ended 31 October 2018.

- The accounts paid for 31 October 2018 as included in the appendices.
- Direct lodgement of payroll payments to the personal bank accounts of employees are also included.

TABLED ITEMS:

Nil

BACKGROUND:

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

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

- The payee's name;
- The amount of the payment;
- The date of the payment; and
- Sufficient information to identify the transaction.

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

DETAILS:

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

(To be confirmed 17 December 2018)

Fund	Reference	Amounts
Municipal Account		
Automatic Cheques Drawn	608440 – 608468	43,728
Creditors – EFT Payments		5,481,903
Payroll		1,055,992
Bank Fees		13,783
Corporate MasterCard		4,238
		6,599,644
Trust Account		
Automatic Cheques Drawn	3611 – 3615	17,962
		17,962

Legal Compliance:

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

6.10. Financial management regulations

Regulations may provide for —

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

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

13. Lists of Accounts

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

Policy Implications:

Nil

Risk Management Considerations:

Three risks have been identified as outlined.

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

Strategic Plan Implications:

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

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

Financial Implications:Internal Budget:

Nil

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

(To be confirmed 17 December 2018)

COMMENT:

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

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

FURTHER COMMENT:

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

- Aquatic Services – Equipment supply and repair - \$14,351.70
This payment was for a combination of invoices relating to preventative and reactive maintenance of the pool facilities, generally relating to pumps and filters.
- ARRB Group Ltd – Parking management services - \$3,795
This payment was for the provision of consultancy services relating to a review of parking operations and management within the Lathlain Precinct.
- CA Technology (CAMMS Group) – Software and IT solutions - \$5,332.80 and \$14,960.00
This payment relates to two invoices. \$5,332.80 was paid for the annual fee for the Town's project management system and \$14,960 was paid for the implementation of the project management system.
- Copley Contracting – Road construction materials and services - \$1,435.50, \$10,397.20 and 13,182.40
These payments to Copley Contracting relate to works carried out as per successful tender TVP/17/01 – Panel Contract for Supply of Engineering Maintenance Services (Contract Number CTVP/17/04), approved by Council at the Ordinary Council Meeting on 11 July 2017.
- Core Business – Audit services – Engineering - \$7,849.82
This payment was for a light fleet review.
- Cornerstone Legal – Legal services - \$3,300 and \$2,729.38
These payments are in relation to two legal matters. \$3,300 was paid for legal advice pertaining to investments and \$2,729.38 was paid in relation to an environmental health matter.

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- Curtin University – Strategic services - \$16,500
This payment was for a study being developed by a consultant for “Trackless Tram Concept to Reality”.
- Datacom Systems – Software and IT solutions - \$98,222.07
This was a payment for organisation-wide Microsoft licensing renewals.
- Dave Lanfear Consulting – Community engagement services - \$4,675
This payment was for option analysis and costings, as requested by Elected Members and related parties, and a comprehensive report in relation to the financial viability of the tennis and croquet club.
- Dienst Consulting – Equipment supply and repair - \$18,306.51
This payment was for the upgrade of the IT digital storage unit and associated support.
- Fuji Xerox – Printing services - \$30,096.75
This payment is in relation to the cost of printing and postage for the Town’s annual rates notices, final notices and instalment notices. There will be further charges for the printing and postage of the remaining instalment notices in the coming months.
- Gardiner Autos – Vehicle operating expenses - \$34,925.05
This was for the renewal of vehicle 122VPK (plant number 383), as per the approved capital budget.
- Hoskins Investments – Construction services - \$88,000 and \$99,000
These were progress payments for the building upgrade, as per approved tender TVP/18/04 - 6 – 8 Kent Street, Construction Works (Contract Number CTVP/18/11). This was approved at the Ordinary Council Meeting on 10 July 2018.
- ICMI Speakers and Entertainers – Event performance and activity - \$1,787.50
This payment was for speaker, Peter Sharp, at the Celebrating Community Connections event held on 9 November 2018.
- LinkedIn Singapore – Advertising services - \$27,412
This payment relates to an annual membership fee for LinkedIn. It includes a human resources and communications membership package which allows for high-level recruitment services.

The description has been adjusted to better reflect the nature of the payment to “Human Resource Services”.

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- Links Modular Solutions – Software and IT solutions - \$20,990
This payment was for invoices relating to progress payments for the implementation of the new facility management system for the Leisurelife and Aqualife Centre. This is as per the approved capital budget.
- LKS Constructions (WA) – Construction services - \$46,530 and \$46,530
These payments were for invoices relating to progress payments for the refurbishment and fit out of Taylor Reserve public toilets, as per approved tender TVP/18/03 (Contract Number CTVP/18/04). This was approved by the Chief Executive Officer within delegation on 7 May 2018.
- LSV Borello Lawyers – Legal services - \$5,257.58
This payment was for legal services in relation to a planning matter at Edward Millen House.
- McLeods – Legal services - \$3,886.39, 2,841.74 and \$5,090.69
These payments are in relation to legal matters at the Town and include five invoices. They are in relation to contract and settlement for 12 Lathlain Place, environmental services, building and planning, parking prosecution and legal advice in relation to the closure of the IGA Laneway.
- Perth Electric Bike Centre – Equipment supply and repair - \$4,074 and \$1,103.90
The payments were for the purchase of an Expedir electric bike for use within the Waste area (\$4,074) and electric bike repair and maintenance (\$1,103.90).
- Remote Civils Australia – Footpath materials and construction - \$96,330.73, \$61,977.10, \$101,230.52 and \$3,484.03
These payments are in relation to four invoices for the construction of a raised asphalt intersection at Gallipoli Street (as per approved capital works, Traffic Calming Goddard street to Gallipoli street). Remote Civils are an approved panel contractor tender TVP/17/01 – Panel Contract for Supply of Engineering Maintenance Services (Contract Number CTVP/17/04), approved by Council at the Ordinary Council meeting on 11 July 2017.
- The Integralis Holdings – Software and IT solutions - \$12,017.50
This payment was for the annual maintenance service for the IT helpdesk system.
- Veev Group – Project management services - \$66,066
This payment relates to project management services for a range of IT projects. This is as per approved tender TVP/17/08 – IT consultancy and support services (Contract Number CTVP/18/05) that was approved by Council at the Ordinary Council Meeting on 8 May 2018.

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- VenuesLive Management – Hire charges - \$3,869.24, \$17,224.25 and \$1,520

These payments relate to the hire of Optus Stadium facilities (venue hire, food and beverage, and audio visual) for events run by the Town. \$3,869.24 and \$1,520 were for the Ben Wyatt Breakfast event. \$17,224.25 was for the Celebrating Community Connections event.

- A total of \$83,642.19 for payments to 8 agencies are described as "Agency and Contract Staff". Please advise:
 - How many personnel were employed from each agency - including breakdown between full time, part time and casual employment;
 - How many personnel were providing cover for permanent Town employees who were on leave, and how many were engaged to perform work not otherwise carried out by permanent Town employees;
 - Over what period of time were these personnel engaged;
 - What services areas were these agency and contract staff deployed to;

Agency	Number Employed	FT/PT or Casual	Leave cover or Other work	Time Period	Service Area
Flexi Staff	1	FT	Vacant Position	10/7/2018-ongoing	Street Operations
Green Skills	3	Casual	Other Work	7/11/2018-8/11/2018	Parks
Hays	2	1 x PT	LSL Cover	21/9/2018-1/10/2018	Building
		1 x Casual	Other Work	1/10/2018 – ongoing as required	Parks
Information Enterprises	2	2 x PT	Secondment/leave cover	22/8/18 - ongoing	Records
LO GO Appointments	4	3 x FT	2 x Vacant Position	1/10/2018 - ongoing	Finance
		1 x Casual	2 x Leave Cover	17/9/2018-ongoing as needed	Rangers
		1xCasual	Various leave cover	13/7/2018-ongoing	Engineering
		1xPT	To cover resignation	18/9/2018-2/11/2018	Communications
Michael Page	2	2xFT	Leave Cover	3/4/2018 – ongoing as needed	Customer Relations
			Leave Cover (Maternity)	28/8/2018-ongoing	

- What amount (if any) was allocated in the Town's budget for the engagement of agency and contract staff during 2018?

(To be confirmed 17 December 2018)

The Town has budgeted \$150,000 for agency works staffing and \$300,000 for all other agency staffing. This is a total of \$450,000.

- City of Armadale – Collection of printing services

The payments for printing services relate to assorted items for advertising of initiatives and events, and printed collateral for the Town. This month it has included pull-up banners (Customer Service), Pride in the Park (Event), HR induction material, printing of the Economic Development Strategy and Urban Forrest Strategy, Remembrance Day material and marketing material for Leisurelife events.

- Trustee for Folan Family

These payments relate to the facilitation of organisational development and cultural training. This is an ongoing initiative. Information regarding these payments was also supplied at the October 2018 Finance and Audit Committee meeting.

- How many projects are the Veev Group currently involved in?

Veev Group are currently involved with the Intranet and Councillor Portal, Asset and Property Management System and Library Management System.

- Are we currently still at 170 full time employee equivalents?

The full time equivalent, as at Monday 26 November 2018 is 191.66.

- Does the Town have a policy to encourage the use of local business when procuring good and services?

The Town is not able to have a regional pricing policy because it is a metropolitan local government however, our procurement policy states that when all things are equal, for example price and quality, the Town should support local business.

- Why is the City of Armadale used for printing purposes?

The Chief Financial Officer, Mr Nathan Cain, took the question on notice.

- Is the payment made to Curtin University related to a decision of Council?

This payment is in relation to trackless tram research that is being undertaken in partnership with the City of Canning, City of Perth and Curtin University.

- Did the other participants involved with the trackless tram research contribute the same amount of money?

It is the Town's understanding that the other participants contributed the same amount of money.

(To be confirmed 17 December 2018)

- Can the narrative around payments in the payment listing better reflect if a payment is made as part of a tender?

The Chief Financial Officer, Mr Nathan Cain, took the question on notice.

- Is the narrative of community engagement services correct for Dave Lanfear?

This could be changed to 'Professional Services'.

- What do we get out of the Town's membership with LinkedIn and how does the Town justify spending this amount of money?

The Chief Financial Officer, Mr Nathan Cain, took the question on notice.

- What is the planning matter at Edward Millen House that the payment to LSV Borello Lawyers relates to?

This payment was for advice on land tenure in relation to the business case for Edward Millen.

- Is the agency and contract staff budget provided for the 2018/2019 financial year?

Yes.

- Does the \$450,000 for agency employment costs include fees to recruitment companies?

Yes, it is the total cost that we incur, including recruitment fees.

RESOLVED:

Moved: Cr Anderson

Seconded: Mr Carley

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

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

The motion was put and

Carried (6:0)

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

The Financial Controller, Ms Ann Thampoe, joined the meeting at 6.33pm.

(To be confirmed 17 December 2018)

8.3 Financial statements for the month ending 31 October 2018

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

Date:	15 November 2018
Reporting Officer:	A. Thampoe
Responsible Officer:	G. Patrick
Voting Requirement:	Simple majority

Executive Summary:

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

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

TABLED ITEMS:

Nil

BACKGROUND:

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

DETAILS:

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

Please note –

The figures stated as opening balances for the 2018-2019 financial year have been audited by external auditors as part of the 2018 Annual Financial report but have not been accepted by Council as at the preparation date of this report and should therefore not be taken as the Town's final financial position.

Revenue

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

Expense

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

(To be confirmed 17 December 2018)

provided.

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

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

Legal Compliance:

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

- (b) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —*
- (a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);*
 - (b) *budget estimates to the end of the month to which the statement relates;*
 - © *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
 - (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
 - © *the net current assets at the end of the month to which the statement relates.*
- (2) *Each statement of financial activity is to be accompanied by documents containing —*
- (a) *an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;*
 - (b) *an explanation of each of the material variances referred to in subregulation (1)(d); and*
 - © *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*
 - © *by business unit.*
- (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —*

(To be confirmed 17 December 2018)

- (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.*

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

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

* *Absolute majority required.*

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

(2) *Where expenditure has been incurred by a local government —*

- (a) *pursuant to subsection (1)(a), it is to be included in the annual budget for that financial year; and*
- (b) *pursuant to subsection (1)(c), it is to be reported to the next ordinary meeting of the council.*

Policy Implications:

Nil

Risk Management Considerations:

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Financial Impact: Council not accepting budget amendment recommendation	Moderate	Unlikely	Moderate	Provide reasoning and detailed explanations to Council to enable informed decision making.

(To be confirmed 17 December 2018)

Compliance: Financial statement not complying with the requirements of the <i>Local Government (Financial Management) Regulations 1996</i>	Moderate	Unlikely	Moderate	Internal review of monthly Financial activity statement. External audits of monthly financial statements.
Financial impact: Misstatement or significant error in financial statements	Major	Unlikely	Moderate	Daily and monthly reconciliations. Internal and external audits.
Financial Impact: Fraud and illegal acts	Catastrophic	Rare	Moderate	Stringent internal controls. Internal audits. Segregation of duties.

Strategic Plan Implications:

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

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

Financial Implications:Internal Budget:

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

Total Asset Management:

Nil

Sustainability Assessment:External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

(To be confirmed 17 December 2018)

Environmental Issues:

Nil

COMMENT:

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

CONCLUSION:

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

FURTHER COMMENT:

The members of the Finance and Audit Committee sought clarification on the following items:

- Has the new reporting for infringements been included in this report?

Yes.

- In regards to the increase in parking revenue, how much is from paid parking revenue and how much is from infringement revenue?

The Chief Financial Officer, Mr Nathan Cain, took the question on notice.

- How did the Town end up spending \$50,000 extra for operational expenditure at the library for an adult education program the Town knew they would be delivering?

The Chief Financial Officer, Mr Nathan Cain, advised that he believed there was an issue with casual allocations in the budget at the library but that he would follow that up.

- There is a variation for Aqualife operating expenses due to staff rosters exceeding budgeted hours across multiple areas. It says that this will be reduced through rostering amendments. Does this mean staff rosters will still be exceeding budgeted hours at the end of the financial year?

The Chief Financial Officer, Mr Nathan Cain, advised that he would provide a detailed response to this.

- Should the debt relating to Victoria Park Youth Accommodation be included in this report?

No. This section of the report has been revised and has now been corrected.

(To be confirmed 17 December 2018)

- Can the infringements that are showing in this report be lodged with the Fines Enforcement Registry?

Some of them can be and have been, and some will need to be written off in the future.

- The renewal of Custance Street is over budget by \$14,000 and is shown as not yet completed. Why is this over budget, why isn't it completed yet and how much is left to pay?

The Chief Operations Officer, Mr Ben Killigrew, advised that if the infographic shows the last box unfilled, it usually means that we haven't yet paid the last invoice. He also advised that it is reasonably common for a project like this to come in over budget as there can be a variation in the estimate and the actual price once responses to the Request for Quote process have been received. The Chief Operations Officer will look in to the matter and provide more information.

- Why did the traffic calming on Gallipoli Street and Goddard Street go over budget?

Community engagement with people close to the treatments meant that the costs increased as the treatments that were requested were more expensive than what had been budgeted for.

- Traffic calming treatments on McCartney Crescent and Saleham Street came in under budget. Does this balance the works that were over budget on Gallipoli Street and Goddard Street?

Yes.

- When were the amounts of \$24,000 and \$23,000 for traffic calming revised?

The report shows 'revised' as the budget is in a constant state of change and revision, with these changes having come before Council on numerous occasions. Those actual works may not have changed, however the status of the actual budget moves from 'adopted' to 'revised' upon the first amendment by Council.

- Was the kitchen upgrade at Higgins Park Tennis Club a carry-over situation?

The Chief Operations Officer, Mr Ben Killigrew, took the question on notice.

- The amount for parking infringements in the sundry debtors list is \$1.65 million. Does this mean that we haven't written off any debts yet?

Yes, this is correct.

(To be confirmed 17 December 2018)

RESOLVED:

Moved: Mr Carley

Seconded: Cr Ammons Noble

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

The motion was put and

Carried (6:0)

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

The Manager Corporate Services, Mr Graham Patrick, left the meeting at 6.52pm and returned at 6.53pm.



Financial Activity Statement Report

For the month ended 31 October 2018



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Capital Items

(To be confirmed 17 December 2018)

Statement of Financial Activity Variances

Material Variances Defined

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

Revenues (Operating and Non-Operating)

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

Expenses (Operating, Capital and Non-Operating)

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

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

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

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

Material Variances Explained

The Financial statements are presented based on the new organisational structure

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

Revenue

Chief Executive Officer

No material variance to report

(To be confirmed 17 December 2018)

Community Planning

- **Urban Planning**

- The period variation is favourable to period budget by \$30,801
- The variation predominantly relates to higher than anticipated Development application fees received for the period.
- The estimated impact on the year end position is an increase in revenue of \$20,000.

Finance

- **Aqualife**

- The period variation is favourable to period budget by \$63,296.
- The variation predominantly relates to higher than anticipated revenue received from learn to swim and health and fitness programs.
- The estimated impact on the year end position is an increase in revenue of \$40,000.

- **Parking**

- The period variation is favourable to period budget by \$93,871.
- The variation predominantly relates to higher than anticipated paid parking and infringement income which is greater than same time last year.
- The estimated impact on the year end position is an increase in revenue of \$90,000.

Operations

No material variance to report

Operating Expense

Chief Executive Office

- **Customer Relations**

- The period variation is favourable to period budget by \$41,390.
- The variation predominantly relates to a vacancy within the area.
The estimated impact on the year end position is a reduction in expenditure of \$35,000.

Community Planning

- **Library Services**

- The period variation is unfavourable to period budget by \$48,878.
- The variation predominantly relates to salaries for additional staff required for short term cover within the Adult Program for improved community literacy and learning program delivery.
- The estimated impact on the year end position is an increase in expenditure of \$30,000.

- **Urban Planning**

- The period variation is favourable to period budget by \$39,696.
-

(To be confirmed 17 December 2018)

- The variation predominantly relates to vacancies within the area and underspend of consultancy cost. Consultancy costs are expected to be spent in the upcoming months.
- The estimated impact on the year end position is a reduction in expenditure of \$20,000.

Finance

• **Aqualife**

- The period variation is unfavourable to period budget by \$65,394.
- The variation predominantly relates to staff rosters exceeding budgeted hours across multiple departments (Gym, Recreational Swimming and Learn to swim). Variance is expected to reduce through roster amendments by June 2019.
- The estimated impact on the year end position is an increase in expenditure of \$30,000.

• **Information Systems**

- The period variation is unfavourable to period budget by \$77,768.
- The variation predominantly relates to a number of new unplanned initiatives occurring this financial year.
- The estimated impact on the year end position is an increase in expenditure of \$70,000.

• **Leisurelife**

- The period variation is favourable to period budget by \$86,835.
- The variation predominantly relates to efficiencies in rostering across customer service, crèche and health and fitness areas.
- The estimated impact on the year end position is a reduction in expenditure of \$60,000.

• **Parking**

- The period variation is favourable to period budget by \$102,012.
- The variation predominantly relates to vacancies within the area. These vacancies have also led to less parking projects and associated lower project expenditure.
- The estimated impact on the year end position is a reduction in expenditure of \$70,000.

Operations

• **Parks and Reserves**

- The period variation is favourable to period budget by \$624,387.
- The variation predominantly relates to delays in works such as road reserve maintenance and programmed kerb and footpath spraying been delayed due to weather.
- The estimated impact on the year end position is nil as this is a timing variance.

(To be confirmed 17 December 2018)

- **Street Operations**

- The period variation is unfavourable to period budget by \$41,086.
- The variation predominantly relates to additional footpath maintenance due to trip hazard notifications. Additional roadworks maintenance and fixing of potholes have also contributed towards the unfavourable variance.
- The estimated impact on the year end position is an increase in expenditure of \$20,000.

- **Waste Services**

- The period variation is favourable to period budget by \$539,252.
- The variation predominantly relates to delays in invoices.
- The impact on the year end position is nil as this is a timing variance.

Capital Expense

Chief Executive Office

No material variance to report.

Community Planning

No material variance to report.

Finance

No material variance to report.

Operations

- **Asset Planning**

- The period variation is favourable to period budget by \$337,804.
- The variation predominantly relates to minor delays in few capital projects (Leisurelife changeroom, Leisurelife gym equipment). These projects are currently underway.
- The estimated impact on the year end position is nil as this is a timing variance.

- **Parks and Reserves**

- The period variation is favourable to period budget by \$135,882
- The variation predominantly relates to delays in some tree works due to inclement weather. Weather has also contributed to a late start to watering.
- The estimated impact on the year end position is a reduction in expenditure of \$50,000

- **Street Operations**

- The period variation is favourable to period budget by \$100,995
- The variation predominantly relates to minor delays and budget timing of invoices. Resurfacing works have been rescheduled to be done in early 2019 due to availability of contractor. Some works have also been delayed due to Water corporation works on Albany Highway.
- The impact on the year end position is nil as this is a timing variance.

(To be confirmed 17 December 2018)

Non-Operating Revenue

Finance

No material variance to report.

Operations

No material variance to report.

Non-Operating Expenses

Finance

No material variance to report.

Proposed Budget Amendments

No proposed budget amendments.

Accounting Notes

Significant Accounting Policies

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

(a) Basis of Preparation

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

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

(b) The Local Government Reporting Entity

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

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

(c) 2018 - 2019 Actual Balances

Balances shown in this document as 2018 - 2019 Actual are subject to final adjustments.

(To be confirmed 17 December 2018)

(d) Rounding Off Figures

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

(e) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(f) Superannuation

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

(g) Goods and Services Tax

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

(h) Cash and Cash Equivalents

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

(i) Trade and Other Receivables

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

(j) Inventories

General

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

(To be confirmed 17 December 2018)

Land Held for Resale

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

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

(k) Fixed Assets

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

Initial Recognition

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

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

Revaluation

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

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

(To be confirmed 17 December 2018)

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government. Council has elected not to recognise any value for land under roads acquired on or before 31 October 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulation 16 (a) (i) prohibits local governments from recognising such land as an asset. In respect of land under roads acquired on or after 1 August 2008, as detailed above, Local Government (Financial Management) Regulation 16 (a) (i) prohibits local governments from recognising such land as an asset.

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

Depreciation of Non-Current Assets

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

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

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

Capitalisation Threshold

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

(To be confirmed 17 December 2018)

(I) Financial Instruments

Initial Recognition and Measurement

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

Classification and Subsequent Measurement

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

Amortised cost is calculated as:

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

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

(To be confirmed 17 December 2018)

Held-to-maturity investments

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

Available-for-sale financial assets

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

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

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

Financial liabilities

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

Impairment

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

Derecognition

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid,

(To be confirmed 17 December 2018)

including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116). For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset. At the time of adopting the Annual Budget, it was not possible to estimate the amount of impairment losses (if any) as at 31 October 2018. In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Annual Budget.

(n) Trade and Other Payables

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

(o) Employee Benefits

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

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

(p) Borrowing Costs

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

(To be confirmed 17 December 2018)

(q) Provisions

Provisions are recognised when:

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

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

(r) Current and Non-Current Classification

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

(s) Comparative Figures

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

(t) Budget Comparative Figures

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

Service Unit Definitions

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

Chief Executive Office

Chief Executive Office

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

(To be confirmed 17 December 2018)

Communications and Engagement

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

Customer Relations

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

Leadership and Governance

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

Human Resources

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

Community Planning

Building Services

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

Community Development

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

Community Planning Office

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

Digital Hub

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

(To be confirmed 17 December 2018)

Economic Development

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

Environmental Health

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

General Compliance

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

Healthy Community

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

Library Services

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

Place Management

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

Strategic Town Planning

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

Urban Planning

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

(To be confirmed 17 December 2018)

Finance

Aqualife

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

Budgeting

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

Corporate Funds

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

Finance Office

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

Financial Services

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

Information Systems

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

Leisurelife

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

Parking

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

(To be confirmed 17 December 2018)

Rangers

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

Operations

Asset Planning

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

Environment

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

Fleet Services

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

Operations Office

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

Parks and Reserves

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

Project Management

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

Street Improvement

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

Street Operations

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

(To be confirmed 17 December 2018)

Waste

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

(To be confirmed 17 December 2018)



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

Particulars	Material Variance		Revised Budget \$	31 October 2018		
	\$	%		Year-to-Date Budget \$	Year-to-Date Actual \$	
Revenue						
Chief Executive Office			55,000	4,490	2,332	
Chief Executive Office			50,500	4,330	1,268	
Communications and Engage			1,000	0	647	
Customer Relations			0	0	0	
Human Resources			3,000	0	323	
Leadership and Governance			500	160	94	
Community Planning			1,353,000	589,110	697,489	
Building Services			370,500	139,720	160,088	
Community Development			268,500	68,438	90,610	
Community Planning Office			1,000	0	279	
Digital Hub			1,500	0	3,529	
Economic Development			0	0	0	
Environmental Health			282,000	241,020	262,334	
General Compliance			10,000	3,320	4,510	
Healthy Community			27,500	9,160	12,745	
Library Services			31,500	7,620	12,761	
Place Management			0	0	0	
Strategic Town Planning			1,000	0	0	
Urban Planning	30,801	▲	25.7%	359,500	119,832	150,633
Finance			57,733,500	49,064,461	49,201,461	
Aqualife	63,296	▲	9.6%	2,182,500	661,429	724,725
Budgeting			1,622,500	0	0	
Corporate Funds			48,124,500	45,910,300	45,904,206	
Finance Office			1,000	0	279	
Financial Services			747,500	599,500	616,458	
Information Systems			2,000	640	339	
Leisurelife			2,205,500	752,056	736,866	
Parking	93,871	▲	8.6%	2,734,000	1,091,336	1,185,207
Ranger services			114,000	49,200	33,382	
Operations			9,626,000	2,034,516	2,059,379	
Asset Planning			1,019,500	128,848	110,541	
Environment			0	0	0	
Fleet Services			10,500	0	9,721	
Operations Office			2,002,500	832	279	
Parks and Reserves			3,151,000	315,590	307,373	
Project Management			0	0	358	
Street Improvement			10,500	3,504	20,279	
Street Operations			2,640,500	848,242	856,616	
Waste Services			791,500	737,500	754,212	
Total Revenue			68,767,500	51,692,577	51,960,661	

(To be confirmed 17 December 2018)



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

Particulars	Material Variance		Revised Budget	31 October 2018	
	\$	%		Year-to-Date Budget	Year-to-Date Actual
	\$		\$	\$	\$
Operating Expense					
Chief Executive Office			(4,403,000)	(1,404,403)	(1,382,193)
Chief Executive Office			(1,123,500)	(333,360)	(340,386)
Communications and Engage			(841,500)	(228,913)	(214,416)
Customer Relations	41,390	▼	(878,500)	(296,400)	(255,010)
Human Resources			(844,000)	(302,210)	(307,270)
Leadership and Governance			(715,500)	(243,520)	(265,111)
Community Planning			(8,272,000)	(2,480,761)	(2,436,192)
Building Services			(496,500)	(183,770)	(174,162)
Community Development			(1,962,500)	(514,758)	(503,468)
Community Planning Office			(947,500)	(315,880)	(326,372)
Digital Hub			(153,000)	(43,621)	(59,263)
Economic Development			(194,500)	(59,000)	(40,090)
Environmental Health			(652,000)	(226,270)	(248,890)
General Compliance			(249,500)	(83,120)	(75,789)
Healthy Community			(261,000)	(85,942)	(65,471)
Library Services	48,878	▲	(1,243,500)	(406,100)	(454,978)
Place Management			(302,500)	(58,760)	(39,146)
Strategic Town Planning			(726,000)	(142,380)	(127,099)
Urban Planning	39,696	▼	(1,083,500)	(361,160)	(321,464)
Finance			(21,912,500)	(4,610,073)	(4,514,258)
Aqualife	65,394	▲	(2,537,000)	(800,826)	(866,220)
Budgeting			(7,756,000)	(15,200)	0
Corporate Funds			(558,000)	(97,200)	(88,512)
Finance Office			(773,500)	(256,400)	(254,129)
Financial Services			(1,298,500)	(427,400)	(427,811)
Information Systems	77,768	▲	(2,966,000)	(1,014,360)	(1,092,128)
Leisurelife	86,835	▼	(2,756,000)	(948,811)	(861,976)
Parking	102,012	▼	(2,442,500)	(784,176)	(682,164)
Ranger services			(825,000)	(265,700)	(241,318)
Operations			(31,223,000)	(6,901,376)	(5,731,879)
Asset Planning			(10,814,000)	(1,232,736)	(1,211,953)
Environment			(185,500)	(52,601)	(44,262)
Fleet Services			0	(120)	(5,645)
Operations Office			(2,820,000)	(266,680)	(256,220)
Parks and Reserves	624,387	▼	(4,981,500)	(1,845,228)	(1,220,841)
Project Management			(1,901,500)	(333,610)	(314,443)
Street Improvement			(1,165,000)	(308,234)	(314,515)
Street Operations	41,086	▲	(2,854,500)	(700,700)	(741,786)
Waste Services	539,252	▼	(6,501,000)	(2,161,467)	(1,622,215)
Total Operating Expense			(65,810,500)	(15,396,613)	(14,064,522)

(To be confirmed 17 December 2018)



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

Particulars	Material Variance		Revised Budget	31 October 2018		
	\$	%		Year-to-Date Budget	Year-to-Date Actual	
	\$	%	\$	\$	\$	
Capital Expense						
Chief Executive Office			0	0	0	
Chief Executive Office			0	0	0	
Communications and Engage			0	0	0	
Customer Relations			0	0	0	
Human Resources			0	0	0	
Leadership and Governance			0	0	0	
Community Planning			(138,000)	0	0	
Building Services			0	0	0	
Community Development			(138,000)	0	0	
Community Planning Office			0	0	0	
Digital Hub			0	0	0	
Economic Development			0	0	0	
Environmental Health			0	0	0	
General Compliance			0	0	0	
Healthy Community			0	0	0	
Library Services			0	0	0	
Place Management			0	0	0	
Strategic Town Planning			0	0	0	
Urban Planning			0	0	0	
Finance			(1,213,500)	(45,000)	(55,951)	
Aqualife			0	0	0	
Budgeting			0	0	0	
Corporate Funds			0	0	0	
Finance Office			0	0	0	
Financial Services			0	0	0	
Information Systems			(976,500)	(45,000)	(55,951)	
Leisurelife			0	0	0	
Parking			(237,000)	0	0	
Ranger services			0	0	0	
Operations			(17,052,000)	(1,885,650)	(1,262,134)	
Asset Planning	337,804	▼	48%	(3,270,000)	(709,025)	(371,221)
Environment				0	0	0
Fleet Services				(934,500)	(231,500)	(207,540)
Operations Office				0	0	0
Parks and Reserves	135,882	▼	79%	(6,297,000)	(173,000)	(37,118)
Project Management				(71,000)	(24,875)	0
Street Improvement				0	0	0
Street Operations	100,995	▼	14%	(6,479,500)	(747,250)	(646,255)
Waste Services				0	0	0
Total Capital Expense				(18,403,500)	(1,930,650)	(1,318,084)

(To be confirmed 17 December 2018)



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

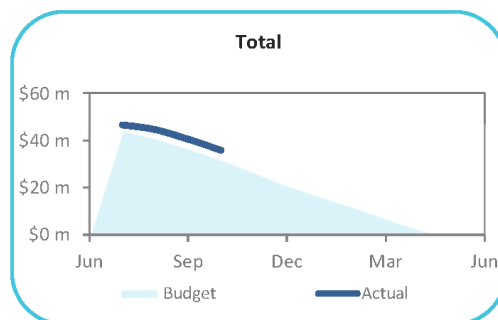
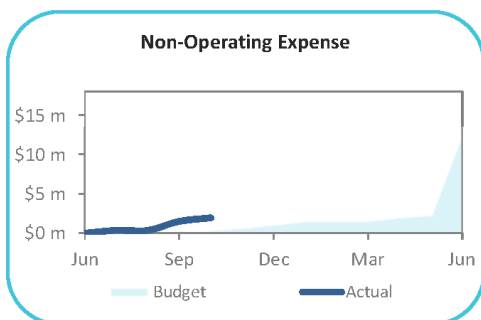
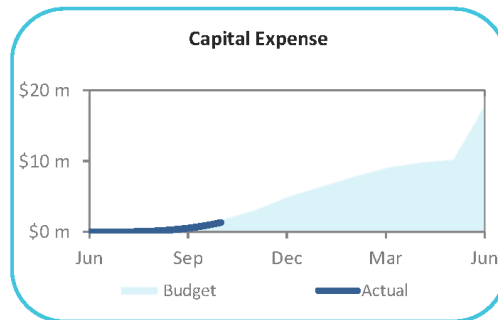
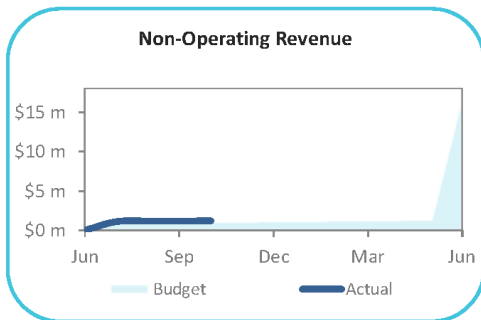
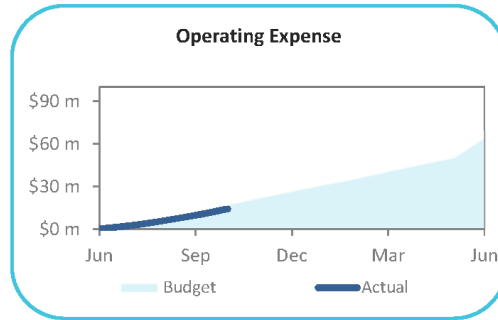
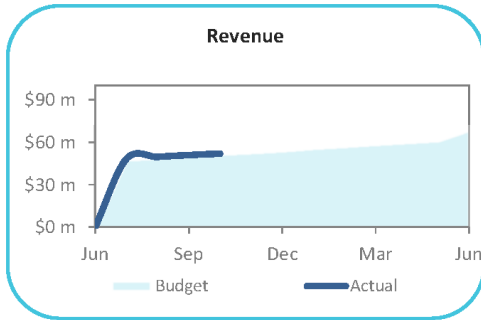
Particulars	Material Variance	%	31 October 2018		
			Revised Budget	Year-to-Date Budget	Year-to-Date Actual
	\$		\$	\$	\$
Non-Operating Revenue					
Finance			17,027,000	1,081,000	1,081,282
Corporate Funds			17,027,000	1,081,000	1,081,282
Operations			383,000	119,000	121,339
Fleet Services			383,000	119,000	121,339
Total Non-Operating Revenue			17,410,000	1,200,000	1,202,621
Non-Operating Expense					
Finance			(12,932,500)	(1,946,250)	(1,958,362)
Corporate Funds			(12,932,500)	(1,946,250)	(1,958,362)
Total Non-Operating Expense			(12,932,500)	(1,946,250)	(1,958,362)
Non-Cash Items Adjustments					
Profit and Loss			(1,607,500)	(535,000)	0
Depreciation			8,037,500	2,581,000	0
Total Non-Cash Items Adjustments			6,430,000	2,046,000	0
Suspense Items Yet To Be Applied					
Opening Surplus / (Deficit)			4,539,000	4,539,000	4,539,000
Closing Surplus / (Deficit)			0	40,204,064	40,441,620

(To be confirmed 17 December 2018)



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

Graphical Representation



(To be confirmed 17 December 2018)



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

Particulars	Brought Forward 1 July \$	2018-2019 Revised Budget \$	Year To Date Actual \$
Current Assets			
Cash - Unrestricted	10,553,410	7,903,757	35,218,102
Cash - Reserves / Restricted	31,086,162	33,823,443	32,169,068
Receivables and Accruals	3,328,489	2,000,000	16,211,169
Inventories	9,470	1,500	9,470
	44,977,531	43,728,700	83,607,810
Less Current Liabilities			
Payables and Provisions	(9,352,369)	(9,905,257)	(10,997,121)
	(9,352,369)	(9,905,257)	(10,997,121)
Net Current Asset Position	35,625,162	33,823,443	72,610,688
Less			
Cash - Reserves / Restricted	(31,086,162)	(33,823,443)	(32,169,068)
Estimated Surplus / (Deficiency) Carried Forward	4,539,000	-	40,441,620

(To be confirmed 17 December 2018)



Cash and Cash Investments
For the month ended 31 October 2018

Cash and Investments Analysis

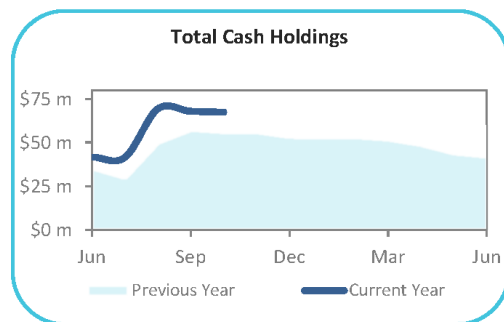
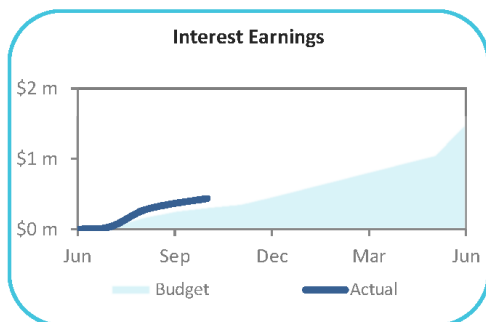
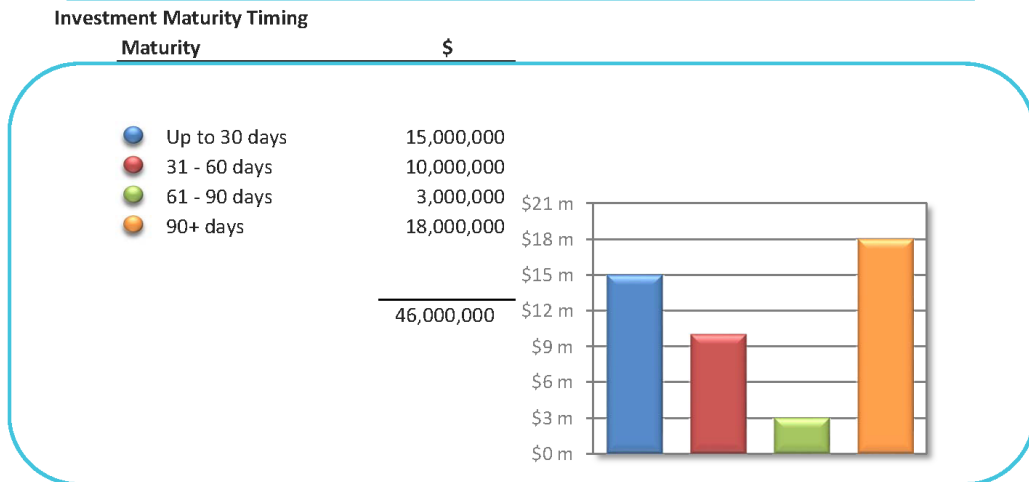
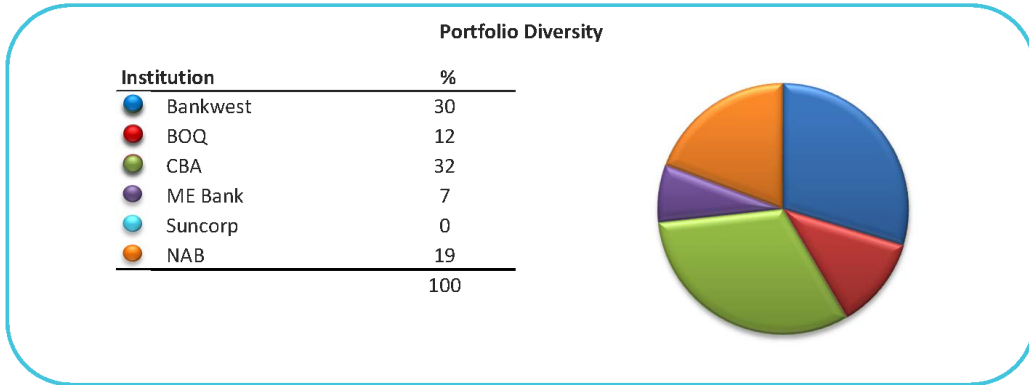
	Amount Invested \$	Interest Rate %	Term (Days)	Maturity Date	Projected Earnings \$	Percentage of Portfolio
Cash - Unrestricted						
Bankwest	6,000,000				58,547	9%
4748890	2,000,000	2.80	270	24-May-19	41,425	
4756708	4,000,000	2.52	62	19-Nov-18	17,122	
BOQ	3,000,000				18,863	4%
34857	3,000,000	2.55	90	17-Dec-18	18,863	
CBA	17,218,102				20,081	26%
At Call	17,218,102	Variable	11am	Daily	20,081	
ME Bank	2,000,000				7,984	3%
034856	2,000,000	2.35	62	19-Nov-18	7,984	
NAB	7,000,000				81,561	10%
57-576-8731	2,000,000	2.70	330	25-Jun-19	48,822	
72-995-7704	3,000,000	2.63	91	26-Nov-18	19,671	
70-095-1739	2,000,000	2.65	90	18-Dec-18	13,068	
Total Cash - Unrestricted	35,218,102				187,036	52%
Cash - Restricted						
CBA	4,169,068				92	6%
At Call	4,169,068	Variable	11am	Daily	92	
Bankwest	14,000,000				288,132	21%
4739557	4,000,000	2.80	270	26-Apr-19	82,849	
4748889	5,000,000	2.80	270	24-May-19	103,562	
4756710	5,000,000	2.72	273	18-Jun-19	101,721	
NAB	6,000,000				110,712	9%
57-186-2122	4,000,000	2.70	330	25-Jun-18	97,644	
70-095-1739	2,000,000	2.65	90	17-Dec-18	13,068	
BOQ	5,000,000				31,827	7%
152802	2,000,000	2.60	91	26-Nov-18	12,964	
34858	3,000,000	2.55	90	17-Dec-18	18,863	
ME Bank	3,000,000				29,589	4%
034460	3,000,000	2.40	150	24-Jan-19	29,589	
Total Cash - Restricted	32,169,068				460,352	43%
Total Cash - Invested	67,387,170				647,388	98%
Cash on Hand	9,005					
Total Cash	67,396,175					

(To be confirmed 17 December 2018)



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

Cash and Investments Analysis



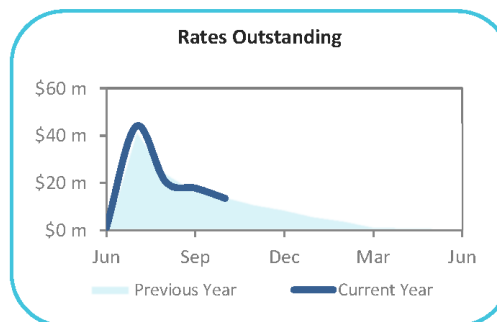
(To be confirmed 17 December 2018)



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

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

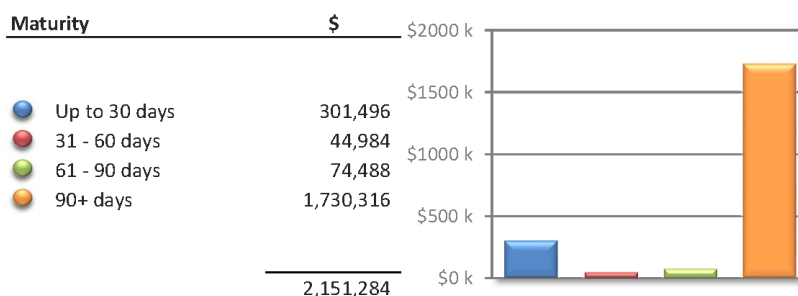
	Total
Balance from Previous Year	1,092,378
Rates Levied - Initial	45,627,053
Rates Levied - Interims	3,035
Total Rates Collectable	46,722,466
Current Rates Collected To Date	34,374,103
Current Rates Outstanding	12,348,362
% Rates Outstanding	26.4%
% Rates Outstanding target less than	32.3%



Sundry Debtors

Type	Total	30 Days	60 Days	90 Days	90+ Days
Grants and Subsidies	3,299	3,299	-	-	-
Property Rent	63,713	13,602	1,607	-	48,503
Aqualife Fees	6,869	6,554	-	-	315
Leisurelife Fees	25,324	24,030	113	100	1,081
Community Life Fees	66,443	66,067	166	210	-
Health Fees	128,293	127,978	85	-	230
Other Fees and Charges	37,969	3,579	-	34,250	140
Building and Planning Application Fees	52,859	52,786	73	-	-
Infringements - Parking	1,646,237	3,600	42,240	39,728	1,560,669
Infringements - Animals	61,143	-	-	200	60,943
Infringements - General	37,105	-	200	-	36,905
Infringements - Bush Fire	17,976	-	-	-	17,976
Infringements - Health	4,056	-	500	-	3,556
Total Sundry Debtors	2,151,284	301,496	44,984	74,488	1,730,316

Sundry Debtor Aged Analysis



(To be confirmed 17 December 2018)



Grants and Contributions
For the month ended 31 October 2018

Grants and Contributions

Details	Original	Revised	Receipt Status	
	Budget	Budget	Invoiced	Remaining
	\$	\$		
Operating Funding				
<u>Community Development</u>				
Community Grants	25,000	25,000	-	25,000
Lotterywest Grants	10,000	10,000	-	10,000
Sponsorship	2,500	2,500	-	2,500
State Government Grants	3,500	3,500	-	3,500
<u>Corporate Funds</u>				
Federal Assistance Grant	750,000	750,000	91,773	658,228
Federal Local Road Grant	350,000	350,000	43,317	306,683
<u>Library Services</u>				
Book Council Grants	3,000	3,000	-	3,000
State Government Grants	3,000	3,000	1,500	1,500
<u>Operations Office</u>				
State Government Grants	2,000,000	2,000,000	-	2,000,000
<u>Street Operations</u>				
Federal Government Grants	235,000	235,000	210,000	25,000
MRWA Direct Road Grants	50,000	50,000	84,193	-
Street Lighting Subsidy	31,000	31,000	-	31,000
				-
Non-Operating Funding				
<u>Asset Planning</u>				
State Government Grant	751,000	751,000	-	751,000
<u>Parks and Reserves</u>				
Recreation Capital Grants	304,000	304,000	304,000	-
State Government Grant	2,790,000	2,790,000	-	2,790,000
<u>Street Operations</u>				
Federal Government Capital Grants	65,000	65,000	-	65,000
MRRG Road Rehabilitation Grants	374,500	374,500	175,412	199,088
MRWA Black Spot Grants	971,000	971,000	256,000	715,000
MRWA Other Grants	40,000	40,000	-	40,000
State Government Grant	303,000	303,000	-	303,000
Transport Grants	456,000	456,000	112,000	344,000
				-
Total Cash Deposits	9,517,500	9,517,500	1,278,194	8,273,499

(To be confirmed 17 December 2018)



*Reserve Funds
For the month ended 31 October 2018*

Reserve Funds Descriptions

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

Building Renewal

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

Cash-in-Lieu

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

Community Art

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

Drainage Renewal

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

Edward Millen Site

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

Furniture and Equipment Renewal

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

Future Fund

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

Future Projects

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

Harold Hawthorne - Carlisle Memorial

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

Information Technology Renewal

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

Insurance Risk Reserve

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

Other Infrastructure Renewal

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

Parks Renewal

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

Pathways Renewal

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

(To be confirmed 17 December 2018)



*Reserve Funds
For the month ended 31 October 2018*

Plant and Machinery Renewal

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

Renewable Energy

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

Roads Renewal

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

Underground Power

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

Waste Management

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

(To be confirmed 17 December 2018)



Reserve Funds
For the month ended 31 October 2018

Reserve Funds Transactions

	Annual Opening Balance \$	Transfer to Reserve \$	Transfer from Reserve \$	31 October 2018 Balance Actual \$	31 October 2018 Balance Budget \$	Annual Revised Budget \$
Building Renewal	487,366	27	-	487,393	487,366	525,366
Cash-in-Lieu	-	-	-	-	-	-
Community Art	689,443	38	-	689,481	689,443	690,043
Drainage Renewal	225,520	13	-	225,533	225,520	225,920
Edward Millen Site	1,882,335	81	-	1,882,416	1,882,335	1,458,678
Furniture and Equip Renewal	599,407	33	-	599,440	599,407	599,907
Future Fund	14,384,893	802	-	14,385,695	14,384,893	13,658,793
Future Projects	4,079,640	144	-	4,079,783	4,079,640	450,178
Harold Hawthorn - Carlisle	148,630	8	-	148,638	148,630	148,630
Information Technology Ren	661,800	37	-	661,837	661,800	665,400
Insurance Risk Reserve	396,930	22	-	396,952	396,930	397,230
Land Asset Optimisation	801,300	1,081,327	-	1,882,627	801,300	397,230
Other Infrastructure Renewal	614,943	34	-	614,977	614,943	615,443
Parks Renewal	96,025	5	-	96,030	96,025	46,225
Pathways Renewal	419,697	23	-	419,720	419,697	420,397
Plant and Machinery	268,942	15	-	268,957	268,942	269,342
Renewable Energy	174,780	10	-	174,790	174,780	75,380
Roads Renewal	881,637	49	-	881,686	881,637	882,337
Underground Power	3,288,499	183	-	3,288,682	3,288,499	3,241,999
Waste Management	984,375	55	-	984,430	984,375	985,175
	31,086,162	1,082,907	-	32,169,068	31,086,162	25,753,673



Capital Items

The following pages summarise the progress of the Capital Items.

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

Item Timing

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

- Behind
- On-Track
- In-Front

Budget Status

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

- Over budget
- On budget
- Under budget

Completion Stage

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

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

(To be confirmed 17 December 2018)



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

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Land and Buildings			3,036,500	356,190
Renewal - Land and Buildings				
6 Kent Street - Facility - Internal Renewal	□	■ ■ □ □	222,500	85,775
8 Kent Street - Facility - Internal Renewal	□	■ ■ □ □	193,500	85,775
Administration Office - Ceiling - Lighting	□	■ □ □ □	20,000	2,790
Aqualife - First Aid Room - Refurbish	□	■ ■ □ □	20,000	0
Aqualife - Function Room - Renew Floor	□	■ ■ □ □	10,000	0
Aqualife - Plant Room - Ultraviolet Generators	□	□ □ □ □	125,000	0
Fletcher Park - Clubrooms - Plumbing Fixtures	□	□ □ □ □	10,000	0
Fraser Park - Clubrooms - Painting	□	■ □ □ □	10,000	0
Harold Hawthorne Centre - Various - Air Conditioning	□	■ □ □ □	100,000	0
Harold Rossiter Park - Clubrooms - Painting	□	■ □ □ □	5,000	0
Higgins Park - Clubrooms - Painting	□	■ □ □ □	10,000	0
Leisurelife - Drama Room - Floor Reseal	□	■ ■ □ □	40,000	0
Leisurelife - Gym - Air Conditioning	□	■ ■ □ □	230,000	0
Leisurelife - Sports Court Major- Roller Door	□	■ ■ □ □	7,000	0
Leisurelife - Toilets and Change Rooms - Renewal	□	■ ■ ■ □	261,500	1,216
Library - Outdoor Staff Area - Courtyard Security	□	■ ■ ■ □	10,000	653
Library - Public Areas - Carpets	□	□ □ □ □	86,000	0
Library - Staff Kitchen - Refurbish	□	□ □ □ □	35,000	0
Library - Staff Locker Area - Compactus Area Ceiling	□	■ □ □ □	7,000	0
Library - Staff Office - Fit Out and Storage	□	□ □ □ □	80,000	0
Reactive Building Renewal Works - Various - Allocation	□	□ □ □ □	100,000	0
Taylor Reserve - Toilets - Renewal	□	■ ■ ■ □	185,500	176,942
Upgrade - Land and Buildings				
Administration Office - Facility - Accessibility Upgrade	□	■ □ □ □	51,000	1,080
Land - 25 Boundary Road - Subdivision	□	■ □ □ □	71,000	0
Leisurelife - First Aid Room - Lighting	□	■ □ □ □	1,500	0
Kitchen Upgrade - Higgins Park Tennis Club	☒	■ ■ ■ ■	0	1,598
874 Albany Highway - Accessibility	□	■ ■ ■ □	15,000	361
New - Land and Buildings				
Lathlain Redevelopment (Zone 2) - Buildings	□	□ □ □ □	750,000	0
Lathlain Redevelopment (Zone 2x) - Buildings	□	□ □ □ □	380,000	0

(To be confirmed 17 December 2018)



Capital Items Progress
For the month ended 31 October 2018

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Plant and Machinery			934,500	207,540
Renewal - Plant and Machinery				
105 VPK - Holden Colorado Dual Cab Ute (Plant 397)	□	□□□□	35,000	0
107 VPK - Nissan X Trail Wagon (Plant 394)	□	□□□□	35,000	0
119 VPK - Holden Colorado Dual Cab Ute (Plant 383)	□	■□□□	32,000	31,749
121 VPK - Nissan Navara Dual Cab Ute (Plant 390)	□	□□□□	32,000	0
123 VPK - Holden Cruze Wagon (Plant 361)	□	□□□□	25,000	0
125 VPK - Nissan Navara Ute (Plant 389)	□	■□□□	32,000	0
126 VPK - VW Caddy Rangers (Plant 375)	□	□□□□	40,000	0
129 VPK - VW Caddy Rangers (Plant 376)	□	■□□□	40,000	0
132 VPK - Holden Colorado Dual Cab Ute (Plant 392)	☒	■□□□	32,000	32,422
141 VPK - Ford Transit (Plant 296)	□	■□□□	45,000	43,457
162 VPK - Road Sweeper (Plant 341)	□	■□□□	380,000	0
1EFR 960 - Hyundai Sedan (Plant 333)	☒	■□□□	25,000	25,553
1EFZ 074 - Hyundai Parking (Plant 335)	☒	■□□□	25,000	26,638
1EHK 762 - Hyundai Sedan (Plant 337)	☒	■□□□	25,000	26,018
1EIO 123 - VW Caddy Parking (Plant 342)	□	□□□□	45,000	0
1EPG 777 - Hyundai i30 Parking (Plant 373)	□	□□□□	25,000	0
1GEL 999 - Subaru (Plant 391)	□	□□□□	25,000	0
Electric Bicycles	□	■□□□	10,500	3,704
Minor Plant Renewal - Parks	□	■□□□	13,000	10,213
Minor Plant Renewal - Street Improvement	□	■□□□	13,000	7,786
Furniture and Equipment			336,500	15,031
6 and 8 Kent Street - Minor Expense - Allocation	□	□□□□	30,000	0
Administration Centre - Minor Expense - Allocation	□	■□□□	30,000	6,804
Aqualife - Crèche - Play Equipment	□	□□□□	1,000	0
Aqualife - Function Room - Group Fitness Equipment	□	□□□□	3,000	0
Aqualife - Minor Expense - Allocation	□	■□□□	11,000	95
Depot - Minor Expense - Allocation	□	■□□□	10,000	0
Digital Hub - Minor Expense - Allocation	□	■□□□	5,000	1,343
Leisure life - Minor Expense - Allocation	□	■□□□	10,000	94
Leisurelife - Court 3 - Badminton Posts	□	□□□□	4,000	0
Leisurelife - Court 3 - Equipment Storage	□	■□□□	10,000	0
Leisurelife - Courts 1 and 2 - Volleyball Posts	□	■□□□	4,500	0
Leisurelife - Gym - Gym Equipment	□	■□□□	165,000	6,695
Library - Minor Expense - Allocation	□	□□□□	15,000	0
Upgrade - Furniture and Equipment				
Depot - Pedestrian Gate - Security Upgrade	□	■□□□	6,000	0
New - Furniture and Equipment				
Parking - Enforcement - Parking Machine Cabling	□	□□□□	23,000	0
Parking - Enforcement - Recognition Equipment	□	□□□□	9,000	0

(To be confirmed 17 December 2018)



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

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Information Technology			976,500	55,951
Renewal - Information Technology				
Software - Customer Request Management System	☐	☐☐☐☐	150,000	0
System - Intranet and Portal	☐	■☐☐☐	85,000	0
Upgrade - Information Technology				
Hardware - Workstations and Peripherals	☐	■☐☐☐	10,000	2,454
Network - Aqualife	☐	☐☐☐☐	5,000	0
Software - Leisure Facilities Management	☐	■☐☐☐	95,000	51,800
Software - Library Management	☐	■☐☐☐	95,000	0
Software - Records Management	☐	☐☐☐☐	60,000	0
System - Authority 7.x	☐	■☐☐☐	45,000	0
New - Information Technology				
Software - Asset Management	☐	☐☐☐☐	190,000	0
Software - Minutes and Agendas	☐	☐☐☐☐	50,000	0
Software - Mobile App Lighten Up	☒	■☐☐☐	1,500	1,697
Software - Mobile Health	☐	☐☐☐☐	100,000	0
System - RFID Self-Service Solution	☐	■☐☐☐	90,000	0
Roads			4,338,500	502,712
Renewal - Roads				
Albany Highway - Duncan to Teddington - Seal	☒	■☐☐☐	10,000	17,532
Albany Highway - Kent - Miller Roundabout - Seal	☐	■☐☐☐	68,500	0
Albany Highway - Service Lane to Shepperton - Seal	☐	■☐☐☐	36,000	0
Custance Street - Getting to Roberts - Seal	☒	■☐☐☐	36,500	50,664
Enfield Street - Goddard to Gallipoli - Seal	☐	■☐☐☐	142,000	0
Enfield Street - Waller to Goddard - Seal	☐	■☐☐☐	33,000	0
Esperance Street - Berwick to End - Seal -	☐	■☐☐☐	97,000	0
Gloucester Street - Cargill to Leonard - Seal	☐	■☐☐☐	163,000	2,230
Hampton Road - Howick to Teague - Seal	☐	■☐☐☐	131,500	11,855
Hubert Street - Somerset to Oats - Seal	☐	■☐☐☐	76,500	0
Kate Street - Norseman to Lake View - Seal	☐	■☐☐☐	56,000	0
King George Street - Berwick to 60m South - Seal	☐	■☐☐☐	27,500	0
Maple Street - Gallipoli to End - Seal	☐	■☐☐☐	144,500	102,625
Oats Street - Mars to Planet - Seal	☐	■☐☐☐	131,500	965
Oats Street - Tuckett to Rutland - Seal	☐	■☐☐☐	158,500	2,040
Rathay Street - Berwick to Lansdowne - Seal	☐	■☐☐☐	127,000	1,635
Salford Street - Albany to Lichfield - Seal	☐	■☐☐☐	72,500	1,375
Staines Street - Goddard to Gallipoli - Seal	☐	■☐☐☐	189,000	0
Star Street - Mid Block to Archer - Seal	☐	■☐☐☐	119,500	0

(To be confirmed 17 December 2018)



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

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Upgrade - Roads				
Hill View Terrace - Oats and Albany - Pavement	□	■□□□	76,000	0
Hill View Terrace and Oats Street - Intersection	□	■□□□	170,000	0
Kent and Hayman - Stage 1 - Pavement	□	■□□□	630,000	6,533
McCartney Crescent - Pavement	□	■□□□	22,500	5,400
Roberts Road and Orrong Road - Intersection	□	■□□□	220,000	0
Rutland Avenue - Oats to Welshpool - Pavement	□	■□□□	449,500	0
Shepperton and Miller - Stage 2 - Pavement	□	■□□□	449,500	0
New - Roads				
Cookham Road - Goddard to Gallipoli - Calming	□	□□□□	24,000	0
Cornwall Street - Gallipoli to Castle - Calming	□	□□□□	40,000	0
Egham Street - Goddard to Gallipoli - Calming	□	□□□□	24,000	0
Gallipoli Street - Egham to Enfield - Calming	☒	■□□■	23,000	87,510
Gallipoli Street - Egham to Howick - Calming	☒	■□□■	23,000	89,878
Goddard Street - Egham to Howick - Calming	☒	■□□■	24,000	49,688
Goddard Street - Midgley to Cookham - Calming	☒	■□□■	24,000	45,642
Goddard Street - Saleham to McCartney - Calming	□	□□□□	88,000	0
McCartney Crescent - Goddard to Roberts - Calming	□	■□□■	51,500	12,456
Saleham Street - Goddard to Gallipoli - Calming	□	■□□■	52,500	14,685
Staines Street - Rutland to Goddard - Calming	□	□□□□	40,000	0
Streatley Road - Gallipoli to Castle - Calming	□	□□□□	40,000	0
Various - Bike Plan Initiatives - On Road Facilities	□	■□□□	47,000	0
Drainage			444,500	20,103
Renewal - Drainage				
Hill View Terrace - Intersection Drainage	□	■□□□	74,500	6,000
Pipe Renewal - Allocation	□	■□□□	40,000	0
Pit Renewal - Allocation	□	■□□□	20,000	0
Sump Renewal - Allocation	□	■□□□	35,000	0
New - Drainage				
Bishopsgate Street - Improvements	□	■□□□	235,000	0
Lake View Terrace - Improvements	□	■□□□	20,000	14,103
Right of Ways - Various	□	■□□□	20,000	0

(To be confirmed 17 December 2018)



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

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Pathways			700,000	85,939
Renewal - Pathways				
Berwick Street - Mackie to McMaster - Surface	☐	■ ■ ■ ■	16,500	15,864
Berwick Street - Whittlesford to Hillview - Surface	☐	■ ■ ■ ■	37,000	36,248
Gloucester Street - McMaster to King George - Surface	☐	■ ■ ■ ☐	17,000	9,018
Kitchener Avenue - Howick to Egham - Surface	☒	■ ■ ■ ■	18,500	20,264
Lathlain Redevelopment (Zone 7) - Pathways	☐	☐ ☐ ☐ ☐	150,000	0
Mint Street - Carnarvon to Shepperton - Surface	☐	■ ■ ■ ☐	20,500	0
New - Pathways				
Goodwood Parade - Shared Path - Surface	☐	■ ☐ ☐ ☐	400,000	4,545
Turner Avenue - Kent to Brodie Hall - Surface	☐	■ ■ ☐ ☐	40,500	0
Parks			6,297,000	37,118
Renewal - Parks				
George Street Reserve - Revegetation Project	☐	■ ☐ ☐ ☐	60,000	1,832
GO Edwards Park - Renewal	☐	■ ☐ ☐ ☐	1,000,000	18,075
Kensington Bushland - Information Shelters	☐	■ ☐ ☐ ☐	7,000	0
Kent Street Reserve - Revegetation Project	☐	☐ ☐ ☐ ☐	10,000	0
Main and Arterial Roads - Landscaping and Planting	☐	■ ☐ ☐ ☐	10,000	0
McCallum Park - River Wall - Foreshore Landscape	☐	☐ ☐ ☐ ☐	608,000	14,899
Tree Plan - Tree Replanting	☐	■ ☐ ☐ ☐	78,000	1,977
Upgrade - Parks				
Fletcher Park - Cricket Nets	☐	■ ■ ■ ☐	70,000	0
Higgins Park - Tennis Courts	☐	☐ ☐ ☐ ☐	100,000	0
John Macmillan Park - Redevelopment	☐	■ ☐ ☐ ☐	430,000	0
New - Parks				
Kensington Bushland - Jirdarup Signage	☐	■ ☐ ☐ ☐	24,000	0
Lathlain Redevelopment (Zone 2) - Parks	☐	☐ ☐ ☐ ☐	1,533,000	0
Lathlain Redevelopment (Zone 2x) - Parks	☐	☐ ☐ ☐ ☐	2,245,000	0
Peninsula to Park - Landscaping	☐	■ ■ ☐ ☐	122,000	336

(To be confirmed 17 December 2018)



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

Capital Items

Particulars	Budget Status	Completion Stage	Revised Budget \$	Year-to-Date Actual \$
Other Infrastructure			1,339,500	37,501
Renewal - Other Infrastructure				
Car Parks - Car Park Kerbs - Allocation	□	■ ■ □ □	5,000	0
Car Parks - GO Edwards No 17	□	■ ■ ■ □	33,000	0
Car Parks - Resurfacing - Allocation	□	■ ■ □ □	20,000	0
Lathlain Redevelopment (Zone 7) - Carparks	□	□ □ □ □	350,000	0
Street Furniture - Bus Shelter - Allocation	□	■ ■ □ □	55,000	0
Street Lighting - Albany Highway and Laneways	□	■ ■ □ □	30,000	10,415
Upgrade - Other Infrastructure				
Parking - Parking Meters - Upgrade	□	■ □ □ □	130,000	0
Street Lighting - Leisurelife Car Park - Stage 2	□	■ ■ □ □	65,000	22,529
New - Other Infrastructure				
Artworks - Allocation	□	□ □ □ □	50,000	0
Lathlain Redevelopment (Zone 2) - Artwork	□	□ □ □ □	33,000	0
Lathlain Redevelopment (Zone 2) - Carparks	□	□ □ □ □	303,000	0
Lathlain Redevelopment (Zone 2x) - Artwork	□	□ □ □ □	55,000	0
Parking - ACROD Bays - Allocation	□	■ ■ □ □	12,000	0
Parking - Parking Meters	□	□ □ □ □	75,000	0
Right of Way 51 - Resurface	□	■ ■ ■ □	23,500	4,557
Street Furniture - Allocation	□	■ □ □ □	15,000	0
Street Furniture - Bike Stations and Hoops	□	■ □ □ □	10,000	0
Street Lighting - Installation	□	□ □ □ □	55,000	0
Street Lighting - Safety Improvements - Allocation	□	□ □ □ □	20,000	0

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8.4 Policy review – EM6 Fees, Expenses and Allowances – Elected Members

File Reference:	COR/13/0001~03
Appendices:	1. Proposed Policy EM6 Fees, Expenses and Allowances – Elected Members 2. Proposed Policy EM6 Fees, Expenses and Allowances – Elected Members with tracked changes
Attachments:	No

Date:	14 October 2018
Reporting Officer:	N. Cain
Responsible Officer:	N. Cain
Voting Requirement:	Simple Majority

Executive Summary:

Recommendation – That the Finance and Audit Committee recommends that Council rescind the previous wording within Council Policy EM6 (Fees, Expenses and Allowances – Elected Members) and determines a new title and new wording, which includes reference to Independent Committee Members, for the policy.

- The Finance and Audit Committee has reviewed Council Policy EM6 (Fees, Expenses and Allowances – Elected Members).
- Due to an administrative error the policy was not considered at the October 2018 Finance and Audit Committee meeting and it was requested to be presented to the November 2018 Ordinary Council Meeting. The item was then referred back to the November 2018 Finance and Audit Committee meeting.
- Changes to the title and wording of the policy statement are recommended, as well as including reference to Independent Committee Members.

TABLED ITEMS:

Nil

BACKGROUND:

Council regularly reviews its policies to ensure that they continue to be relevant and appropriate.

The Finance and Audit Committee, with input from officers of the Town, reviewed Council Policy EM6 (Fees, Expenses and Allowances – Elected Members) and proposed changes to the wording of the policy.

Council, at the November 2018 Ordinary Meeting of Council, referred the item back to the Finance and Audit Committee for further consideration.

DETAILS:

The Finance and Audit Committee recently requested a review of Council Policy EM6 (Fees, Expenses and Allowances – Elected Members) be undertaken with a view to ensuring that it;

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1. is still relevant;
2. is still the preferred position of Council; and
3. includes reference to the newly appointed Independent Committee Members.

Accordingly, officers of the Town hosted a Finance and Audit Committee workshop discussion (27 August 2018) from which came the following key directions.

- A preference towards changing the current six-monthly payment to monthly payments, in arrears;
- Allowances and payments to be retained at the maximum levels, as determined;
- A preference to annual sitting fees, as opposed to “per meeting” payments;
- Independent Committee Members to be recognised to the extent that is legislatively allowable.

Policy wording was drafted and provided for discussion at the Finance and Audit Committee Workshop (10 September 2018) whereby the following was informally supported.

Elected council members and independent committee members are entitled to fee payments and/or reimbursements pursuant to those prescribed in the Local Government Act 1995.

All elected council members and independent committee members are to receive the maximum legislated dollar value of the applicable fees and/or reimbursements payable for holding their respective position and, where this is an annual fee payable, then this payment is to be made on a pro-rata basis, calculated daily, and paid monthly in arrears.

The calculation of applicable expense reimbursements are to be in accordance with the appropriate legislation at the time those expenses are incurred.

The title of the policy is also proposed to change to reflect the inclusion of the independent committee members.

Legal Compliance:

Section 2.7 (Role of council) of the *Local Government Act 1995* states:

- (1) *The council –*
 - (a) *governs the local government’s affairs; and*
 - (b) *is responsible for the performance of the local government’s functions.*
- (2) *Without limiting subsection (1), the council is to –*
 - (a) *oversee the allocation of the local government’s finances and resources; and*
 - (b) *determine the local government’s policies.*

Division 8 (Local government payments and gifts to its members) of the *Local Government Act 1995* sets out the fees and expenses an elected member and/or independent committee member is entitled to be paid as determined.

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Section 5.100 (Payment for certain committee members) of the *Local Government Act 1995* states:

(1) *A person who is a committee member but who is not a council member or an employee is not to be paid a fee for attending any committee meeting.*

(2) *Where -*

(a) *a local government decides that any person who is a committee member but who is not a council member or an employee is to be reimbursed by the local government for an expense incurred by the person in relation to a matter affecting the local government; and*

(b) *a maximum amount for reimbursement of expenses has been determined for the purposes of section 5.98(3)(b), the local government must ensure that the amount reimbursed to that person does not exceed that maximum.*

The *Salaries and Allowances Act 1975* states that the Salaries and Allowances Tribunal will be the determining body for the setting of the dollar ranges each local government may apply when making payments and providing gifts to elected members.

Policy Implications:

The item makes recommendation that Council Policy EM6 (Fees, Expenses and Allowances – Elected Members) be updated.

Risk Management Considerations:

Risk & Consequence	Consequence + Rating	Likelihood = Rating	Overall Risk Analysis	Mitigation/Actions
Compliance. Fees and reimbursements not made as per the dollar value levels, as determined by legislation and/or Council decision.	Minor	Possible	Moderate	Payment and accounting processes, and legislative updates, to be reviewed on a regular basis.

Strategic Plan Implications:

The following strategic outcomes of Council, as included in Council's Strategic Community Plan (2017-2032), are relevant;

CL8 - Visionary civic leadership with sound and accountable governance that reflects objective decision making.

CL9 - Appropriate devolution of decision making and service provision to an empowered community.

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

Financial Implications:

Internal Budget:

Elected member, and independent committee member, fees and reimbursements have been included in the 2018-2019 Annual Budget at the maximum determined dollar value.

The value for elected member fees and reimbursements is included within the 2018-2019 Annual Budget.

An additional amount of \$6,000 has also been included in the 2018-2019 Annual Budget to meet committee expenses, with the primary purpose to cover any expenses associated with recruitment and reimbursement of independent committee members.

Total Asset Management:

Nil

Sustainability Assessment:

External Economic Implications:

Nil

Social Issues:

Nil

Cultural Issues:

Nil

Environmental Issues:

Nil

COMMENT:

The proposed amended Council Policy EM6 (Fees, Expenses and Allowances – Elected Members) has been reviewed noting the desire of the Finance and Audit Committee to ensure the policy;

1. is still relevant;
2. is still the preferred position of Council; and
3. includes reference to the newly appointed Independent Committee Members.

Both the proposed policy (in the appropriate policy format) and a tracked changes version (showing the transition from the previous version to the proposed new version) of the policy are included in the Appendices.

The preparation of the policy serves to reflect the discussion held at Committee workshops.

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CONCLUSION:

The proposed changes to Council Policy EM6 (which includes an amended title and policy wording) appropriately reflects Committee workshop discussion and is therefore recommended for determination.

FURTHER COMMENT:

Elected members requested further information with regard to this item. This has necessitated some minor amendment to the wording of the documentation, with the concerns/questions and responses outlined below.

- Are there any risks posed by the deletion of text in the previous policy —such as the notes regarding types of expenses paid?
If the deletion of the text in the previous policy leaves the policy unclear in the types of expenses payable (i.e. to what extent, etc.), then there is a risk of either non-compliance to our own policy, non-compliance to the legislation (if that doesn't clearly align), and an inability for staff to work under the policy's directive. In this instance it is believed that any risk is minimal.
- Is there another document, perhaps more operational, that captures concerns raised regarding reference to the statutory mechanisms or resolutions that allow payments, reimbursements and allowances to be paid?
The policy, as now presented, provides the necessary requirement to make payments.
- Is a resolution of council required to cover reimbursements for Independent Committee Members? Does this policy have sufficient detail to cover this?
The answer to whether or not a Council Resolution is required to deal specifically with reimbursement for Independent Members is no. In this instance it is considered that the policy, as now presented, has sufficient detail to cover this.
- With the terminology not including the word allowances, will this still encompass things like the IT allowance?
The policy, as now presented, includes updates to ensure this is suitably identified and covered.
- The proposed draft policy wording makes no reference to Council having passed the necessary resolutions permitting annual payments in lieu of individual payments etc.
The policy, as now presented, includes updates to ensure this is suitably identified and covered.
- Independent committee members are not entitled to any fees under the Act: s5.100A(1).
The policy, as now presented, includes updates to ensure this is suitably identified and covered.
- There is no "maximum legislated dollar value of the applicable ... reimbursements payable". There is a maximum hourly rate for babysitting, but no upper limit, and no limit for reimbursements.
The policy, as now presented, includes updates to ensure this is suitably identified and covered.

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- There is no reference to the types of expenses for which reimbursements can be claimed, whereas the existing policy refers to certain types of expenses.
The policy, as now presented, was written so as to include for the introduction of other fees, allowances and reimbursements should they be legislated.
- There is no reference to the accounting period e.g. from date of election to following year, or calendar year or financial year.
The policy, as now presented, includes updates to ensure this is suitably identified and covered.

RESOLVED:

Moved: Cr Oliver

Seconded: Cr Anderson

That the Finance and Audit Committee recommend that Council, pursuant to Section 2.7 (The role of the council) of the *Local Government Act 1995*, and with regards to Council Policy EM6 (Fees, Expenses and Allowances – Elected Members):

- 1. Acknowledges that a review has been undertaken by the Finance and Audit Committee;**
- 2. Rescinds the previous wording and title of the policy and procedure; and**
- 3. Adopts the Council Policy EM6 *Fees, Expense and Allowances – Elected Members and Independent Committee Members*, as included in the appendices.**

The motion was put and

Lost (0:6)

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

RESOLVED:

Moved: Cr Ammons Noble

Seconded: Cr Vernon

That the item be referred back to a Finance and Audit Committee workshop.

The motion was put and

Carried (6:0)

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

Reason: To enable the Finance and Audit Committee to assist with developing a policy that is easily understood, that eliminates risk and addresses the concerns raised in previous and more recent discussions, both in Finance and Audit Committee meetings and the Elected Members' Briefing Session.

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9. MOTION FOR WHICH PREVIOUS NOTICE HAS BEEN GIVEN

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

Nil.

10. MEETING CLOSED TO PUBLIC

10.1 Matters for which the meeting may be closed

Nil.

10.2 Public reading of resolutions that may be made public

Nil.

11. CLOSURE OF COMMITTEE MEETING

There being no further business, Councillor Ammons Noble closed the meeting at 7.15pm.

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

Signed:.....Cr Ammons Noble

Dated this:.....Day of2018