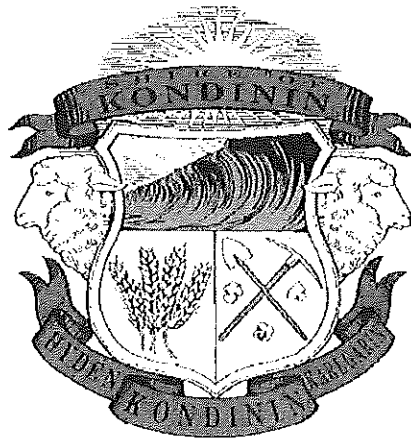




AUDIT COMMITTEE MEETING Attachments

3. MINUTES OF AUDIT COMMITTEE MEETING –
23RD DECEMBER 2021
4. 2021/22 MID YEAR BUDGET REVIEW
5. COMPLIANCE AUDIT RETURN 2021

February 2022



NOTICE OF MEETING

Councillors: Please be advised that a meeting of the

AUDIT AND RISK COMMITTEE

held at 10.00am on Thursday 23rd December, 2021 in the
Hyden CRC Building

David Burton
CHIEF EXECUTIVE OFFICER
21 December 2021

11 Gordon Street, KONDININ WA 6367 Tel (08) 98891006 Fax (08) 98891197
All communications to be addressed to the CHIEF EXECUTIVE OFFICER
Email: ceo@kondinin.wa.gov.au

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1. DECLARATION OF OPENING

The Deputy President Cr Gangell welcomed those present and declared the meeting open at 9.58 am.

2. ATTENDANCE

2.1 PRESENT

Cr B Gangell	Deputy President
Cr B Smith	Councillor
Cr P Green	Councillor
Mr D Burton	Chief Executive Officer
Mr V Bugna	Manager Corporate Services

2.2 APOLOGIES

Cr K Mouritz	Shire President
--------------	-----------------

2.3 APPROVED LEAVE OF ABSENCE

3. ELECTION OF CHAIRPERSON

The members of audit committee are to elect a presiding member and a deputy presiding member from amongst themselves in accordance with *Schedule 2.3, Division 1 (Section 5.12 and 5.13 of the Local Government Act 1995)*.

The Chief Executive Officer will conduct this election.

Moved Cr P Green Seconded Cr B Smith
Cr B Gangell was elected as presiding member. **Carried 3/0**

Moved Cr B Gangell Seconded Cr B Smith
C P Green was elected as deputy presiding member. **Carried 3/0**
(to function as presiding member if the presiding member is unavailable)

4. ANNOUNCEMENT OF VISITORS

Nil

5. DECLARATION BY MEMBERS

Nil

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RECOMMENDATION

Moved	Cr B Smith	Seconded	Cr P Green
That the Minutes of the Audit Committee held on 10 February 2021 be accepted as true and correct record.			
Carried 3/0			

7. TERMS OF REFERENCE*

Attachments: 1. Par 7 – Audit (Local Government Act 1995)

Under the Local Government Act 1995-

- (1) *Local Governments are required to establish an Audit Committee of 3 or more persons exercise the powers and discharge the duties conferred on it.*
- (2) *The members of the audit committee of a local government are to be **appointed*** by the local government and at least 3 of the members, and the majority of the members, are to be council members.*

****Absolute majority required***

- (3) *The CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.*
- (4) *An employee is not to be a member of an audit committee.*

An Audit Committee is to provide guidance and assistance to Council as to the carrying out of its functions in relation to audits under Part 7 of the Act and as to matters to be audited, the scope of audits, its functions under *Part 6 of the Act* and the carrying out of its functions relating to other audits and other matters related to *financial management*.

Meeting cycle: At least once a year to recommend adoption of Annual Report.

****For information only.***

8. AGENDA ITEMS

8.1 ADOPTION OF 2020/21 ANNUAL FINANCIAL REPORT

- Attachments: 1. Shire of Kondinin 2020/21 Annual Financial Report
2. Independent Audit Report
3. Management Report

OFFICER'S RECOMMENDATION AND COMMITTEE'S RESOLUTION

Moved Cr P Green

Seconded Cr B Smith

That with respect to 2020/21 Annual Financial Report, the Audit Committee:

1. Recommend to Council the acceptance of the Annual Financial Report and Independent Audit Report for the year ended 30 June 2021.

Carried 3/0

Summary

The Auditors – Butler Settineri Audit (BSA), contractor of the Office of Auditor General (OAG), conducted the Annual Financial Audit for 2020/21 last October 2021.

Background

The auditors conducted an on-site audit visit on 25-28 October 2021. The outcomes of their audit were discussed during the Annual Financial Audit Meeting with Mr. Robert Hall, Director of Butler Settineri and Mr. Liang Wong, Assistant Director Financial Audit – Office of Auditor General.

Comment

The Shire of Kondinin has received an unqualified or "clean" audit report from the Office of Auditor General. The auditor's opinion states that "In my opinion the annual financial report of the Shire of Kondinin:

- Is based on proper accounts and records; and
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards."

The audit noted an adverse trend in the Operating Surplus Ratio which has been below the benchmark as determined by the Department of Local Government, Sport and Cultural Industries (DLGCI).

The operating surplus ratio measures the ability of a local government to cover its operational costs (including depreciation) and have revenues available for capital funding or other purposes. Shire's operating revenue must come from its own sources (eg Rates, Fees and charges, Interest earnings and other revenue such as private works).

To meet the standard, the ratio must be 0.01 to zero. The ratio benchmarks adopted and set by the Department and OAG is a "one size fits all" approach. Many local governments (mostly rural) have not had an operating surplus ratio that met the standards set by the Department.

The Shire's operating surplus ratio has improved from (0.30) in 2020 to (0.04) in 2021 due to increased revenue from private works.

An extract of the Shire of Kondinin's ratios from Note 34 of the 2020/21 Annual Financial Report with benchmarks set by both DLGC and OAG are listed below:

FINANCIAL RATIOS	2021	2020	2019	DLGC Standard (equal or)	OAG Threshold (equal or)
Current ratio	3.22	1.83	2.69	> 1.0	< 1.0
Asset consumption ratio	0.96	0.98	0.98	> 0.50	< 0.45
Asset renewal funding ratio	0.98	0.98	0.99	> 0.75	< 0.60
Asset sustainability ratio	0.96	0.82	1.93	> 0.90	< 0.80
Debt service cover ratio	6.70	4.32	8.79	> 2.0	< 1.90
Operating surplus ratio	(0.04)	(0.30)	(0.13)	> 0.01	< Zero
Own source revenue ratio	0.66	0.53	0.56	> 0.40	< 0.35

STATUTORY ENVIRONMENT

Section 6.4 Local Government act 1995 Financial Report

Section 5.54 Local Government Act 1995 Acceptance of Annual Reports

VOTING REQUIREMENT

Simple Majority

8.2 DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITIES OPERATIONAL GUIDELINES – AUDIT IN LOCAL GOVERNMENT

Attachments: 1. Local Government Operational Guidelines – Number 09
2. Local Government (Audit) Regulations 1996

RECOMMENDATION

Moved Cr B Smith

Seconded Cr P Green

That the Audit Committee note the requirements contained in Local Government (Audit) Regulations 1996 and as stated in Appendix 3 of the Local Government Operational Guidelines Number 09.

Carried 3/0

Summary

The purpose of this item is to inform and provide the Committee of the changing regulations covered by the Local Government Operational Guidelines – Audit in Local Government.

Background

Updated regulations back then were gazetted for the Local Government (Audit) Regulations 1996 in February 2013. As a result of those amendments Local Government Operational Guidelines 9 – Audit in Local Government had been revised.

Regulation 17 prescribes a number of matters that are to be reviewed by the audit committee.

These functions include reviewing the Chief Executive Officer's report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance; and reporting the results of the Committee's consideration of that review, to the Council.

This report and review process is to occur at least once every two calendar years. The first review of each of the three areas was completed by the CEO in 2014.

Comment

Reg 17 was designed to further enhance good governance of Local Government in Western Australia.

Statutory Environment

Regulation 17 Local Government (Audit) Regulations 1996

Financial Implications

Not applicable

Strategic Implications

Not applicable

Policy Implications

Not Applicable

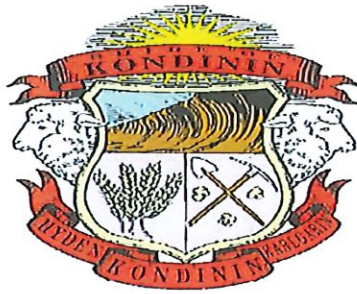
Voting Requirement

Simple Majority Required

9. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING
Nil

10. CLOSURE OF MEETING
Being no further business the meeting was closed at 10.29 am.

4. 2021/22 Mid Year Budget Review



SHIRE OF KONDININ

REVIEW OF BUDGET REPORT

For the Period Ended 31 December 2021

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LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

SHIRE OF KONDININ
STATEMENT OF BUDGET REVIEW
(NATURE OR TYPE)
FOR THE PERIOD ENDED 31 DECEMBER 2021

		Budget v Actual		Predicted variance			
		Adopted	YTD	Variance	Timing	Year End	Material
Note		Budget	Actual	Permanent	(Carryover		Variance
		(a)	(b)	⓪	(d)	(a)+⓪+(d)	
		\$	\$	\$	\$	\$	
OPERATING ACTIVITIES							
Net current assets at start of financial year surplus/(deficit)							
4.5.2		3,217,380	3,198,819	(18,561)	0	3,198,819	▼
Revenue from operating activities (excluding rates)							
Operating grants, subsidies and contributions	4.1.1	1,260,743	860,396	240,881	0	1,501,624	▲
Fees and charges	4.1.2	544,800	367,378	15,859	0	560,659	▲
Service charges		0	0	0	0	0	
Interest earnings		25,680	15,376	0	0	25,680	
Other revenue	4.1.4	385,573	224,713	0	0	385,573	
Profit on disposal of assets		9,488	46,770	46,770	0	56,258	▲
		2,226,284	1,514,632	303,510	0	2,529,795	
Expenditure from operating activities							
Employee costs		(2,064,864)	(941,363)	0	0	(2,064,864)	
Materials and contracts	4.2.2	(2,066,941)	(752,371)	(78,719)	(37,000)	(2,182,660)	▲
Utility charges		(324,840)	(98,501)	0	0	(324,840)	
Depreciation on non-current assets	4.2.4	(3,232,935)	(1,627,933)	(65,158)	0	(3,298,093)	▲
Interest expenses		(177,324)	(47,309)	36,674	0	(140,650)	▼
Insurance expenses		(240,290)	(241,541)	0	0	(240,290)	
Other expenditure	4.2.7	(288,205)	(113,982)	0	0	(288,205)	
Loss on disposal of assets		(31,739)	(2,673)	0	0	(31,739)	
		(8,427,138)	(3,825,673)	(107,203)	(37,000)	(8,571,340)	
Non-cash amounts excluded from operating activities							
Add back depreciation	4.5.3	3,232,935	1,627,933	65,158	0	3,298,093	▲
Adjust (profit)/loss on asset disposal		22,251	(44,097)	(46,770)	0	(24,519)	▲
Amount attributable to operating activities		(2,945,668)	(727,205)	214,695	(37,000)	(2,767,972)	
INVESTING ACTIVITIES							
Non-perating grants, subsidies and contributions	4.3.1	7,048,465	2,011,251	(3,738,714)	1,121,468	4,431,219	▼
Proceeds from disposal of assets	4.3.2	318,000	138,827	99,700	0	417,700	▲
Purchase land and buildings	4.4.2	(6,188,835)	(525,150)	5,311,020	(734,968)	(1,612,783)	▼
Purchase furniture and equipment		(49,880)	(46,018)	0	0	(49,880)	
Purchase plant and equipment	4.4.3	(1,078,455)	(392,470)	(223,390)	(90,500)	(1,392,345)	▲
Purchase Infrastructure assets - roads		(3,530,872)	(1,526,397)	0	(308,000)	(3,838,872)	▲
Purchase Infrastructure assets - footpaths	4.4.6	(277,581)	(102,911)	0	0	(277,581)	
Purchase Infrastructure assets - other	4.4.6	(447,050)	(322,928)	(8,142)	(80,000)	(535,192)	▲
Amount attributable to Investing activities		(4,206,208)	(765,796)	1,440,474	(92,000)	(2,857,734)	
FINANCING ACTIVITIES							
Transfers from cash backed reserves	4.3.7	250,000	0	30,000	0	280,000	▲
Proceeds from new borrowings		1,352,306	0	(1,352,306)	0	0	▼
Proceeds from self-supporting loan (principal)		56,140	27,820	0	0	56,140	
Transfers to cash backed reserves		(801,572)	(798,468)	(250,000)	0	(1,051,572)	▲
Repayment of borrowings		(221,247)	(97,201)	24,919	0	(196,328)	▼
Payments for principal portion of lease liabilities		(36,513)	(36,513)	0	0	(36,513)	
Amount attributable to financing activities		599,111	(904,362)	(1,547,387)	0	(948,273)	
Budget deficiency before general rates		(3,335,383)	801,455	89,221	(129,000)	(3,375,160)	
Estimated amount to be raised from general rates	4.5.1	3,335,383	3,377,695	46,612	0	3,381,995	▲
Closing Funding surplus (deficit)		0	4,179,149	135,833	(129,000)	6,834	

SHIRE OF KONDININ
STATEMENT OF BUDGET REVIEW
(STATUTORY REPORTING PROGRAM)
FOR THE PERIOD ENDED 31 DECEMBER 2021

Note	Budget v Actual		Predicted			Material Variance
	Adopted	YTD	Variance Permanent	Variance Timing (Carryover)	Year End (a)+©+(d)	
	Annual Budget (a)	Actual (b)				
	\$	\$	\$	\$		
OPERATING ACTIVITIES						
Net current assets at start of financial year surplus/(deficit)	3,217,380	3,198,819	(18,561)		3,198,819	▼
Revenue from operating activities (excluding rates)						
Governance	21,387	11,945	0	0	21,387	
General Purpose Funding	1,011,098	627,180	240,881	0	1,251,979	▲
Law, Order and Public Safety	21,328	17,528	0	0	21,328	
Health	335,475	169,766	0	0	335,475	
Education and Welfare	0	0	0	0	0	
Housing	50,500	32,841	0	0	50,500	
Community Amenities	113,400	125,547	15,859	0	129,259	▲
Recreation and Culture	36,698	22,827	0	0	36,698	
Transport	212,298	254,567	46,770	0	259,068	▲
Economic Services	253,000	141,669	0	0	253,000	
Other Property and Services	171,101	110,763	0	0	171,101	
	2,226,285	1,514,631	303,510	0	2,529,795	
Expenditure from operating activities						
Governance	(384,245)	(149,439)	(10,000)	0	(394,245)	▲
General Purpose Funding	(193,046)	(77,208)	0	0	(193,046)	
Law, Order and Public Safety	(135,470)	(56,005)	0	0	(135,470)	
Health	(623,694)	(292,676)	0	0	(623,694)	
Education and Welfare	(97,220)	(52,167)	(11,112)	0	(108,332)	▲
Housing	(298,318)	(157,814)	(18,719)	0	(317,037)	▲
Community Amenities	(757,575)	(317,712)	0	0	(757,575)	
Recreation and Culture	(1,976,193)	(874,870)	(46,746)	(37,000)	(2,059,939)	▲
Transport	(2,905,597)	(1,411,577)	(32,300)	0	(2,937,897)	▲
Economic Services	(884,896)	(332,776)	11,674	0	(873,222)	▼
Other Property and Services	(170,883)	(103,427)	0	0	(170,883)	
	(8,427,137)	(3,825,674)	(107,203)	(37,000)	(8,571,340)	
Non-cash amounts excluded from operating activities						
Add back Depreciation	3,232,935	1,627,933	65,158	0	3,298,093	▲
Adjust (Profit)/Loss on Asset Disposal	22,251	(44,097)	(46,770)	0	(24,519)	▲
Amount attributable to operating activities	(2,945,666)	(727,206)	214,695	(37,000)	(2,767,972)	
INVESTING ACTIVITIES						
Non-perating grants, subsidies and contributions	7,048,465	2,011,251	(3,738,714)	1,121,468	4,431,219	▼
Purchase land and buildings	(6,188,835)	(525,150)	5,311,020	(734,968)	(1,612,783)	▼
Purchase furniture and equipment	(49,880)	(46,018)	0	0	(49,880)	
Purchase plant and equipment	(1,078,455)	(392,470)	(223,390)	(90,500)	(1,392,345)	▲
Purchase Infrastructure assets - roads	(3,530,872)	(1,526,397)	0	(308,000)	(3,838,872)	▲
Purchase Infrastructure assets - footpaths	(277,581)	(102,911)	0	0	(277,581)	
Infrastructure Assets - Drainage	0	0	0	0	0	
Purchase Infrastructure assets - parks and ovals	0	0	0	0	0	
Purchase Infrastructure assets - other	(447,050)	(322,928)	(8,142)	(80,000)	(535,192)	▲
Proceeds from disposal of assets	318,000	138,827	99,700	0	417,700	▲
Amount attributable to Investing activities	(4,206,208)	(765,796)	1,440,474	(92,000)	(2,857,734)	
FINANCING ACTIVITIES						
Repayment of borrowings	(221,247)	(97,201)	24,919	0	(196,328)	▼
Proceeds from new borrowings	1,352,306	0	(1,352,306)	0	0	▼
Proceeds from self-supporting loan (principal)	56,140	27,820	0	0	56,140	
Transfers to cash backed reserves (restricted assets)	(801,572)	(798,468)	(250,000)	0	(1,051,572)	▲
Transfers from cash backed reserves (restricted assets)	250,000	0	30,000	0	280,000	▲
Payments for principal portion of lease liabilities	(36,513)	(36,513)	0	0	(36,513)	
Amount attributable to financing activities	599,114	(904,362)	(1,547,387)	0	(948,273)	
Budget deficiency before general rates	(3,335,383)	801,454	89,221	(129,000)	(3,375,160)	
Estimated amount to be raised from general rates	3,335,383	3,377,695	46,612	0	3,381,995	▲
Closing Funding surplus (deficit)	0	4,179,149	135,833	(129,000)	6,834	

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

1. BASIS OF PREPARATION

The budget review report has been prepared in accordance with Australian Accounting Standards (as they apply to local government and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire of Kondinin to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget review has 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.

THE LOCAL GOVERNMENT REPORTING ENTITY
All funds through which the Shire of Kondinin controls resources to carry on its functions have been included in the financial statements forming part of this budget review.

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

All monies held in the Trust Fund are excluded from the financial statements.

CRITICAL ACCOUNTING ESTIMATES

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

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

ROUNDING OFF FIGURES

All figures shown in this budget review report are rounded to the nearest dollar.

2021/22 ACTUAL BALANCES

Balances shown in this budget review report as YTD Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

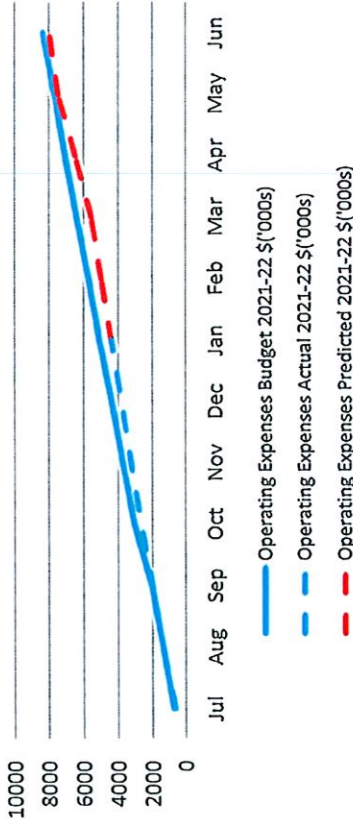
BUDGET COMPARATIVE FIGURES

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

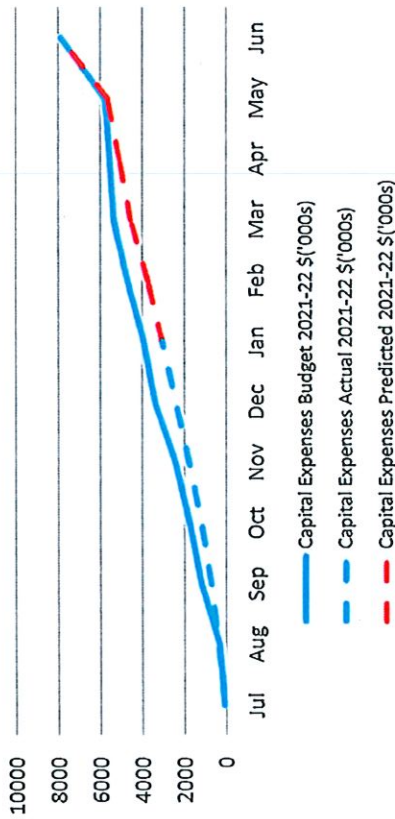
SHIRE OF KONDININ
SUMMARY GRAPHS - BUDGET REVIEW
For the Period Ended 31 December 2021

2. SUMMARY GRAPHS - BUDGET REVIEW

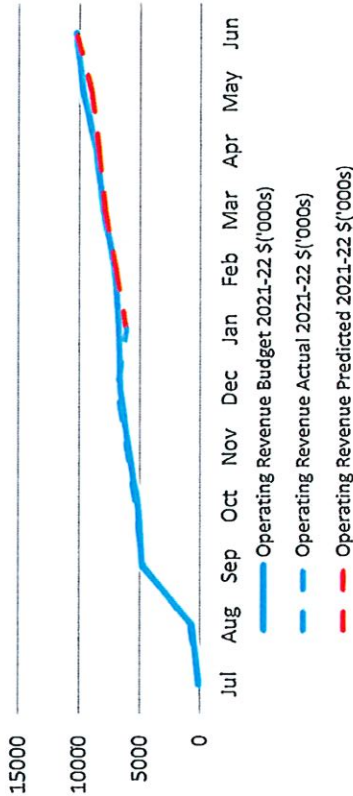
Operating Expenses



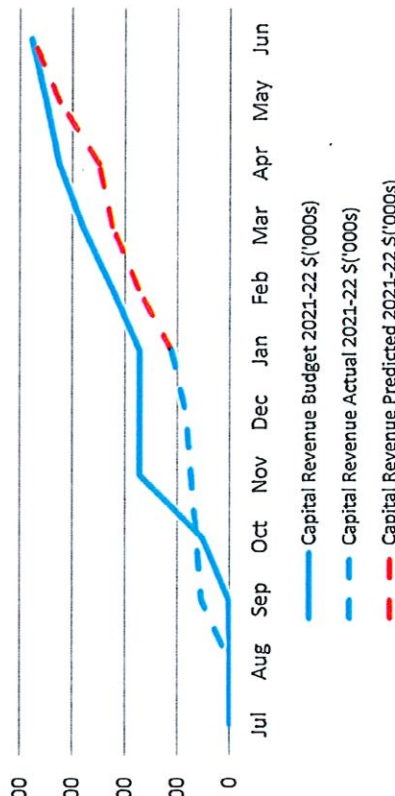
Capital Expenditure



Operating Revenue



Capital Revenue



This information is to be read in conjunction with the accompanying financial statements and notes.

SHIRE OF KONDININ
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

3. NET CURRENT FUNDING POSITION

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Operating activities excluded from budgetary deficiency

When calculating the budget deficiency for the purpose of 6.2 (2)(c) of the Local Government Act 1995 the following amounts have been excluded as provided by Local Government (Financial Management) Regulation 32 which will not fund the budget expenditure.

(i) Operating activities excluded from budgetary deficiency

The following non-cash revenue or expenditure has been excluded from operating activities within the Rate Setting Statement

	ACTUAL 31 December 2021	BUDGET 30 June 2022	AUDITED ACTUAL 30 June 2021	BUDGET 30 June 2021
	\$	\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	(46,770)	(9,488)	(12,831)	(7,202)
Less: Fair value adjustments to financial assets at fair value	0	0	(1,939)	0
Movement in share of result in associate	0	0	2,368	0
Movement in employee benefit provisions (non-current)	0	0	12,272	0
Movement in trade and other receivables	0	0	(13,629)	0
Add: Loss on asset disposals	2,673	31,739	47,478	67,183
Add: Depreciation on non-current assets	1,627,933	3,232,935	3,220,207	3,240,043
Non-cash amounts excluded from operating activities	1,583,836	3,255,186	3,253,925	3,300,024

(ii) Current assets and liabilities excluded from budgetary deficiency

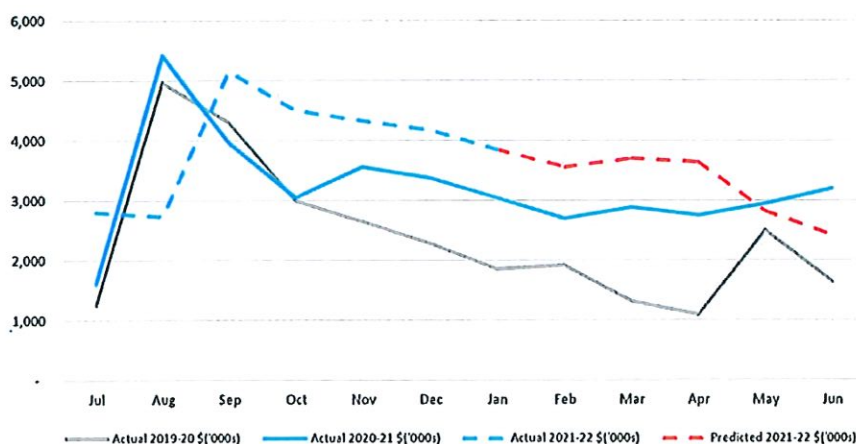
The following current assets and liabilities have been excluded from the current assets used in the Rate Setting Statement

Adjustments to net current assets				
Less: Reserves - restricted cash	(2,545,849)	(2,298,953)	(1,747,380)	(1,570,259)
Less: Financial assets at amortised cost - self supporting loans	0	(58,180)	(56,140)	(56,140)
Add: Current portion of long term borrowings	70,806	255,916	199,328	218,403
Add: Provisions - employee	0	186,011	0	363,076
Add: Lease liabilities - current	0	0	36,513	36,513
Total adjustments to net current assets	(2,475,043)	(1,915,206)	(1,570,679)	(1,008,408)

(iii) Composition of estimated net current assets

Current assets				
Cash unrestricted	4,442,261	491,111	3,756,595	250,000
Cash restricted	2,545,849	2,298,953	1,747,380	1,570,259
Receivables - rates and rubbish	362,807	200,000	201,469	175,000
Receivables - other	113,768	202,487	722,411	0
Other current assets	0	0	7,636	0
Inventories	21,503	20,000	21,510	20,000
	7,486,189	3,212,551	6,457,000	2,015,259
Less: current liabilities				
Payables	(359,227)	(671,429)	(676,183)	(418,450)
Contract liabilities	(10,576)	0	(451,924)	0
Long term borrowings	(99,127)	(255,916)	(196,328)	(218,401)
Provisions	(363,067)	(370,000)	(363,067)	(370,000)
	(831,897)	(1,297,345)	(1,687,502)	(1,006,851)
Net Current Assets	6,654,192	1,915,206	4,769,498	1,008,408
Less: Total adjustments to net current assets	(2,475,043)	(1,915,206)	(1,570,679)	(1,008,408)
Net current funding position	4,179,149	0	3,198,819	0

Liquidity Over the Year



SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

3. COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities.

FINANCIAL ASSETS AT AMORTISED COST

The Shire of Kondinin classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held with a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

TRADE AND OTHER RECEIVABLES

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due or settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Shire of Kondinin applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

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 necessary to make the sale.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

CURRENT AND NON-CURRENT CLASSIFICATION

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire of Kondinin's operational cycle. In the case of liabilities where the Shire of Kondinin 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 based on the Shire of Kondinin's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of Kondinin prior to the end of the financial year that are unpaid and arise when the Shire of Kondinin becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire of Kondinin recognises revenue for the prepaid rates that have not been refunded.

EMPLOYEE BENEFITS

Short-Term Employee Benefits

Provision is made for the Shire of Kondinin's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The shire of Kondinin's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current of financial trade and other payables in the statement position. The Shire of Kondinin's obligations for employees' annual leave and long service entitlements are recognised as provisions in the statement of financial position.

PROVISIONS

Provisions are recognised when the Shire of Kondinin has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and 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.

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire of Kondinin are recognised as a liability until such time the Shire of Kondinin satisfies its obligations under the agreement.

SHIRE OF KONDININ
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
4.1 OPERATING REVENUE (EXCLUDING RATES)		
4.1.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Actual allocation higher than budget estimated - Grants Commission (general purpose and roads)	240,881	
4.1.2 FEES AND CHARGES		
Domestic and commercial charges slightly higher than expected.	15,859	
4.1.6 INTEREST EARNINGS		
No Material Variance	0	
4.1.7 OTHER REVENUE		
Revenues from private works are unpredictable and recognised when contracts are confirmed.	0	
4.1.8 PROFIT ON ASSET DISPOSAL		
This profits relate to the disposal of Smooth drum roller (KN78), trade in of lawn mower (P98) and Toyota Hilux (KN51).	46,770	
Predicted Variances Carried Forward	303,510	0

SHIRE OF KONDININ
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	303,510	0
4.2 OPERATING EXPENSES		
4.2.1 EMPLOYEE COSTS		
No Material Variance	0	
4.2.2 MATERIAL AND CONTRACTS		
The permanent variances are costs anticipated additional for consultancy, painting and general repair of one (vacated) staff house, maintenance cost for staff house at Jones Street acquired subsequent to budget adoption general repair cost for Bendering Hall as a result of vandalism and railway barracks maintenance costs. The timing variance is for Hyden Golf Club ceiling repair funded from LRCIP round 3	(78,719)	(37,000)
4.2.3 UTILITY CHARGES		
No Material Variance	0	
4.2.4 DEPRECIATION (NON CURRENT ASSETS)		
Increased in depreciation due to additions in road assets, buildings and other infrastructure at 30 June 2021.	(65,158)	
4.2.5 INTEREST EXPENSES		
Refers budgeted Loan #143 interest - Hyden Visitors Centre. Application for loan not to proceed this financial year.	36,674	
4.2.6 INSURANCE EXPENSES		
No Material Variance	0	
4.2.7 OTHER EXPENDITURE		
No Material Variance	0	
4.2.8 LOSS ON ASSET DISPOSAL		
No Material Variance	0	
Predicted Variances Carried Forward	196,307	(37,000)

SHIRE OF KONDININ
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	196,307	(37,000)
4.3 CAPITAL REVENUE		
4.3.1 NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS		
The timing variance refers LRCIP phase 3 funding to commence January 2022 and CSRFF grant, while the permanent variance was referring to unsuccessful grant and contribution applied for Hyden Visitors Centre project.	(3,738,714)	1,121,468
4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS		
Insurance proceeds from Roller (KN78) written-off.	99,700	0
4.3.3 PROCEEDS FROM NEW DEBENTURES		
Refers to budgeted loan for Hyden Visitor Centre project not to proceed (refer to 4.4.2 permanent variance column).	(1,352,306)	0
4.3.4 PROCEEDS FROM SALE OF INVESTMENT		
No Material Variance	0	0
4.3.5 PROCEEDS FROM ADVANCES		
No Material Variance	0	0
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL		
No Material Variance	0	0
Predicted Variances Carried Forward	(4,795,013)	1,084,468

SHIRE OF KONDININ
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(4,795,013)	1,084,468
4.4 CAPITAL EXPENSES		
4.4.1 LAND HELD FOR RESALE		
No Material Variance		
4.4.2 LAND AND BUILDINGS		
The permanent difference refers to Hyden Visitors Centre project not to proceed as grant funding application unsuccessful while the timing difference is related to Aged Care Housing completion costs in Kondinin and Hyden, LRCIP round 3 funding projects and round 2 reallocation of \$100,000 from Hyden Swimming building upgrade to Kondinin Caravan Park upgrade.	5,311,020	(734,968)
4.4.3 PLANT AND EQUIPMENT		
The timing difference refers to LRCIP round 3 funding for bin enclosures for 3 towns, while the permanent difference related to the purchased of lawn mower and trailer (Council Resolution #3826), replacement to Smooth Drum Roller (Council Resolution #3827) settled by insurance and purchased of Submersible pumps for Shire Dams per Council Resolution 3838 and 3867.	(223,390)	(90,500)
4.4.4 FURNITURE AND EQUIPMENT		
No Material Variance	0	0
4.4.5 INFRASTRUCTURE ASSETS - ROADS		
Upgrade at Repacholi Pde Road, Kondinin and Radbourne Drive corner Smith Loop Roads, Hyden funded from LRCIP round 3 grant.	0	(308,000)
4.4.6 INFRASTRUCTURE ASSETS - OTHER		
The permanent variance refers to Kondinin Hockey Field adjustment from KCRC contribution and the timing variance refers to Shire contribution LRCIP round 2 allocation for Hyden Swimming car park and drainage.	(8,142)	(80,000)
4.4.7 PURCHASES OF INVESTMENT		
No Material Variance	0	0
4.4.8 REPAYMENT OF DEBENTURES		
Principal Repayment of Loan #143 as project not to take place in 2021/22.	24,919	0
Predicted Variances Carried Forward	309,394	(129,000)

SHIRE OF KONDININ
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. PREDICTED VARIANCES

Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	309,394	(129,000)
4.5 OTHER ITEMS		
4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)		
Reserve cash backed to fund the construction of Hyden Visitors Centre.		(250,000)
4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)		
To fund the purchase of submersible pumps for Shire dams per Council Resolution #3838 and #3867	30,000	0
4.5.1 RATE REVENUE		
Increase in rates revenue due to revaluation adjustment.	46,612	0
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)		
Effect due to late tax Invoices submitted subsequent to budget adoption.	(18,561)	0
4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS) AND DEPRECIATION		
Please see 4.1.8 and 4.2.4 above for explanation.	18,388	0
Total Predicted Variances as per Annual Budget Review	385,833	(378,999)

SHIRE OF KONDININ
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

5. BUDGET AMENDMENTS

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

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
	Budget Adoption		Operating Surplus/(Deficit)					
09120	General Rates Levied		Operating Revenue		46,612	(18,561)	(18,561)	Effect on late tax invoices submitted
03201	Grants Commission Grant Received - General		Operating Revenue		197,658		28,051	Actual higher than estimated due to revaluation adjustment.
03202	Grants Commission Grant Received- Roads		Operating Revenue		43,223		225,709	Actual allocation higher than budget estimate.
04155	Consultancy Services		Operating Expenses			(10,000)	268,932	Actual allocation higher than budget estimate.
04281	Purchase Land & Buildings - Governance General		Capital Expenses			(110,000)	258,932	Anticipated additional costs required.
04276	Grants, Contrib & Reimbursements		Operating Revenue		110,000		148,932	Close Circuit TV (CCTV) LRCIP Round3 funding to commence January 2022
09450	Depreciation Expense - Aged & Disabled		Non Cash Item	(11,112)			258,932	LRCIP Round3 funding allocated for CCTV
09481	Purchase Land and Buildings - Senior Citizens		Capital Expenses			(77,000)	258,932	Adjustment for Depreciation underestimated
09102	Maintenance Staff House Lot 44 Graham Street, Kondinin - No 76 Hospital staff		Operating Expenses			(12,719)	181,932	Completion costs for Aged Care Housing in Kondinin and Hyden. Painting and general repair required when property vacated by previous Shire employees not anticipated during budget preparation
09116	Maintenance Staff House Lot 97 (No. 51), Jones Street, Kondinin - Bennell		Operating Expenses			(6,000)	169,213	Maintenance budget for purchased house subsequent to 2021/22 budget.
10170	Domestic & Commercial Bin Charges		Operating Revenue		15,859		179,072	Actual billing higher than budget estimate.
10173	Grant and Contributions (LRCIP-3)		Operating Revenue		90,500		269,572	Round3 LRCIP funding for Bin Enclosures for Kondinin, Karlgarin & Hyden
10183	Purchase Plant & Equipment - Household Refuse		Capital Expenses			(90,500)	179,072	Bin Enclosures for Kondinin, Karlgarin & Hyden Round3 LRCIP funding
11101	Hall - Maintenance		Operating Expenses			(15,000)	164,072	Bendering Hall (vandalism) repair to be claimed from insurance.
11279	Grant, Subsidies & Contribution - LRCI		Operating Revenue		397,968		562,040	Round3 LRCIP funding to commence January 2022 allocated for Hyden Swimming Pool upgrade
11281	Purchase Land & Buildings - Swimming Areas and Beaches		Capital Expenses			(297,968)	264,072	Hyden Swimming Building upgrade funded through LRCIP Round3 (\$100,000 less \$397,968)
11284	Purchase Other Infrastructure - Swimming Areas and Beaches		Capital Expenses			(80,000)	184,072	Shire Contribution for Hyden Swimming Pool Car Park and drainage
11320	Sporting Oval - Maintenance		Operating Expenses			(20,000)	164,072	Kondinin Oval sprinkler repairs from Kondinin Hockey Field savings.
11330	Hyden Golf Club - Maintenance		Operating Expenses			(37,000)	127,073	Hyden Golf Club ceiling replacement funding from LRCIP Round3
11350	Depreciation Expense - Other Rec & Sports		Non Cash Item	(11,746)			127,073	Adjustment for Depreciation underestimated
11370	Grants and Contribution		Operating Revenue		180,000		307,073	Grant to commence January 2022 for Hyden Tennis Club re-roofing \$150,000 and Hyden Golf Club ceiling replacement \$30,000 - funding from LRCIP Round3.
11370	Grants and Contribution		Operating Revenue		35,000		342,073	Adjustment for CSRFF Grant \$40,000 for Kondinin Hockey Field net of \$5,000 over budgeted.
11381	Purchase Land & Buildings - Other Rec (Hyden Tennis Club Re-roofing)		Capital Expenses			(150,000)	192,073	Hyden Tennis Club re-roofing funding from LRCIP Round3.
11383	Purchase Plant and Equipment - Parks and Gardens		Capital Expenses			(47,390)	144,683	Purchase of New Lawn Mower and trailer per Council Resolution #3826
11388	Purchase Infrastructure Other - Other Recreation & Sport		Capital Expenses			(8,142)	136,541	Kondinin Hockey Field adjustment from KCRC contribution
12172	Grant - LRCI 3 - Roads Upgrade		Operating Revenue		308,000		444,541	LRCIP Round3 funding allocation for Roads upgrade at Kondinin and Hyden.
12120	Local Roads & Community Infras (LRCIP)		Capital Expenses			(308,000)	136,541	Roads upgrade at Kondinin and Hyden LRCIP Round3 funding.
12266	Depreciation Roads		Non Cash Item	(25,376)			136,541	Adjustment for Depreciation underestimated
12267	Depreciation Other Infrastructure		Non Cash Item	(6,924)			136,541	Adjustment for Depreciation underestimated
12363	Purchase Plant & Equipment - Road Plant Purchases		Capital Expenses			(146,000)	(9,459)	Compaction Smooth Drum Roller - replacement of KN78 written-off and settled by insurance.
12350	Profit on sale of asset		Non Cash Item	46,770			(9,459)	Resulting from disposal of Smooth Drum Roller (settled by insurance), trade-in of P98 Mower and trade-in of KN51.
12350	Proceeds on Sale of Asset		Capital Revenue		99,700		90,241	Insurance proceeds from KN78 written-off
13254	Other Tourist Facilities - Maintenance		Operating Expenses			(15,000)	75,241	Railway barracks at Hyden costs
13280	Depreciation Expense - Tourism & Area Promo		Non Cash Item	(10,000)			75,241	Adjustment for Depreciation underestimated
13268	Loan #143 Interest - Hyden Visitors Centre		Operating Expenses		36,674		111,915	Add back Budgeted loan#143 Interest. Application for loan not to proceed this financial year
13277	Grants and Contribution		Operating Revenue			(3,738,714)	(3,626,799)	Adjustment for BBRF grant applied and Contribution from Hyden CRC for Hyden Visitors' Centre. Grant application unsuccessful.

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

GL Account Code	Description	Council Resolution	Classification	No Change - (non Cash Items) Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
13296	Proceeds from New Loan #143 - Hyden Visitors Centre		Capital Revenue			(1,352,306)	(4,979,105)	Budgeted New Loan #143 not to proceed for Hyden Visitor Centre as grant application for the project unsuccessful.
13281	Purchase Land & Buildings - Tourism & Area Promotion (Hyden Visitor Centre)		Capital Expenses	5,311,020			331,915	Add back project cost (Hyden Visitor Centre) not to proceed in 2021/22
13281	Purchase Land & Buildings - Tourism & Area Promotion (Caravan Park Upgrade)		Capital Expenses			(100,000)	231,915	LRCIP Round2 reallocation from Hyden swimming Pool upgrade to Kindinin Caravan Park upgrade (refer to GL11281)
13287	Transfer to Hyden Visitors Centre Reserve		Capital Expenses			(250,000)	(18,085)	Reserve cash backed - Allocation to fund the Hyden Visitor Centre.
13288	Principal Repayment - Loan#143 Hyden Community & Visitor Centre		Capital Expenses	24,919			6,834	Add back budgeted Principal Repayment of Loan#143 as project not to take place in 2021/22
13683	Purchase Plant & Equipment - Other Eco Serv		Capital Expenses			(30,000)	(23,166)	Purchase of Submersible Pumps for Shire Dams per Council Resolutions #3838 and 3867.
13688	Transfer from Water Infrastructure Reserve		Capital Revenue	30,000			6,834	To fund the Purchase of Submersible Pumps for Shire Dams per Council Resolutions #3838 and 3867.
Amended Budget Cash Position as per Council Resolution				(18,388)	6,927,133	(6,920,300)	6,834	

5. Compliance Audit Return 2021



Department of
**Local Government, Sport
and Cultural Industries**

Kondinin - Compliance Audit Return 2021

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A	no major trading undertakings.	David Burton
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A	no major land transactions.	David Burton
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A	no major land transactions.	David Burton
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A	not required as no major undertakings.	David Burton
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	not required as no major undertakings.	David Burton



Department of
**Local Government, Sport
and Cultural Industries**

Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	no delegations to Committees	David Burton
2	s5.16	Were all delegations to committees in writing?	N/A		David Burton
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		David Burton
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		David Burton
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	Yes		David Burton
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		David Burton
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		David Burton
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		David Burton
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		David Burton
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes		David Burton
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		David Burton
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes		David Burton
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		David Burton

Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		David Burton



Department of
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No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A	no approvals made for member to attend meeting.	David Burton
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		David Burton
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		David Burton
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		David Burton
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		David Burton
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		David Burton
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		David Burton
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		David Burton
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		David Burton
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		David Burton
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		David Burton
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		David Burton



Department of
Local Government, Sport
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		David Burton
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?* *Question not applicable after 2 Feb 2021	Yes		David Burton
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	Yes		David Burton
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		David Burton
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	no ministerial approval required.	David Burton
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A	as above	David Burton
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes		David Burton
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		David Burton
		*Question not applicable after 2 Feb 2021			



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No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		David Burton
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	N/A	no additional requirements.	David Burton
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		David Burton
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes		David Burton

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes	Roller advertised as required.	David Burton
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		David Burton



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Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes	no gift notifications received.	David Burton
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	no forms received.	David Burton
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	N/A	no gifts received.	David Burton



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Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes		David Burton
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	Yes	Audit Committee to meet with Auditor	David Burton
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes		David Burton
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	minor and moderate items.	David Burton
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	no significant items reported	David Burton
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A	no significant items reported.	David Burton
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		David Burton



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Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	No	Shire is currently in process of completing review of Strategic Community Plan.	David Burton
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Old plan adopted previously. a new plan will be completed after finalising the Strategic Community Plan under review.	David Burton
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes	previous plan does, plan to be reviewed on completion of Strategic Community Plan.	David Burton

Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	Yes		David Burton
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes		David Burton
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	Yes		David Burton
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	Yes		David Burton
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	no senior employees dismissed.	David Burton
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	no senior employees dismissed.	David Burton



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Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes	CEO is complaints officer.	David Burton
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121 (2)?	Yes		David Burton
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		David Burton
Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	Currently under Review in January 2022	David Burton
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	No	process started, but Risk Management Policy needs to be rewritten.	David Burton
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		David Burton
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes		David Burton



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No	Reference	Question	Response	Comments	Respondent
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		David Burton
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes		David Burton
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes		David Burton
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		David Burton
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		David Burton

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		David Burton
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		David Burton
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		David Burton
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	no multiple contracts entered into.	David Burton



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	N/A	no variations on tenders.	David Burton
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		David Burton
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		David Burton
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes		David Burton
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		David Burton
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		David Burton
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Yes		David Burton
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	No EOI's requested.	David Burton
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	No EOI's requested.	David Burton
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A	No EOI's requested.	David Burton
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A	No pre-qualified suppliers.	David Burton



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No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	No pre-qualified suppliers.	David Burton
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	No pre-qualified suppliers.	David Burton
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A	No pre-qualified suppliers.	David Burton
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	No pre-qualified suppliers.	David Burton
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	No pre-qualified suppliers.	David Burton
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	No pre-qualified suppliers.	David Burton
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	Yes		David Burton

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Kondinin

Signed CEO, Kondinin