



Shire of  
**Chapman Valley**  
*Love the Rural Life*

# AGENDA

**FINANCE & AUDIT COMMITTEE MEETING  
THURSDAY 6<sup>TH</sup> FEBRUARY 2014  
COUNCIL CHAMBERS NABAWA  
2.00PM**

The Finance and Audit Committee is comprised of:-

Cr John Collingwood  
Cr Pauline Forrester  
Cr Ian Maluish  
Cr Kirrilee Warr

Chief Executive Officer	(Advisor)
Office Manager	(Advisor)
Mid-West Regional Council	(Advisor)
Executive Assistant	(Minute Taker)
Greg Godwin - UHY Haines Norton	(Auditor)

## DISCLAIMER



No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on

### WRITTEN CONFIRMATION

Of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

A handwritten signature in black ink, appearing to read 'M. Battilana', is written over a large, light grey, stylized signature graphic that serves as a background for the signature.

Maurice Battilana  
**CHIEF EXECUTIVE OFFICER**

# AGENDA

## FINANCE & AUDIT COMMITTEE MEETING TO BE HELD IN THE COUNCIL CHAMBERS, NABAWA THURSDAY 6<sup>TH</sup> FEBRUARY 2014 AT 2.00PM

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### ORDER OF BUSINESS

**1.0 Election of Presiding Member and Deputy Presiding Member of Shire of Chapman Valley Finance and Audit Committee (*S5.12 Local Government Act*)**

**2.0 Declaration of Opening / Announcements of Visitors**

**3.0 Record of Attendance**

**2.1 Present**

Please note that Mr Greg Goodwin from UHY Haines Norton will be attending the meeting via phone link.

**2.2 Apologies**

**4.0 Applications for Leave of Absence**

**5.0 Petitions / Deputations / Presentations**

**6.0 Confirmation of Minutes from previous meetings Page 4**

Finance and Audit Committee Meeting held on Wednesday 10<sup>th</sup> July 2013

'Recommend that the minutes of the Finance and Audit Committee of the Shire of Chapman Valley held on Wednesday 10<sup>th</sup> July 2013 be confirmed as a true and accurate record of proceedings.'

**7.0 Agenda Items**

**7.1 Management Report 30 June 2013 Page 22**

**7.2 Audit Report 30 June 2013 Page 29**

**7.3 Compliance Audit Return 2013 Page 32**

**8.0 Information Items**

**9.0 General Business**

**10.0 Closure**



Shire of  
**Chapman Valley**  
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# UNCONFIRMED MINUTES

**FINANCE & AUDIT COMMITTEE MEETING  
WEDNESDAY 10<sup>th</sup> JULY 2013  
COUNCIL CHAMBERS NABAWA  
10.00AM**

The Finance and Audit Committee is comprised of:-

Cr John Collingwood  
Cr Beverley Davidson  
Cr Pauline Forrester

Chief Executive Officer (Advisor)  
Executive Assistant (Minute Taker)

## DISCLAIMER



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**Chapman Valley**  
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The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on

### WRITTEN CONFIRMATION

Of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

Barrye Thompson  
**CHIEF EXECUTIVE OFFICER**

# AGENDA

## UNCONFIRMED MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING TO BE HELD IN THE COUNCIL CHAMBERS, NABAWA WEDNESDAY 10<sup>TH</sup> JULY 2013 AT 10.00AM

### ORDER OF BUSINESS

#### 1.0 Declaration of Opening / Announcements of Visitors

The Chairman, Cr Collingwood welcomed Elected Members and Staff and declared the meeting open at 10.15am.

#### 2.0 Record of Attendance

##### Present

##### a. Councillors

Member	Ward
Cr John Collingwood - President	North East Ward
Cr Beverly Davidson	North East Ward
Cr Pauline Forrester	North East Ward

##### b. Staff

Officer	Position
Mr Barrye Thompson	Acting Chief Executive Officer
Mrs Karen McKay	Executive Assistant (Minute Taker)
Mrs Dianne Raymond	Office Manager

##### Apologies

Councillor	Ward
Nil	

#### 3.0 Confirmation of Minutes from previous meetings

##### Finance and Audit Committee Meeting held on Wednesday 6 February 2013

'Recommend that the minutes of the Finance and Audit Committee of the Shire of Chapman Valley held on Wednesday 6 February 2013 be confirmed as a true and accurate record of proceedings.'

##### COMMITTEE RECOMMENDATION

**MOVED: CR DAVIDSON**

**SECONDED: CR FORRESTER**

**That the minutes of the Finance and Audit Committee of the Shire of Chapman Valley held on Wednesday 6 February 2013 be confirmed as a true and accurate record of proceedings.**

**Voting 3/0  
CARRIED**

**4.0 Agenda Items**

**4.1 Interim Audit Report 30 June 2013**

<b>AGENDA ITEM:</b>	4.1
<b>SUBJECT:</b>	INTERIM AUDIT REPORT 30 JUNE 2013
<b>PROPONENT:</b>	SHIRE OF CHAPMAN VALLEY
<b>SITE:</b>	COUNCIL CHAMBERS
<b>FILE REFERENCE:</b>	403.05 & 305.13
<b>PREVIOUS REFERENCE:</b>	N/A
<b>DATE:</b>	3 JULY 2013
<b>AUTHOR:</b>	STUART BILLINGHAM

#### DISCLOSURE OF INTEREST

Nil

#### BACKGROUND

The Shire of Chapman Valley has received the Interim Audit Report from its Auditors UHY Haines Norton. (Please refer to Final Audit Report submitted as **Attachment 1**).

The following Other Legal and Regulatory Requirements were raised:

##### Audit Report

##### Purchases, Payments & Payables

- It was noted where purchase orders were raised after supplier tax invoices were received.

##### Month End Procedures

A review of month end reconciliations revealed the following:

- In one instance the rate debtors and sundry debtors reconciliations had not been prepared and in two instances these reconciliations did not have evidence of having been reviewed by senior office independent of preparation;
- There were three instances where creditors reconciliations did not have evidence of having been reviewed by senior officer independent of preparation; and
- Whilst reconciliations for fixed assets were performed as required, they did not have evidence of having been reviewed by senior officer independent of preparation.

##### Monthly Financial Activity Statement

The review of Monthly Finance Activity Statements noted the following:

- Whilst an "M" denotes where material variances have occurred the actual material variances, in \$ or % terms, were not disclosed as required by FM Reg 34(1)(d).
- Some material variances in Monthly Financial Activity Statements did not have adequate explanations.

##### Financial Interest Register

The review of the annual return in the Financial Interest Register noted the period covered in the annual returns was from 1 July 2012 to 30 June 2013 instead of 1 July 2011 to 30 June 2012.

#### COMMENT

A review of month end reconciliations revealed the following:

##### Auditor comment

- In one instance the rate debtors and sundry debtors reconciliations had not been prepared and in two instances these reconciliations did not have evidence of having been reviewed by senior office independent of preparation;

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Officer Comment

Rates Debtors and Sundry Debtors reconciliations are now prepared monthly and signed off by the preparer and checking officer. Office procedure manual have been adjusted to reflect this requirement.

Auditor comment

- There were three instances where creditors reconciliations did not have evidence of having been reviewed by senior officer independent of preparation; and

Officer Comment

Sundry Creditors reconciliations are now prepared monthly and signed off by the preparer and checking officer. Office procedure manual have been adjusted to reflect this requirement.

Auditor comment

- Whilst reconciliations for fixed assets were performed as required, they did not have evidence of having been reviewed by senior officer independent of preparation.

Officer Comment

Fixed Asset reconciliations are now prepared annually and signed off by the preparer and checking officer. Office procedure manual have been adjusted to reflect this requirement.

Monthly Financial Activity Statement

The review of Monthly Finance Activity Statements noted the following:

Auditor comment

- Whilst an "\*\*\*" denotes where material variances have occurred the actual material variances, in \$ or % terms, were not disclosed as required by FM Reg 34(1)(d).

Officer Comment

The May and June monthly Statement of Financial Activity has now been updated to reflect these statutory requirements and now resolved.

Auditor comment

- Some material variances in Monthly Financial Activity Statements did not have adequate explanations.

Officer Comment

The May and June monthly Statement of Financial Activity has now been updated with more detailed explanations of material variances and this matter is now considered resolved.

**STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*.

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**STAFF RECOMMENDATION**

That Council receive the Auditors Report and it be noted there are no further actions required.

**COMMITTEE RECOMMENDATION**

**MOVED: CR FORRESTER**

**SECONDED: CR DAVIDSON**

That the Finance & Audit Committee recommend the receipt of the Auditors Report to full Council and it be noted there are no further actions required.

Voting 3/0  
CARRIED

20 May 2013



Cr J P Collingwood  
The Chair  
Audit Committee  
Shire of Chapman Valley  
PO Box 1  
NABAWA WA 6532

Dear Cr Collingwood

**INTERIM AUDIT VISIT**

We have completed our onsite procedures in respect of our interim audit visit on 8 to 9 April 2013 and attach a list of matters raised with management during our exit meeting.

Please note, we will follow these up during our final visit later in the year to help ensure appropriate action has been implemented.

This letter, together with the attached matters are provided for the purposes of general information only and are not part of our formal audit reporting process. Our audit and management reports will be formally issued at the conclusion of our audit in respect of the year ended 30 June 2013.

If you have any queries regarding these or other matters, please contact me.

Yours sincerely

**GREG GODWIN**  
PARTNER

cc: Mr Stuart Billingham- Chief Executive Officer

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**SHIRE OF CHAPMAN VALLEY**

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INTERIM AUDIT VISIT  
YEAR ENDED 30 JUNE 2013  
MATTERS NOTED & REQUIRING FOLLOW UP



An independent member of UHY Haines Norton and UHY International

Intelligent  
Choice  
Intelligent  
Solutions

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## 1.0 SYSTEMS AND PROCEDURES

### 1.1 PURCHASES, PAYMENTS AND PAYABLES

#### OBSERVATION

We noted instances where purchase orders were raised after supplier tax invoices were received.

#### COMMENT

All authorised officers should be "reminded" of the need to ensure purchase orders are to be raised prior to the time of authorising works/services or ordering goods. This will help to ensure goods/services have been appropriately ordered and authorised, and also helps ensure budget responsibility.

Purchases made without orders may commit the Shire to unauthorised expenditure. It is important for all purchasing to follow a documented procedure to control expenditure and ensure the dollar value limits set for staff are not exceeded.

Whilst we acknowledge compensating controls exist whereby the relevant expenditure is controlled by budgets and spending limits, ensuring purchase orders are written out and matched to invoices provides a higher level of control.

### 1.2 MONTH END PROCEDURES

#### OBSERVATION

Our review of month end reconciliations revealed the following:

- In one instance the rate debtors and sundry debtors reconciliations had not been prepared and in two instances these reconciliations did not have evidence of having been reviewed by a senior officer independent of preparation;
- There were three instances where creditors reconciliations did not have evidence of having been reviewed by a senior officer independent of preparation; and
- Whilst reconciliations for fixed assets were performed as required, they did not have evidence of having been reviewed by a senior officer independent of preparation.

#### COMMENT

To help ensure the completeness and accuracy of sub ledgers, the general ledger should be reconciled to the respective sub ledgers on a regular basis. These reconciliations should be signed and dated by the preparer thereof and should be independently reviewed.

*Note: This document is for audit purposes only to document matters discussed with management and is not intended to express nor imply any opinion or assurance. It should be read in conjunction with our covering letter in respect of our interim audit visit.*

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



## 2.0 COMPLIANCE

### 2.1 MONTHLY FINANCIAL ACTIVITY STATEMENT

#### OBSERVATION

Our review of Monthly Financial Activity Statements noted the following:

- Whilst an "\*\*\*" denotes where material variances have occurred, the actual material variances, in \$ or % terms, were not disclosed as required by FM Reg 34(1)(d).
- Some material variances in Monthly Financial Activity Statements did not have adequate explanations.

#### COMMENT

- To help ensure compliance with FM Reg 34(2)(b) together with FM Reg 34(5), as Council have defined a material variance in both percentage (%) and Dollar (\$) terms, both the % and \$ values of variances should be detailed in the Monthly Financial Activity Statements.  
*As the above matter raised represents non-compliance with Financial Management Regulations, this may be carried forward to our audit report for the year ended 30 June 2013.*
- To help assist users of the monthly reports to assess reasons for material variances and make decisions resulting there from the explanations for material variances could be more detailed.

### 2.2 FINANCIAL INTEREST REGISTER

#### OBSERVATION

Our review of the annual returns in the financial interest Register noted the period covered in the annual returns was from 1 July 2012 to 30 June 2013 instead of 1 July 2011 to 30 June 2012.

#### COMMENT

To help ensure compliance with Section 5.76 of the LG Act annual returns should be lodged "in arrears" i.e. returns lodged in the period 1 July 2012 to 31 August 2012 should cover the year ended 30 June 2012.

*Note: This document is for audit purposes only to document matters discussed with management and is not intended to express nor imply any opinion or assurance. It should be read in conjunction with our covering letter in respect of our interim audit visit.*

URRY HAINES NORTON  
CHARTERED ACCOUNTANTS



### 3.0 READINESS TO ADOPT FAIR VALUE ACCOUNTING

**OBSERVATION**

As mandated by Financial Management Regulation 17A, a local government in Western Australia must show all of the assets in its financial report at fair value by 30 June 2015. Implementation is to be phased in over three years from 1 July 2012 and commences with all plant and equipment being reported at fair value for the financial year ending 30 June 2013. During our interim audit visit, we made observations and held discussions with a view to assessing the Shire's readiness for meeting the requirements and noted the following:

MAJOR TASK REQUIRED	OBJECTIVE	STATUS
Design of an overall strategy and plan.	To ensure resources are available and organised for proper implementation and hence compliance with regulations in respect to fair value reporting. This also helps to ensure external services are scoped properly.	Management indicated the Shire will implement this mandatory requirement over three years starting with valuation of plant and equipment in accordance with Financial Management Regulation 17A(3). Management has just started considering the process and are thinking of using a mixture of in house resources and external consultants. The plan will be documented in due course for all classes of assets.
Selection of the valuation method (including fair value hierarchy) for different classes or segmentation of assets.	To ensure the most appropriate approach and hierarchy of fair value inputs for valuation techniques are applied.	Management has started to consider this for plant and equipment and will do so for other classes of assets in due course.
Consideration and application of Highest and Best Use valuation principles	To help ensure proper disclosure in accordance with paragraph 93 of AASB 13 "Fair Value Measurement" i.e. need to disclose fact and why an asset is being used in a manner different from its highest and best use.	Management is in the process of reviewing the methodologies and aiming to complete the process by June 2013 for plant and equipment. Other classes of assets will follow in due course.
Review of accounting policies in respect of fair value reporting and disclosure requirements.	To ensure fair value accounting and relevant disclosure requirements are properly incorporated and adopted for financial reporting purposes.	Management are yet to consider this for all classes of assets and will do so in due course.

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UHY HAINES NORTON  
 CHARTERED ACCOUNTANTS





## 2.0 READINESS TO ADOPT FAIR VALUE ACCOUNTING (CONTINUED)

### OBSERVATION (CONTINUED)

MAJOR TASK INVOLVED	OBJECTIVE	STATUS
Review of Assets Capitalisation Policy for fair value reporting purposes.	To help ensure capitalisation thresholds for different classes of assets are reasonable in term of materiality and practicality.	Management has just started to consider this for all classes of assets.
Review of current fixed assets system and records for fair value reporting purposes.	To help ensure the asset system and records are up-to-date and complete with all information required (including asset hierarchy with appropriate segmentation, condition, initial cost, previous revaluation increment and etc), prior to the commencement of the valuation.  Also, this helps to ensure detailed information (i.e. initial cost recognised, fair value, annual useful life & residual value, basis and support of valuation etc) for each individual asset is adequately maintained post revaluation.	Management has just started to consider this for plant and equipment and will do this for all other classes of assets in due course.
Identification and recognition (at fair value) of Crown land or other land not owned but operated by the Council either as a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance.	To help ensure proper compliance with Financial Management Regulation 16(a) and fair value accounting.	Management are yet to consider this and will do so for the year ending 30 June 2013 as required by Financial Management Regulation 16.
Identification and recognition (at fair value) of easements within the Shire as intangible assets.	To help ensure proper compliance with AASB 138 "Intangible Assets", Financial Management Regulation 16(b)(ii) and hence proper financial reporting.	Management are yet to consider this and will do so for the year ending 30 June 2013 as required by Financial Management Regulation 16.

*Note: This document is for audit purposes only to document matters discussed with management and is not intended to express nor imply any opinion or assurance. It should be read in conjunction with our covering letter in respect of our interim audit visit.*

UHY HAINES NORTON  
 CHARTERED ACCOUNTANTS



## 2.0 READINESS TO ADOPT FAIR VALUE ACCOUNTING (CONTINUED)

### OBSERVATION (CONTINUED)

In summary, management are aware of the mandated requirements and the timing involved in adopting fair value for reporting different classes of assets. At the time of our visit, management have just started considering the process for revaluation of plant and equipment and indicated internal resources will be utilised.

This process will commence with a review of asset records and capitalisation threshold(s). In addition, staff will commence the process of identifying land and easements as required by Financial Management Regulation 16.

For other classes of assets, management will consider and deal with the tasks as identified above in due course.

### COMMENT

We will follow up at year end with a view to ensuring fair value accounting in relation to plant and equipment has been addressed and adequate progress has been made in respect of other classes of assets.

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UNY HAINES NORTON  
CHARTERED ACCOUNTANTS



## 4.0 REMINDERS

- The Delegations Register was last reviewed in June 2012 and will be due for its annual review prior to June 2013.
- FBT return for the year ended 31 March 2013 is required to be completed and submitted during May 2013.

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UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



**5.0 Information Items**

Nil

**6.0 General Business**

**COMMITTEE RECOMMENDATION**

**MOVED: CR DAVIDSON                      SECONDED: CR COLLINGWOOD**

**That the Finance and Audit Committee recommend to Council that the Mid West Regional Council be appointed to provide accounting services on a contract basis for a period of twelve (12) months.**

**Voting 3/0  
CARRIED**

**7.0 Closure**

The Chairman thanked Elected Members and Staff for their attendance and closed the meeting at 10.53am.

# **Chief Executive Officer February 2014**

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### **7.0 AGENDA ITEMS**

- 7.1 Management Report 30 June 2013
- 7.2 Audit Report 30 June 2013
- 7.3 Compliance Audit Report

<b>AGENDA ITEM:</b>	<b>7.1</b>
<b>SUBJECT:</b>	<b>MANAGEMENT REPORT 30 JUNE 2013</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>305.05</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>6 FEBRUARY 2014</b>
<b>AUTHOR:</b>	<b>MAURICE BATTILANA &amp; KRISTY WILLIAMS</b>

## DISCLOSURE OF INTEREST

Nil

## BACKGROUND

The Shire of Chapman Valley has received the Management Report from its Auditors UHY Haines Norton. (Please refer to Management Report Letter submitted as **Attachment 2**).

The following Management Issues were raised:

- Debt Service Cover Ratio
- Operating Surplus Ratio
- Own Resource Revenue Coverage Ratio
- Revaluation of Road Infrastructure Assets

## COMMENT

Below is an extract from the Management Report and Staff Comments associated with each issue raised:

- Debt Service Cover Ratio

*“This ratio measures Council’s ability to service debt out of its uncommitted or general purpose funds available from its operations.*

*The Debt Service Cover Ratio for the year ending 30 June 2013 is 7.00 (2012: 5.744, 2011: 11,753), however, if the Debt Service Cover Ratio did not include the effect of the initial recognition of Land under the Shire’s control as required by the Local Government (Financial Management) Regulations, 1996, and the expense relating to the reduction in fair value of the Shire’s plant and equipment, the debt service cover ratio would be 1.219, below the industry benchmark of 5. In addition, we noted the Shire has budgeted to borrow an additional \$160,000 in the budget for the year ended 30 June 2014.*

*This may indicate debt management to be an issue and should be considered in the context of overall financial position of Council.”*

- Operating Surplus Ratio

*“The Operating Surplus Ratio measures Council’s financial sustainability having regard to the asset management and community’s service level needs.*

*The Operating Surplus Ratio for the year ended 30 June 2013 has been reported as 0.069 (2012: 0.111, 2011: 0.528), however, if Council’s operating revenue and operating expenses did not include the items mentioned above, the Operating Surplus Ratio for the year ending 30 June 2013 would be -0.373, a deterioration from prior years and below the industry benchmark of 0.000.*

*A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council’s ability to maintain both its operating service level and asset base over the longer term, whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.*

*Council and management should monitor this ratio and take corrective action as deemed necessary”*

- Own Resource Revenue Coverage Ratio

*“The Own Resource Revenue Coverage Ratio measures the Shire’s ability to cover operating expenses from its own resource revenue. The higher the ratio, the more self –reliant the Shire is.*

*The Own Resource Revenue Coverage Ratio for the year ended 30 June 2013 is 0.434 (2012: 0.470, 2011: 0.794), however, if Council’s operating expenses did not include the item mentioned above, the Own Resource Revenue Coverage Ratio for the year ended 30 June 2013 would be 0.506.*

*As the ratio is below the industry benchmark of 0.6, Council needs to examine the level of its own source revenue given current levels of operating expenses in order to maintain and/or improve the current service level of its asset base.”*

*“We suggest it prudent for Council and management to monitor the levels and trends of all ratios as they strive to manage the scarce resources of the Shire”*

- Revaluation of Road Infrastructure Assets

*“For the year ending 30 June 2013, the Shire of Chapman Valley has elected to maintain roas assets carried at a previous revalued amount.*

*This matter was raised in our management report for the year ending 30 June 2012 and it is acknowledges management have planned a revaluation of roads for the year ending 30 June 2015 when all infrastructure assets are planned to be valued in accordance with new regulations.*

*Whilst compliance with the Australian Accounting Standards would require the revaluation of the Shire’s road infrastructure to occur within 5 years of the last revaluation, given the current valuation is within materiality guidelines, this approach has been considered acceptable by us”*

## **STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*

## **POLICY IMPLICATIONS**

None applicable

## **FINANCIAL IMPLICATIONS**

The long term financial viability of the Shire is of importance for future service delivery levels provided to the Shire’s constituents.

## **STRATEGIC IMPLICATIONS**

None applicable

## **VOTING REQUIREMENTS**

Simple Majority

## **STAFF RECOMMENDATION**

The Finance and Audit Committee recommends to Council the Management Report for year ending 30 June 2013 be received and, other than monitoring the levels and trends of all ratios, there are no actions required out of the report.

**Kristy's Comments**

	<b>2013</b>	<b>2012</b>	<b>Impact on adjusting 2012</b>	
Operating Surplus	1,258,124	1,087,560	1,087,560	
Add back Interest	25,584	32,045	32,045	
Add back Depn	1,157,518	679,984	679,984	
Less Non-Op Grants	-2,204,838	-817,797	-817,797	
			-855,000	Flood damage grant funding
			-300,000	Royalties for Regions grant funding
<i>Net</i>	<b>236,388</b>	<b>981,792</b>	<b>-173,208</b>	Is the expense in there or was it capitalised?
Principal	168,367	138,878	138,878	
Interest	25,584	32,045	32,045	
Total	193,951	170,923	170,923	
<b>Debt Service Ratio</b>	<b>1.219</b>	<b>5.744</b>	<b>-1.013</b>	

**Benchmark 5**

This ratio is well below the benchmark indicates Council's debt levels are too high when comparing to the industry. I would recommend Council re-evaluate the decision to raise a new loan for \$160,000 as budgeted.

*(CEOs Comments: The only other option if a loan is not taken out is to increase rate next year and fund from Municipal Funds resources (i.e. cash) or not replace the plant until Debt Ratio is improved. The latter option will result in older plant and higher maintenance costs)*

	<b>2013</b>	<b>2012</b>	<b>Impact on adjusting 2012</b>	
Operating Revenue	6,276,271	6,257,383	6,257,383	
Operating Expenses	-5,018,147	-5,169,823	-5,169,823	
Less specific purpose grants	-2,204,838	-817,797	-817,797	
			-855,000	Flood damage grant funding
			-300,000	Royalties for Regions grant funding
<i>Net</i>	<b>-946,714</b>	<b>269,763</b>	<b>-885,237</b>	Is the expense in there or was it capitalised?
Own Source Revenue	2,540,983	2,428,081	2,428,081	
<b>Operating Surplus Ratio (Benchmark 0)</b>	<b>-0.373</b>	<b>0.111</b>	<b>-0.365</b>	

The operating surplus ratio is below the benchmark. Operating expenses are however affected by depreciation which is a non-cash item.



Control measures are in place to reduce operating expenditure so I should expect to see an improvement in this ratio in 13/14.

A rate increase would also improve this ratio.

The own source revenue coverage ratio is below the benchmark. A rate increase would improve this ratio as too would a reduction in operating expenditure.

**Comparison to previous year**

In comparing to the previous year the most noticeable difference was that \$855,000 of flood damage funding and \$300,000 of Royalties for Regions funding was included in the operating grants. If these items are excluded from last year the ratios have not deteriorated as they currently indicate. This may or may not be a classification error; it depends where the cost was allocated for the grants – capital or operating. It is a mismatch if the revenue went in operating and the cost went in capital and will impact on the ratios.

Regardless of the answer, the ratios for 12/13 are a concern. My recommendation is that every effort needs to be made to reduce operating costs or Council will be left with no alternative than to increase rates.

4 December 2013

Cr J Collingwood  
The Shire President  
Shire of Chapman Valley  
PO Box 1  
NABAWA WA 6532

Dear Cr Collingwood



#### MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2013

We advise that we have completed our audit procedures for the year ended 30 June 2013 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

#### COMMENTS ON RATIOS

Due to legislative changes, this year saw the introduction of six new ratios in the financial report. Seven of the eight reported in previous years were removed with only the current ratio remaining.

Whilst we accept it may take some time for the implication of these newer ratios to be fully understood, we thought we would take this opportunity to highlight those ratios which are currently outside industry benchmarks.

#### Debt Service Cover Ratio

This ratio measures Council's ability to service debt out of its uncommitted or general purpose funds available from its operations.

The Debt Service Cover Ratio for the year ended 30 June 2013 is 7.000 (2012: 5.744, 2011: 11.753), however, if the Debt Service Cover Ratio did not include the effect of the initial recognition of Land under the Shire's control as required by the Local Government (Financial Management) Regulations 1996 and the expense relating to the reduction in the fair value of the Shire's plant and equipment, the debt service cover ratio would be 1.219, below the industry benchmark of 5. In addition, we noted the Shire has budgeted to borrow an additional \$160,000 in the budget for the year ended 30 June 2014.

This may indicate debt management to be an issue and should be considered in the context of the overall financial position of Council.

#### Operating Surplus Ratio

The Operating Surplus Ratio measures Council's financial sustainability having regard to asset management and the community's service level needs.

COMMENTS ON RATIOS (CONTINUED)

**Operating Surplus Ratio (Continued)**

The Operating Surplus Ratio for the year ended 30 June 2013 has been reported as 0.069 (2012: 0.111, 2011: 0.528), however, if Council's operating revenue and operating expenses did not include the items mentioned above, the Operating Surplus Ratio for the year ended 30 June 2013 would be -0.373, a deterioration from prior years and below the industry benchmark of 0.000.

A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode Council's ability to maintain both its operational service level and asset base over the longer term, whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.

Council and management should monitor this ratio and take corrective action as deemed necessary.

**Own Source Revenue Coverage Ratio**

The Own Source Revenue Coverage Ratio measures the Shire's ability to cover operating expenses from its own source revenue. The higher the ratio, the more self-reliant the Shire is.

The Own Source Revenue Coverage Ratio for the year ended 30 June 2013 is 0.434 (2012: 0.470, 2011: 0.794), however, if Council's operating expenses did not include the item mentioned above, the Own Source Revenue Coverage Ratio for the year ended 30 June 2013 would be 0.506.

As this ratio is below the industry benchmark of 0.6, Council needs to examine the level of its own source revenue given current levels of operating expenses in order to maintain and/or improve the current service level of its asset base.

We suggest it prudent for Council and management to monitor the levels and trends of all ratios as they strive to manage the scarce resources of the Shire.

**REVALUATION OF ROAD INFRASTRUCTURE ASSETS**

For the year ended 30 June 2013, the Shire of Chapman Valley has elected to maintain road assets carried at a previously revalued amount.

This matter was raised in our management report for the year ended 30 June 2012 and it is acknowledged management have planned a revaluation of roads for the year ended 30 June 2015 when all infrastructure assets are planned to be valued in accordance with new regulations.

Whilst compliance with the Australian Accounting Standards would require the revaluation of the Shire's road infrastructure to occur within 5 years of the last revaluation, given the current valuation is within materiality guidelines, this approach has been considered acceptable by us.

There were no other matters we wish to bring to your attention.

**UNCORRECTED MISSTATEMENTS**

We advise there were no uncorrected misstatements noted during the course of our audit.

We take this opportunity to thank the Chief Executive Officer, the manager of finance & administration and all staff for the assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



GREG GODWIN  
PARTNER

Encl.

<b>AGENDA ITEM:</b>	<b>7.2</b>
<b>SUBJECT:</b>	<b>AUDIT REPORT 30 JUNE 2013</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>403.05 &amp; 305.12</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>6 FEBRUARY 2014</b>
<b>AUTHOR:</b>	<b>MAURICE BATTILANA</b>

#### **DISCLOSURE OF INTEREST**

Nil

#### **BACKGROUND**

The Shire of Chapman Valley has received the Final Audit Report from its Auditors UHY Haines Norton. (Please refer to Final Audit Report submitted as **Attachment 3**).

#### **COMMENT**

As the Final Audit Report didn't highlight any issues there is nothing to report on or bring to Council attention for further action.

#### **STATUTORY ENVIRONMENT**

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

Nil

#### **STRATEGIC IMPLICATIONS**

Nil

#### **VOTING REQUIREMENTS**

Simple Majority

#### **STAFF RECOMMENDATION**

The Finance and Audit Committee recommends to Council the Final Audit Report of the Chief Executive Officer the year ending 30 June 2013 be received and it be noted there are no further actions required from the report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF CHAPMAN VALLEY**

**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of the Shire of Chapman Valley, which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Shire's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

**AUDITOR'S OPINION**

In our opinion, the financial report of the Shire of Chapman Valley is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF CHAPMAN VALLEY (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) No other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 60 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS

  
GREG GODWIN  
PARTNER

Date: 4 December 2013  
Perth, WA

<b>AGENDA ITEM:</b>	<b>7.3</b>
<b>SUBJECT:</b>	<b>COMPLIANCE AUDIT RETURN (2013)</b>
<b>PROPONENT:</b>	<b>FINANCE &amp; AUDIT COMMITTEE</b>
<b>SITE:</b>	<b>COUNCIL CHAMBERS</b>
<b>FILE REFERENCE:</b>	<b>403.05 &amp; 305.12</b>
<b>PREVIOUS REFERENCE:</b>	<b>N/A</b>
<b>DATE:</b>	<b>6 FEBRUARY 2014</b>
<b>AUTHOR:</b>	<b>MAURICE BATTILANA</b>

#### **DISCLOSURE OF INTEREST**

Nil

#### **REPORT PURPOSE**

To present the 2013 Compliance Audit Return to the Audit Committee first then Council for adoption, and then forward a certified copy to the Department of Local Government.

#### **BACKGROUND**

Every Local Government Authority in Western Australia is required to complete the Compliance Audit Return (CAR) each year.

#### **COMMENT**

A Draft copy of the Shire of Chapman Valley 2013 Compliance Audit Return has been provided to Councillors as an ***Attachment 4***.

#### **STATUTORY ENVIRONMENT**

Local Government Act 1995

#### **POLICY IMPLICATIONS**

Nil

#### **FINANCIAL IMPLICATIONS**

Nil

#### **STRATEGIC IMPLICATIONS**

Nil

#### **VOTING REQUIRMENTS**

Simple Majority

#### **STAFF RECOMMENDATION**

That the Finance and Audit Committee Recommends to Council that:

- The 2013 Compliance Audit Return be signed by the CEO and Shire President
- The 2013 Compliance Audit Return be received and recorded in the minutes of Council
- The 2013 Compliance Audit Return be submitted to the Department of Local Government.



Department of Local Government - Compliance Audit Return



Government of Western Australia  
Department of Local Government

### Chapman Valley - Compliance Audit Return 2013

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2013.	N/A		Maurice Battilana
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2013.	N/A		Maurice Battilana
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	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 2013.	N/A		Maurice Battilana
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2013.	N/A		Maurice Battilana
5	s3.59(5)	Did the Council, during 2013, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Maurice Battilana



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Maurice Battilana
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	No	No record of written delegation to Landcare Committee. Now addressed.	Maurice Battilana
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Maurice Battilana
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Maurice Battilana
5	s5.18	Has Council reviewed delegations to its committees in the 2012/2013 financial year.	Yes		Maurice Battilana
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Maurice Battilana
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Maurice Battilana
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Maurice Battilana
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Maurice Battilana
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Maurice Battilana
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Maurice Battilana
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2012/2013 financial year.	Yes		Maurice Battilana
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 as required.	No	No evidence of written record. Now addressed.	Maurice Battilana

  

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Maurice Battilana
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	Yes		Maurice Battilana



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Maurice Battilana
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Maurice Battilana
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Maurice Battilana
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2013.	Yes		Maurice Battilana
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2013.	Yes		Maurice Battilana
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Maurice Battilana
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Maurice Battilana
10	s5.88(1)(2) 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 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Maurice Battilana
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Maurice Battilana
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Maurice Battilana
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Maurice Battilana
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Maurice Battilana



No	Reference	Question	Response	Comments	Respondent
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Maurice Battilana
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Maurice Battilana

#### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	Yes		Maurice Battilana
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		Maurice Battilana

#### Elections

No	Reference	Question	Response	Comments	Respondent
1	Elect Reg 30G (1)	Did the CEO establish and maintain an electoral gift register and ensure that all 'disclosure of gifts' forms completed by candidates 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 candidates.	Yes		Maurice Battilana

#### 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		Maurice Battilana
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Maurice Battilana
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Maurice Battilana
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Maurice Battilana
5	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Maurice Battilana



No	Reference	Question	Response	Comments	Respondent
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2013 received by the local government within 30 days of completion of the audit.	Yes		Maurice Battilana
7	s7.9(1)	Was the Auditor's report for 2012/2013 received by the local government by 31 December 2013.	Yes		Maurice Battilana
8	S7.12A(3), (4)	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 by the local government, was that action undertaken.	N/A	No matters raised in Audit Report	Maurice Battilana
9	S7.12A(3), (4)	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 by the local government, was a report prepared on any actions undertaken.	N/A	No matters raised in Audit Report	Maurice Battilana
10	S7.12A(3), (4)	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 by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	No matters raised in Audit Report	Maurice Battilana
11	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Maurice Battilana
12	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Maurice Battilana
13	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Maurice Battilana
14	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Maurice Battilana
15	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Maurice Battilana



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	Yes		Maurice Battilana
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	Yes		Maurice Battilana
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	Yes		Maurice Battilana
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	Yes		Maurice Battilana
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	Yes		Maurice Battilana

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A	CEO is designated Complaints Officer	Maurice Battilana
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes		Maurice Battilana
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Maurice Battilana
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Maurice Battilana
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Maurice Battilana
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Maurice Battilana


**Tenders for Providing Goods and Services**

No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into 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 Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes	This was based upon expenditure within the Financial Year, not over an infinite period as is being advocated by the DLG&C Probity Auditors. Otherwise everything would need to go to tender.	Maurice Battilana
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Maurice Battilana
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Maurice Battilana
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Maurice Battilana
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 sought.	Maurice Battilana
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A		Maurice Battilana
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Maurice Battilana
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes	Register included consideration of all tenders, not just the successful tender.	Maurice Battilana
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Maurice Battilana
10	F&G Reg 21 & 22	Did the local government's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Maurice Battilana
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Maurice Battilana



No	Reference	Question	Response	Comments	Respondent
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Maurice Battilana
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Maurice Battilana
14	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Maurice Battilana
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Maurice Battilana