



Shire of Menzies

AUDIT & RISK COMMITTEE AGENDA

Thursday 24 March 2022

Commencing at 11:30 am

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1 DECLARATION OF OPENING

The Chairperson declared the meeting open at _____ pm.

2 ANNOUNCEMENT OF VISITORS

3 RECORD OF ATTENDANCE

Councillors: Cr I Baird, Chairperson
Cr J Dwyer, Deputy Chairperson
Cr G Dwyer
Cr S Sudhir

Staff: Mr B Joiner, Chief Executive Officer
Ms E Reitmajer, Executive Officer (Minutes)

4 DECLARATIONS OF INTEREST

5 CONFIRMATION/RECEIVAL OF MINUTES

CONFIRMATION of the Minutes of the Audit and Risk Committee meeting held on 10 December 2021 and the Minutes of the Extra Audit and Risk Committee meeting held on 24 February 2022.

(Provided under Separate Cover)

OFFICER RECOMMENDATION

That the Minutes of the Audit and Risk Committee meeting held on 10 December 2021 and the Minutes of the Extra Audit and Risk Committee meeting held on 24 February 2022 be confirmed as true and correct records.

COMMITTEE DECISION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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6 REPORTS OF OFFICERS

6.1	Mid-Year Budget Review - FY 2022
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	NAM608
DATE OF REPORT	21 March 2022
AUTHOR	Chief Financial Officer, Antonio Giometti
RESPONSIBLE OFFICER	Chief Financial Officer, Antonio Giometti
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. Menzies 2021-22 Budget Review [6.1.1 - 15 pages]

SUMMARY:

To consider the Shire of Menzies' financial position as at 31 January 2022 and performance for the period 1 July 2021 to 31 January 2022 in relation to the adopted annual budget and projections estimated for the remainder of the financial year.

BACKGROUND:

Previous advice from the Department of Local Government Sport and Cultural Interest (DLGSC) in relation to legislation and budget review dates stated the budget review date is the end of the month which is presented in the review and not the date at which the review is undertaken (i.e. if the review covers the period 1 July to 31 December, the review date is interpreted to be 31 December). Under this interpretation, using a review date of 31 December 2021 would require the budget review to be considered by 30 January 2022.

Upon reviewing the legislation, it was noted the *Local Government (Financial Management) Regulations 1996* requires a budget review to be undertaken between 1 January and 31 March each year. The legislation appears to be contradictory with the dates noted for budget reviews to be undertaken. Following management considerations, particularly the practicalities to undertake the budget review within the time frame noted by the DLGSC interpretation of legislation, the report has been prepared with year to date actuals to 31 January 2022.

The budget review has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. The report for the period 1 July 2021 to 31 January 2022 shown in the attachment has been prepared incorporating year to date budget variations and forecasts to 30 June 2022 and is presented for council's consideration.

Consideration of the status of various projects and programs was undertaken to ensure any anticipated variances were captured within the review document where possible.

COMMENT:

The budget review report includes at Note 4 a summary of predicted variances by nature and type/program activities contained within the rate setting statement, including whether variances are considered to be permanent (where a difference is likely between the current budget and the expected outcome to 30 June) or due to timing (e.g. where a project is likely to be delayed).

Features of the budget review include:

Minor reductions to housing rental income has been offset by forecasted increases to other fees including caravan park, standpipe and building.	\$70,820
Minor increases to BFB, Direct Road Grant and CRC operating grants from original adopted budget estimates.	\$51,616
Reassessment of reserve interest forecasts are lower than adopted budget estimates (based on current reserve balances and expected movement).	(\$34,300)
'Other income' relating to administration unlikely to be received.	(\$3,185)
Employee Costs revised to allocate some employee costs between programs as well as some increases to expenses based on current organisational structure	(\$48,562)
Revised estimates relating to materials and contract expenses considered within all reporting programs, including adjustments to reclassify expenditure where required.	\$65,929
Revised depreciation calculation for TV/Radio equipment	\$15,823
Minor increase to insurance expenses for administration and plant	(\$12,976)
Reduction to estimated rates write off and members training expenses requirements.	\$109,191
Loss on Asset Disposal provision reviewed to reflect actual result of disposal of land within economic services program.	(\$2,500)
Church Hall works unlikely to be undertaken in this reporting period, and full provision for Workshop Chemical Storage Shed unlikely to be required. These savings will partially offset increased provision required for Arts Centre Works	(\$11,000)
Saving in cost of replacement backhoe included. Project costs for Tjuntjuntjarra CCTV have been reviewed and increased as well as provisions for emulsion sprayer, Council Chamber Smart Screen and Banners/Signage. Budget amendments are proposed to account for these adjustments where required.	(\$63,000)
Project costs reviewed for three capital roadwork projects, with increase to R2R expenses of \$50k estimated	(\$114,372)
Cemetery expenses within the district revised and budget amendments proposed where required. Reduction in PAL (Tjuntjuntjarra) offsets increased cemetery expenditure (PAL project	\$10,000

will not progress this financial year).	
Loss on disposal / depreciation of non-current assets (non-cash write back)	(\$13,323)
Increase in net current assets brought forward upon receipt of audited annual financial statements.	\$241,050
Overall Change (surplus)	\$264,396

In considering the above variances and projections within the attached budget review, the closing position has increased from \$0 to \$264,396, reflected in the Statement of Budget Review by Nature or Type and Statement of Budget Review by Program.

Following completion of the budget review and to properly consider the impact of estimated projections at 30 June 2022, some items have been identified as requiring a budget amendment to properly account for these variances where appropriate. Required budget amendments which are proposed have been included in Note 5 of the attached budget review document.

Further budget amendments may be required to be presented to Council at future meetings as projects are continually reviewed and monitored.

CONSULTATION:

Brian Joiner – Chief Executive Officer.
 Garth Marland – Manager Works.
 Kristy Van Kuyl – Team Leader Finance.
 Tanya Browning – Associate Director, Moore Australia.

STATUTORY AUTHORITY:

Regulation 33A of the *Local Government (Financial Management) Regulations 1996* requires:

- (1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
- (2A)(a) Consideration and review is to be given to a local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year.
- (b) Consideration and review is to be given to the local government's financial position as at the review date.
- (c) Review of the outcomes for the end of the financial year that are forecast in the budget is to be undertaken.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

**Absolute majority required.*

(4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

Section 6.8(1) (b) of the *Local Government Act 1995* provides that expenditure can be incurred when not included in the annual budget provided it is authorised in advance by resolution (absolute majority required).

POLICY IMPLICATIONS:

There are no known policy implications arising from this report.

FINANCIAL IMPLICATIONS:

Authorisation of expenditure through budget amendments recommended. Other specific financial implications are as outlined in the body of this report.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
This item has been evaluated against the Shire of Menzies' Risk Management Strategy, Risk Assessment Matrix.	The perceived level of risk is high prior to treatment.	Adoption of recommendations as presented will reduce the risk to low.

STRATEGIC IMPLICATIONS:

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Absolute Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council adopts the 2021/22 mid-year budget review as attached.

COMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried by Absolute Majority	
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SHIRE OF MENZIES
BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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SHIRE OF MENZIES
STATEMENT OF BUDGET REVIEW
(NATURE OR TYPE)
FOR THE PERIOD ENDED 31 JANUARY 2022

Note	Budget v Actual		Predicted		
	Adopted Budget (a)	YTD Actual (b)	Variance Permanent (c)	Year End (a)+(c)	
	\$	\$	\$	\$	
OPERATING ACTIVITIES					
Net current assets at start of financial year surplus/(deficit)	3,418,114	3,659,164	241,050	3,659,164	▲
Revenue from operating activities (excluding rates)					
Operating grants, subsidies and contributions	1,646,099	830,312	51,616	1,697,715	▲
Fees and charges	207,265	187,796	70,820	278,085	▲
Interest earnings	112,500	35,363	(34,300)	78,200	▼
Other revenue	35,135	36,287	0	35,135	
	2,000,999	1,089,758	88,136	2,089,135	
Expenditure from operating activities					
Employee costs	(2,374,097)	(1,186,997)	(48,562)	(2,422,659)	▲
Materials and contracts	(1,516,338)	(1,014,907)	65,929	(1,450,409)	▼
Utility charges	(88,150)	(52,362)	0	(88,150)	
Depreciation on non-current assets	(2,032,027)	(1,061,999)	15,823	(2,016,204)	▼
Interest expenses	(112)	0	0	(112)	
Insurance expenses	(135,382)	(109,260)	(12,976)	(148,358)	▲
Other expenditure	(422,601)	(106,630)	109,191	(313,410)	▼
Loss on asset disposals	(2,140)	(2,335)	(2,500)	(4,640)	▲
	(6,570,847)	(3,534,490)	126,905	(6,443,942)	
Non-cash amounts excluded from operating activities	2,034,167	1,064,334	(13,323)	2,020,844	▼
Amount attributable to operating activities	882,433	2,278,766	442,768	1,325,201	
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	3,485,806	0	0	3,485,806	
Purchase land and buildings	(5,116,900)	(411,060)	(11,000)	(5,127,900)	▲
Purchase plant and equipment	(260,000)	(44,204)	(63,000)	(323,000)	▲
Purchase and construction of infrastructure-roads	(5,590,189)	(2,463,656)	(114,372)	(5,704,561)	▲
Purchase and construction of infrastructure-other	(2,206,078)	(177,482)	10,000	(2,196,078)	▼
Proceeds from disposal of assets	25,000	14,865	0	25,000	
	(9,662,361)	(3,081,537)	(178,372)	(9,840,733)	
Non-cash amounts excluded from investing activities	0	0	0	0	
Amount attributable to investing activities	(9,662,361)	(3,081,537)	(178,372)	(9,840,733)	
FINANCING ACTIVITIES					
Principal elements of finance lease payments	(2,363)	0	0	(2,363)	
Transfers to cash backed reserves (restricted assets)	(610,000)	(715)	0	(610,000)	
Transfers from cash backed reserves (restricted assets)	5,835,821	540,000	0	5,835,821	
Amount attributable to financing activities	5,223,458	539,285	0	5,223,458	
Budget deficiency before general rates	(3,556,470)	(263,486)	264,396	(3,292,074)	
Estimated amount to be raised from general rates	3,556,470	3,576,790	0	3,556,470	
Closing funding surplus(deficit)	0	3,313,304	264,396	264,396	▲

3 (c)

SHIRE OF MENZIES
STATEMENT OF BUDGET REVIEW
(STATUTORY REPORTING PROGRAM)
FOR THE PERIOD ENDED 31 JANUARY 2022

Note	Budget v Actual		Predicted		Material Variance
	Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Year End (a)+(c)	
	\$	\$	\$	\$	
OPERATING ACTIVITIES					
Net current assets at start of financial year surplus/(deficit)	3,418,114	3,659,164	241,050	3,659,164	▲
Revenue from operating activities (excluding rates)					
Governance	0	63	0	0	
General purpose funding	1,498,386	672,696	(4,300)	1,494,086	▼
Law, order, public safety	14,650	15,496	2,416	17,066	▲
Health	300	150	0	300	
Housing	37,880	25,912	(24,180)	13,700	▼
Community amenities	25,885	10,816	(10,000)	15,885	▼
Recreation and culture	700	436	0	700	
Transport	182,613	191,928	11,100	193,713	▲
Economic services	212,150	165,812	112,100	324,250	▲
Other property and services	28,435	6,449	1,000	29,435	▲
	2,000,999	1,089,758	88,136	2,089,135	
Expenditure from operating activities					
Governance	(1,018,987)	(687,823)	2,980	(1,016,007)	▼
General purpose funding	(412,189)	(118,667)	61,191	(350,998)	▼
Law, order, public safety	(135,187)	(72,267)	6,878	(128,309)	▼
Health	(42,592)	(30,690)	(13,300)	(55,892)	▲
Housing	(204,818)	(134,399)	(56,173)	(260,991)	▲
Community amenities	(375,724)	(211,451)	(27,801)	(403,525)	▲
Recreation and culture	(854,772)	(479,402)	98,178	(756,594)	▼
Transport	(2,261,383)	(1,172,031)	195,436	(2,065,947)	▼
Economic services	(1,262,109)	(509,327)	126,563	(1,135,546)	▼
Other property and services	(3,086)	(118,433)	(267,047)	(270,133)	▲
	(6,570,847)	(3,534,490)	126,905	(6,443,942)	
Non-cash amounts excluded from operating activities	2,034,167	1,064,334	(13,323)	2,020,844	▲
Amount attributable to operating activities	882,433	2,278,766	442,768	1,325,201	
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions	3,485,806	0	0	3,485,806	
Purchase land and buildings	(5,116,900)	(411,060)	(11,000)	(5,127,900)	▲
Purchase plant and equipment	(260,000)	(44,204)	(63,000)	(323,000)	▲
Purchase and construction of infrastructure - roads	(5,590,189)	(2,463,656)	(114,372)	(5,704,561)	▲
Purchase and construction of infrastructure - other	(2,206,078)	(177,482)	10,000	(2,196,078)	▼
Proceeds from disposal of assets	25,000	14,865	0	25,000	
	(9,662,361)	(3,081,537)	(178,372)	(9,840,733)	
Non-cash amounts excluded from investing activities	0	0	0	0	
Amount attributable to investing activities	(9,662,361)	(3,081,537)	(178,372)	(9,840,733)	
FINANCING ACTIVITIES					
Principal elements of finance lease payments	(2,363)	0	0	(2,363)	
Transfers to cash backed reserves (restricted assets)	(610,000)	(715)	0	(610,000)	
Transfers from cash backed reserves (restricted assets)	5,835,821	540,000	0	5,835,821	
Amount attributable to financing activities	5,223,458	539,285	0	5,223,458	
Budget deficiency before general rates	(3,556,470)	(263,486)	264,396	(3,292,074)	
Estimated amount to be raised from general rates	3,556,470	3,576,790	0	3,556,470	
Closing Funding Surplus(Deficit)	0	3,313,304	264,396	264,396	▲

3 (c)

**SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022**

1. BASIS OF PREPARATION

The budget review has been prepared in accordance with Australian Accounting Standards (as they apply to local governments 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 Menzies to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this budget review 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 Menzies 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 are rounded to the nearest dollar.

2021-22 ACTUAL BALANCES

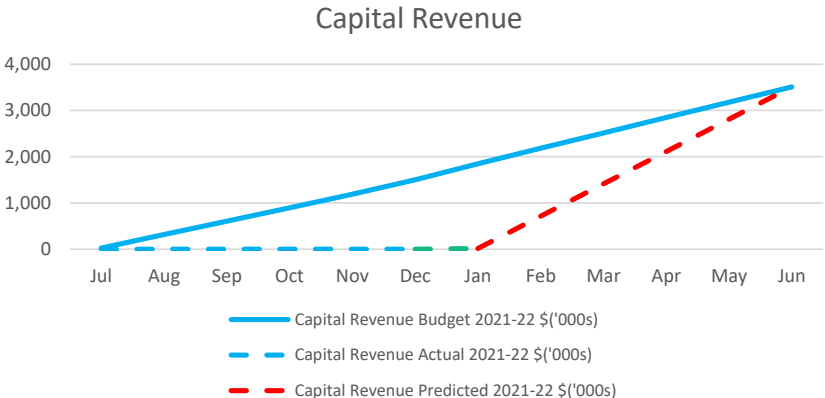
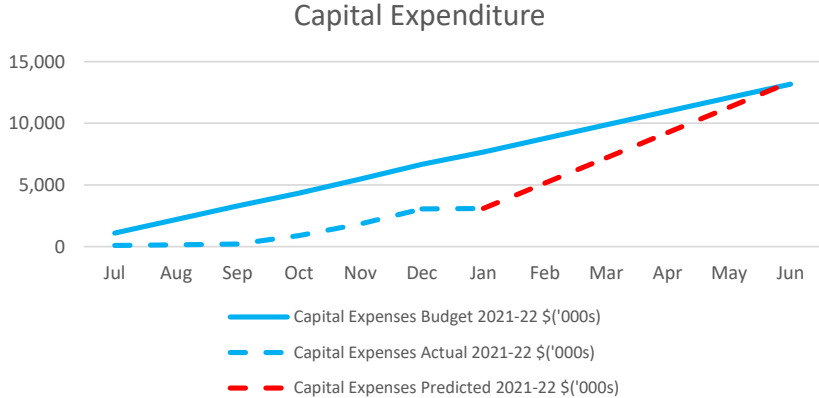
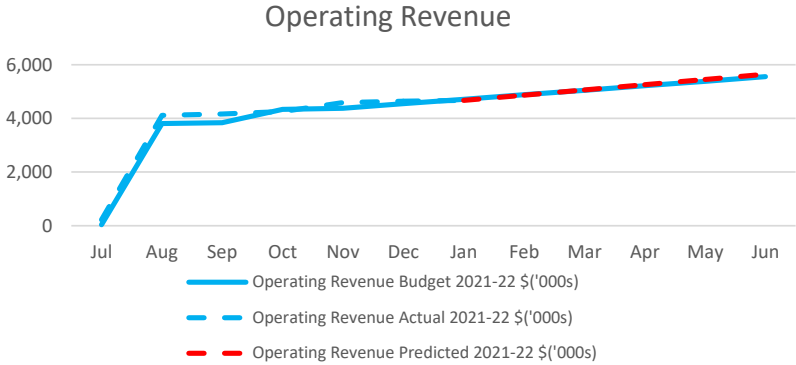
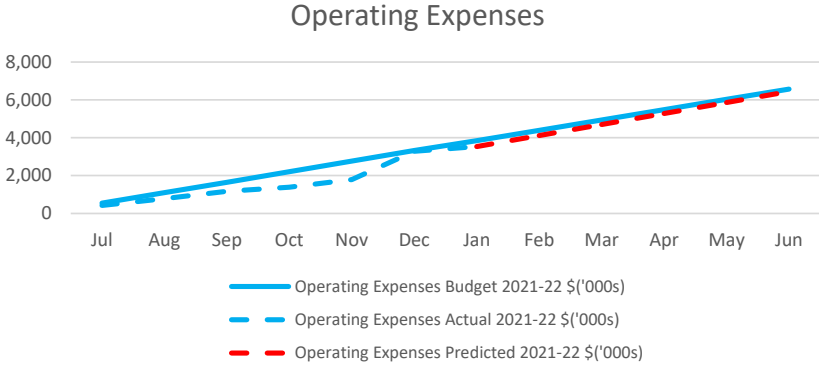
Balances shown in this budget review report as YTD Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

BUDGET COMPARATIVE FIGURES

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

SHIRE OF MENZIES
 SUMMARY GRAPHS - BUDGET REVIEW
 FOR THE PERIOD ENDED 31 JANUARY 2022

2. SUMMARY GRAPHS - BUDGET REVIEW



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

SHIRE OF MENZIES
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022

3 NET CURRENT FUNDING POSITION

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

Operating activities excluded from budgeted deficiency

When calculating the budget deficiency for the purpose of Section 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 budgeted expenditure.

(a) Operating activities excluded from budgeted deficiency

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

	Actual - Used for Budget 30 June 2021	Audited Actual 30 June 2021	Budget 30 June 2022	Actual 31 January 2022
Adjustments to operating activities			\$	\$
Less: Profit on asset disposals	0	(7,977)	0	0
Less: Movement in liabilities associated with restricted cash	0	(32,181)	0	0
Less: Fair value adjustments to financial assets at fair value through profit and loss	0	(16,452)	0	0
Add: Infrastructure work in progress transferred to Statement of Comprehensive Income	0	4,545	0	0
Add: Loss on asset disposals	2,363	0	2,140	2,335
Add: Depreciation on non-current assets	2,119,220	2,120,345	2,032,027	1,061,999
Non-cash amounts excluded from operating activities	2,121,583	2,068,280	2,034,167	1,064,334

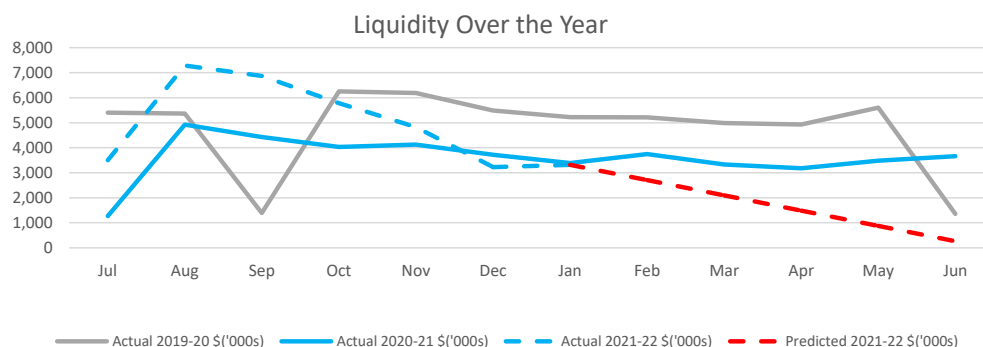
(b) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets				
Less: Restricted cash	(12,302,101)	(12,303,243)	(7,076,280)	(11,763,959)
Add: Provisions - employee	197,106	192,238	197,106	192,238
Add: Lease liability not expected to cleared at end of year	3,985	2,363	1,622	2,363
Total adjustments to net current assets	(12,101,010)	(12,108,642)	(6,877,552)	(11,569,358)

(c) Composition of estimated net current assets

Current assets				
Cash unrestricted	3,540,659	3,535,227	122,545	2,592,603
Cash restricted	12,302,101	12,303,244	7,076,280	11,763,959
Receivables - rates and rubbish	0	342,324	0	611,911
Receivables - other	361,465	135,312	361,465	369,464
Other current assets	0	12,797	0	59,975
Inventories	18,101	15,211	18,101	15,211
	16,222,326	16,344,115	7,578,391	15,413,123
Less: current liabilities				
Payables	(502,110)	(381,708)	(502,110)	(139,444)
Contract liabilities	0	0	0	(196,416)
Lease liabilities	(3,985)	(2,363)	(1,622)	(2,363)
Provisions	(197,107)	(192,238)	(197,107)	(192,238)
	(703,202)	(576,309)	(700,839)	(530,461)
Net current assets	15,519,124	15,767,806	6,877,552	14,882,662
Less: Total adjustments to net current assets	(12,101,010)	(12,108,642)	(6,877,552)	(11,569,358)
Closing funding surplus / (deficit)	3,418,114	3,659,164	0	3,313,304



**SHIRE OF MENZIES
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022**

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 Menzies classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, 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 for 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 Menzies applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the 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 of completion and 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 Menzies's operational cycle. In the case of liabilities where the Shire of Menzies 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 or non-current based on the Shire of Menzies'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 Menzies prior to the end of the financial year that are unpaid and arise when the Shire of Menzies 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 Menzies recognises revenue for the prepaid rates that have not been refunded.

EMPLOYEE BENEFITS

Short-Term Employee Benefits

Provision is made for the Shire of Menzies'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 Menzies'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. Shire of Menzies's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

PROVISIONS

Provisions are recognised when the Shire of Menzies 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 Menzies are recognised as a liability until such time as the Shire of Menzies satisfies its obligations under the agreement.

SHIRE OF MENZIES
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 31 JANUARY 2022

4. PREDICTED VARIANCES

Comments/Reason for Variance	<u>Variance \$</u>
4.1 OPERATING REVENUE (EXCLUDING RATES)	
4.1.1 FEES AND CHARGES	
Minor reductions to housing rental income has been offset by forecasted increases to other fees including caravan park, standpipe and building.	70,820
4.1.2 OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS	
Minor reductions to housing rental income has been offset by forecasted increases to other fees including caravan park, standpipe and building.	51,616
4.1.6 INTEREST EARNINGS	
Minor reductions to housing rental income has been offset by forecasted increases to other fees including caravan park, standpipe and building.	(34,300)
4.1.7 OTHER REVENUE	
No amendment.	0
4.1.8 PROFIT ON ASSET DISPOSAL	
No amendment.	0
Predicted Variances Carried Forward	88,136

SHIRE OF MENZIES
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 31 JANUARY 2022

4. PREDICTED VARIANCES

Comments/Reason for Variance

	Variance \$
Predicted Variances Brought Forward	88,136
4.2 OPERATING EXPENSES	
4.2.1 EMPLOYEE COSTS	
Revised to allocate some employee costs between programs as well as some increases to expenses based on current organisational structure	(48,562)
4.2.2 MATERIAL AND CONTRACTS	
Revised estimates considered within all reporting programs, including adjustments to reclassify expenditure where required	65,929
4.2.3 UTILITY CHARGES	
No amendment.	0
4.2.4 DEPRECIATION (NON CURRENT ASSETS)	
Revised depreciation calculation for TV/Radio equipment	15,823
4.2.5 INTEREST EXPENSES	
No amendment.	0
4.2.6 INSURANCE EXPENSES	
Minor increase to insurance expenses for administration and plant	(12,976)
4.2.7 OTHER EXPENDITURE	
Reduction to estimated rates write off and members training expenses requirements	109,191
4.2.8 LOSS ON ASSET DISPOSAL	
Provision reviewed to reflect actual result of disposal of land within economic services program	(2,500)
Predicted Variances Carried Forward	215,041

SHIRE OF MENZIES
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 31 JANUARY 2022

4. PREDICTED VARIANCES

Comments/Reason for Variance	<u>Variance \$</u>
Predicted Variances Brought Forward	215,041
4.3 CAPITAL REVENUE	
4.3.1 NON OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS	
No amendment.	0
4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS	
No amendment.	0
4.3.3 PROCEEDS FROM NEW DEBENTURES	
No amendment.	0
4.3.4 PROCEEDS FROM SALE OF INVESTMENT	
No amendment.	0
4.3.5 PROCEEDS FROM ADVANCES	
No amendment.	0
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL	
No amendment.	0
4.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)	
No amendment.	0
Predicted Variances Carried Forward	215,041

SHIRE OF MENZIES
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 31 JANUARY 2022

4. PREDICTED VARIANCES

Comments/Reason for Variance	<u>Variance \$</u>
Predicted Variances Brought Forward	215,041
4.4 CAPITAL EXPENSES	
4.4.1 LAND HELD FOR RESALE	
No amendment.	0
4.4.2 LAND AND BUILDINGS	
Church Hall works unlikely to be undertaken in this reporting period, and full provision for Workshop Chemical Storage Shed unlikely to be required. These savings will partially offset increased provision required for Arts Centre Works	(11,000)
4.4.3 PLANT AND EQUIPMENT	
Saving in cost of replacement backhoe included. Project costs for Tjuntjuntjarra CCTV have been reviewed and increased as well as provisions for emulsion sprayer, Council Chamber Smart Screen and Banners/Signage. Budget amendments are proposed to account for these adjustments where required.	(63,000)
4.4.4 FURNITURE AND EQUIPMENT	
No amendment.	0
4.4.5 INFRASTRUCTURE ASSETS - ROADS	
Project costs reviewed for three capital roadwork projects, with increase to R2R expenses of \$89k estimated	(114,372)
4.4.6 INFRASTRUCTURE ASSETS - OTHER	
Cemetery expenses within the district revised and budget amendments proposed where required. Reduction in PAL (Tjuntjuntjarra) offsets increased cemetery expenditure (PAL project will not progress thii financial year).	10,000
4.4.7 PURCHASES OF INVESTMENT	
No amendment.	0
4.4.8 REPAYMENT OF DEBENTURES	
No amendment.	0
4.4.9 ADVANCES TO COMMUNITY GROUPS	
No amendment.	0
Predicted Variances Carried Forward	36,669

SHIRE OF MENZIES
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 31 JANUARY 2022

4. PREDICTED VARIANCES

Comments/Reason for Variance

	Variance \$
Predicted Variances Brought Forward	36,669
4.5 OTHER ITEMS	
4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)	
No amendment.	0
4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)	
No amendment.	0
4.5.1 RATE REVENUE	
No amendment.	0
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)	
Difference between adopted budget bad 2021 Audited Financial Report.	241,050
4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)	
Depreciation on non-current assets. Loss on asset disposal.	(13,323)
Total Predicted Variances as per Annual Budget Review	264,396

SHIRE OF MENZIES
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022

5. BUDGET AMENDMENTS

Proposed amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
	Budget Adoption		Opening Surplus/(Deficit)	0	241,050	0	241,050	Difference between adopted budget bad 2021 Audited Financial Report.
2040129	MEMBERS - Donations to Community Groups	NA	Operating Expenses	0	8,000	0	249,050	Budget review in alignment with expectations
2040186	MEMBERS - Expensed Minor Asset Purchases	NA	Operating Expenses	0	0	(8,000)	241,050	6 new laptops for Councillors use
2100119	SAN - Landfill Closure	NA	Operating Expenses	0	0	(26,000)	215,050	OCM approval Feb 2022
2110718	OTH CUL - Community Grants Scheme	OCM 21/12/2021	Operating Expenses	0	0	(9,500)	205,550	Donation towards the Milpa Spinifex Arts Project
2130111	RURAL - Noxious Weed Control	NA	Operating Expenses	0	20,000	0	225,550	Budget review in alignment with expectations
2130287	TOUR - Other Expenses	OCM 26/08/2021	Operating Expenses	0	0	(47,500)	178,050	Tourism Development Strategy and Destination Marketing Plan
4050330	OLOPS - Plant & Equipment (Capital)	OCM 28/10/2021	Capital Expenses	0	0	(40,000)	138,050	Increase funding for the Tjuntjuntjara CCTV Project
4110370	REC - Infrastructure Parks & Gardens (Capital)	OCM 28/10/2021	Capital Expenses	0	21,367	0	159,417	Reallocation from Marmion Village reserve improvements
4110370	REC - Infrastructure Parks & Gardens (Capital)	OCM 28/10/2021	Capital Expenses	0	18,633	0	178,050	Reallocation from Outdoor exercise equipment
4110390	REC - Infrastructure Other (Capital)	OCM 21/12/2021	Capital Expenses	0	9,500	0	187,550	Reallocation from Kookynie Fencing
4120170	ROADC - Footpaths and Cycleways (Capital)	NA	Capital Expenses	0	6,000	0	193,550	Timing
2030118	RATES - Rates Write Off	Proposed	Operating Expenses	0	61,191	0	254,741	Aligned to reduced expectation (AMPAC)
3030235	GEN PUR - Other Income	Proposed	Operating Revenue	0	30,000	0	284,741	Budget re-allocation
3030245	GEN PUR - Interest Earned - Reserve Funds	Proposed	Operating Revenue	0	0	(28,800)	255,941	Aligned to current market interest rates
3030246	GEN PUR - Interest Earned - Municipal Funds	Proposed	Operating Revenue	0	0	(5,500)	250,441	Aligned to current market interest rates
2040104	MEMBERS - Training & Development	Proposed	Operating Expenses	0	40,000	0	290,441	Budget aligned to reviewed requirements
2040210	OTH GOV - Motor Vehicle Expenses	Proposed	Operating Expenses	0	0	(1,768)	288,673	Increasing fuel costs
2040221	OTH GOV - Information Systems	Proposed	Operating Expenses	0	0	(10,920)	277,753	Software - eftsure & Adobe
2040241	OTH GOV - Subscriptions & Memberships	Proposed	Operating Expenses	0	0	(2,451)	275,302	Increased market costs
2040252	OTH GOV - Other Consultancy	Proposed	Operating Expenses	0	0	(25,000)	250,302	Increased consultancy costs
2040285	OTH GOV - Legal Expenses	Proposed	Operating Expenses	0	5,000	0	255,302	Reduced/aligned with reviewed expectation
2040298	OTH GOV - Staff Housing Allocated	Proposed	Operating Expenses	0	0	(1,881)	253,421	Amended in alignment with actuals
2050312	OLOPS - LEMC Support	Proposed	Operating Expenses	0	9,000	0	262,421	Reduced cost identified
2050313	OLOPS - Community Emergency Services	Proposed	Operating Expenses	0	4,975	0	267,396	Reduced cost identified
3050510	ESL BFB - Operating Grant	Proposed	Operating Revenue	0	2,416	0	269,812	Increased grant payment received
2050530	ESL BFB - Insurance Expenses	Proposed	Operating Expenses	0	0	(500)	269,312	Increased premium
2050565	ESL BFB - Maintenance Plant & Equipment	Proposed	Operating Expenses	0	0	(6,597)	262,715	Increased costs to date & anticipated
2070411	HEALTH - Contract EHO	Proposed	Operating Expenses	0	0	(18,000)	244,715	Additional costs - Café building compliance
2070750	OTH HEALTH - Nurse Expenses	Proposed	Operating Expenses	0	4,700	0	249,415	Reduced costs
3090101	STF HOUSE - Staff Rental Reimbursements	Proposed	Operating Revenue	0	13,500	0	262,915	Budget aligned to YTD actuals increase
3090120	STF HOUSE - Fees & Charges	Proposed	Operating Revenue	0	0	(13,500)	249,415	Contra to 3090101
2090186	STF HOUSE - Expensed Minor Asset Purchases	Proposed	Operating Expenses	0	0	(5,000)	244,415	Aligned to actuals and likely costs
2090188	STF HOUSE - Staff Housing Building Operations	Proposed	Operating Expenses	0	0	(41,351)	203,064	Aligned to actuals to date/expected costs
2090189	STF HOUSE - Staff Housing Building Maintenance	Proposed	Operating Expenses	0	0	(33,161)	169,903	Aligned to actuals to date/expected costs
2090198	STF HOUSE - Staff Housing Costs Recovered	Proposed	Operating Expenses	0	28,080	0	197,983	Aligned to actuals to date/expected costs
3090220	OTH HOUSE - Fees & Charges	Proposed	Operating Revenue	0	0	(24,180)	173,803	Increased to align with YTD actuals
2090285	OTH HOUSE - Legal Expenses	Proposed	Operating Expenses	0	0	(4,000)	169,803	Aligned to actuals
2090288	OTH HOUSE - Building Operations	Proposed	Operating Expenses	0	0	(10,394)	159,409	Aligned to actuals/expected year end
2090289	OTH HOUSE - Building Maintenance	Proposed	Operating Expenses	0	9,653	0	169,062	Aligned to reduced costs YTD
3100200	SAN OTH - Commercial Collection Charge	Proposed	Operating Revenue	0	0	(10,000)	159,062	Aligned to reduced anticipated collections
2100788	COM AMEN - Public Conveniences Operations	Proposed	Operating Expenses	0	0	(43,451)	115,611	Budget reallocation with 2100789
2100789	COM AMEN - Public Conveniences Maintenance	Proposed	Operating Expenses	0	41,650	0	157,261	Budget reallocation with 2100788

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SHIRE OF MENZIES
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022

5. BUDGET AMENDMENTS

Proposed amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change -			Amended Budget Running Balance	Comments
				(Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash		
				\$	\$	\$	\$	
2110188	HALLS - Town Halls and Public Bldg Operations	Proposed	Operating Expenses	0	0	(5,000)	152,261	Aligned to actuals and likely costs
2110300	REC - Employee Costs	Proposed	Operating Expenses	0	43,694	0	195,955	All employee costs have been accrued across the one cost centre for this budget
2110365	REC - Parks & Gardens Maintenance/Operations	Proposed	Operating Expenses	0	60,217	0	256,172	Aligned to actuals/expected year end
2110388	REC - Youth Centre Building Operations	Proposed	Operating Expenses	0	0	(13,707)	242,465	Budget reallocation with 2110389
2110389	REC - Youth Centre Building Maintenance	Proposed	Operating Expenses	0	9,818	0	252,283	Budget reallocation with 2110388
2110465	TV RADIO - Re-Broadcasting Maintenance/Operations	Proposed	Operating Expenses	0	0	(2,686)	249,597	Aligned to actuals and likely costs
2110492	TV RADIO - Depreciation	Proposed	Operating Expenses	15,823	0	0	249,597	Aligned to actuals to date/expected costs
2110516	LIBRARY - Postage and Freight	Proposed	Operating Expenses	0	0	(300)	249,297	Aligned to actuals/expected year end
2110588	LIBRARY - Library Building Operations	Proposed	Operating Expenses	0	0	(1,000)	248,297	Aligned to actuals/expected year end
2110688	HERITAGE - Building Operations	Proposed	Operating Expenses	0	0	(7,062)	241,235	Aligned to actuals/expected year end
2110689	HERITAGE - Building Maintenance	Proposed	Operating Expenses	0	0	(26,169)	215,066	Aligned to actuals/expected year end
2110712	OTH CUL - ANZAC Day	Proposed	Operating Expenses	0	0	(450)	214,616	Aligned to actuals/expected year end
2110723	OTH CUL - Outback Graves	Proposed	Operating Expenses	0	0	(15,000)	199,616	Aligned to actuals/expected year end
3120210	ROADM - Direct Road Grant (MRWA)	Proposed	Operating Revenue	0	11,100	0	210,716	Addition grant revenue
2120211	ROADM - Road Maintenance - Built Up Areas	Proposed	Operating Expenses	0	88,127	0	298,843	Aligned to actuals/expected year end
2120213	ROADM - Road Maintenance - Gravel Outside BUA	Proposed	Operating Expenses	0	0	(59,635)	239,208	Aligned to actuals/expected year end
2120217	ROADM - Ancillary Maintenance - Built Up Areas	Proposed	Operating Expenses	0	144,625	0	383,833	Aligned to actuals/expected year end
2120232	ROADM - Crossover Council Contribution	Proposed	Operating Expenses	0	16,975	0	400,808	Aligned to actuals/expected year end
2120237	ROADM - Road Grids Maintenance	Proposed	Operating Expenses	0	10,775	0	411,583	Aligned to actuals/expected year end
2120288	ROADM - Depot Building Operations	Proposed	Operating Expenses	0	0	(11,850)	399,733	Aligned to actuals/expected year end
2120289	ROADM - Depot Building Maintenance	Proposed	Operating Expenses	0	0	(315)	399,418	Aligned to actuals/expected year end
2120765	WATER - Town Dam Maintenance/Operations	Proposed	Operating Expenses	0	0	(1,406)	398,012	Aligned to actuals/expected year end
3130221	TOUR - Caravan Park Fees	Proposed	Operating Revenue	0	50,000	0	448,012	Expected increase based on YTD income
3130222	TOUR - Caravan Park Laundry Fees	Proposed	Operating Revenue	0	2,500	0	450,512	Expected increase based on YTD income
2130200	TOUR - Employee Costs	Proposed	Operating Expenses	0	69,364	0	519,876	Aligned to actuals/expected year end
2130235	TOUR - Signage	Proposed	Operating Expenses	0	5,000	0	524,876	Aligned to actuals/expected year end
2130241	TOUR - Subscriptions & Memberships	Proposed	Operating Expenses	0	11,845	0	536,721	All employee costs have been accrued across the one cost centre for this budget
2130243	TOUR - Cyclistic Event	Proposed	Operating Expenses	0	0	(35,000)	501,721	Aligned to last years actuals
2130245	TOUR - Astrotourism& Black Sky Projects	Proposed	Operating Expenses	0	15,000	0	516,721	Aligned to actuals/expected year end
2130259	TOUR - Goongarrie Cottages Maintenance/Operations	Proposed	Operating Expenses	0	11,849	0	528,570	Aligned to actuals/expected year end
2130260	TOUR - Niagra Dam Maintenance/Operations	Proposed	Operating Expenses	0	0	(10,600)	517,970	Aligned to actuals/expected year end
2130261	TOUR - Golden Quest Trail Maintenance/Operations	Proposed	Operating Expenses	0	0	(11,500)	506,470	Aligned to actuals/expected year end
2130265	TOUR - Lake Ballard Maintenance/Operations	Proposed	Operating Expenses	0	0	(4,255)	502,215	Aligned to actuals/expected year end
2130266	TOUR - Caravan Park General Maintenance/Operations	Proposed	Operating Expenses	0	128,681	0	630,896	Aligned to actuals/expected year end
2130288	TOUR - Building Operations	Proposed	Operating Expenses	0	0	(49,546)	581,350	Budget reallocation with 2130289
2130289	TOUR - Building Maintenance	Proposed	Operating Expenses	0	64,410	0	645,760	Budget reallocation with 2130288
3130320	BUILD - Fees & Charges (including Licences)	Proposed	Operating Revenue	0	15,000	0	660,760	Aligned to actuals/expected year end
2130391	BUILD - Loss on Disposal of Assets	Proposed	Operating Expenses	(2,500)	0	0	660,760	Aligned to actuals/expected year end
3130821	OTH ECON - Standpipe Income	Proposed	Operating Revenue	0	6,500	0	667,260	Aligned to actuals/expected year end
3130823	OTH ECON - Community Resource Centre Contributions	Proposed	Operating Revenue	0	38,100	0	705,360	Aligned to actuals/expected year end
2130855	OTH ECON - Community Bus	Proposed	Operating Expenses	0	0	(6,668)	698,692	Aligned to actuals/expected year end
2130860	OTH ECON - Community Resource Centre Operations	Proposed	Operating Expenses	0	0	(20,400)	678,292	Aligned to actuals/expected year end
2130888	OTH ECON - Building Operations	Proposed	Operating Expenses	0	0	(3,312)	674,980	Aligned to actuals/expected year end
2130889	OTH ECON - Building Maintenance	Proposed	Operating Expenses	0	0	(8,305)	666,675	Aligned to actuals/expected year end
3140120	PRIVATE - Private Works Income	Proposed	Operating Revenue	0	1,000	0	667,675	Aligned to actuals/expected year end

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SHIRE OF MENZIES
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 31 JANUARY 2022

5. BUDGET AMENDMENTS

Proposed amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change -	Increase in	Decrease in	Amended Budget Running Balance	Comments
				(Non Cash Items) Adjust.	Available Cash	Available Cash		
				\$	\$	\$	\$	
2140200	ADMIN - Employee Costs	Proposed	Operating Expenses	0	0	(29,364)	638,311	Aligned to actuals/expected year end
2140205	ADMIN - Recruitment	Proposed	Operating Expenses	0	0	(5,000)	633,311	Aligned to actuals/expected year end
2140209	ADMIN - Travel & Accommodation	Proposed	Operating Expenses	0	5,000	0	638,311	Aligned to actuals/expected year end
2140215	ADMIN - Printing and Stationery	Proposed	Operating Expenses	0	0	(12,000)	626,311	Aligned to actuals/expected year end
2140220	ADMIN - Communication Expenses	Proposed	Operating Expenses	0	9,000	0	635,311	Aligned to actuals/expected year end
2140230	ADMIN - Insurance Exp (Other than Bld & W/Comp)	Proposed	Operating Expenses	0	0	(7,565)	627,746	Aligned to actuals/expected year end
2140240	ADMIN - Advertising and Promotion	Proposed	Operating Expenses	0	2,400	0	630,146	Aligned to actuals/expected year end
2140241	ADMIN - Subscriptions and Memberships	Proposed	Operating Expenses	0	0	(9,000)	621,146	Aligned to actuals/expected year end
2140252	ADMIN - Consultants	Proposed	Operating Expenses	0	0	(45,000)	576,146	Aligned to actuals/expected year end
2140284	ADMIN - Audit Fees	Proposed	Operating Expenses	0	0	(57,000)	519,146	Aligned to actuals/expected year end
2140285	ADMIN - Legal Expenses	Proposed	Operating Expenses	0	45,000	0	564,146	Aligned to actuals/expected year end
2140286	ADMIN - Expensed Minor Asset Purchases	Proposed	Operating Expenses	0	0	(5,000)	559,146	Aligned to actuals/expected year end
2140287	ADMIN - Other Expenses	Proposed	Operating Expenses	0	0	(4,000)	555,146	Aligned to actuals/expected year end
2140288	ADMIN - Building Operations	Proposed	Operating Expenses	0	35,329	0	590,475	Aligned to actuals/expected year end
2140289	ADMIN - Building Maintenance	Proposed	Operating Expenses	0	36,614	0	627,089	Aligned to actuals/expected year end
2140300	PWO - Employee Costs	Proposed	Operating Expenses	0	0	(43,694)	583,395	Aligned to actuals/expected year end
2140324	PWO - Annual Leave	Proposed	Operating Expenses	0	0	(13,562)	569,833	Aligned to actuals/expected year end
2140330	PWO - OHS and Toolbox Meetings	Proposed	Operating Expenses	0	0	(35,000)	534,833	Aligned to actuals/expected year end
2140341	PWO - Subscriptions & Memberships	Proposed	Operating Expenses	0	0	(10,000)	524,833	Aligned to actuals/expected year end
2140365	PWO - Maintenance/Operations	Proposed	Operating Expenses	0	0	(54,283)	470,550	Aligned to actuals/expected year end
2140371	PWO Bldg Mtce - Employee Costs	Proposed	Operating Expenses	0	0	(40,000)	430,550	Aligned to actuals/expected year end
2140398	PWO - Staff Housing Costs Allocated	Proposed	Operating Expenses	0	12,638	0	443,188	Aligned to actuals/expected year end
2140412	POC - Fuels and Oils	Proposed	Operating Expenses	0	0	(6,265)	436,923	Aligned to actuals/expected year end
2140413	POC - Tyres and Tubes	Proposed	Operating Expenses	0	8,600	0	445,523	Aligned to actuals/expected year end
2140417	POC - Insurance Expenses	Proposed	Operating Expenses	0	0	(4,911)	440,612	Aligned to actuals/expected year end
BO60	Arts Centre	Proposed	Capital Expenses	0	0	(81,000)	359,612	Aligned to expected expenditure required
BC037A	Workshop - Chemical Storage	Proposed	Capital Expenses	0	20,000	0	379,612	Reduced cost to complete
BC030	Church Hall Lot 8 (50) Shenton St - Building (Capital)	Proposed	Capital Expenses	0	50,000	0	429,612	Next financial year expenditure
PE113	Tjunjuntjara CCTV	Proposed	Capital Expenses	0	0	(30,000)	399,612	Increased cost to complete
C0128	Banners and Signage	Proposed	Capital Expenses	0	0	(15,000)	384,612	Aligned to actuals/expected year end
PA160	Backhoe Replacement (Mini Exec & Forklift & Emulsion)	Proposed	Capital Expenses	0	40,000	0	424,612	OCM reallocation to Mini Excavator & Forklift - reduced cost
TBA	Emulsion Sprayer	Proposed	Capital Expenses	0	0	(30,000)	394,612	New required capital item
TBA	SMART Screen (Council Chambers)	Proposed	Capital Expenses	0	0	(28,000)	366,612	SMART board update
RC053	Mercer St (Capital)	Proposed	Capital Expenses	0	0	(15,000)	351,612	Aligned to actuals/expected year end
R2R007	Menzies North West Rd (R2R)	Proposed	Capital Expenses	0	0	(89,372)	262,240	Additional Grant funding
RFD036	Pianto Rd - Flood Damage	Proposed	Capital Expenses	0	0	(10,000)	252,240	Aligned to actuals/expected year end
C0103	Cometvale Cemetery Fence	Proposed	Capital Expenses	0	0	(40,000)	212,240	Aligned to actuals/expected year end
IO12601	Pilot Activated Lighting - Tjunjuntjara	Proposed	Capital Expenses	0	50,000	0	262,240	Next financial year expenditure
NA	TRANS Loss on asset disposal	Proposed	Operating Expenses	0	2,140	0	264,380	Amount included twice in the adopted budget in error
NA	Other property and services	Proposed	Operating Expenses	0	16	0	264,396	Balancing error in adopted budget
Amended Budget Cash Position as per Council Resolution				13,323	1,696,032	(1,431,636)	264,396	

6.2	Finance Report February 2022
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	NAM602
DATE OF REPORT	18 March 2022
AUTHOR	Chief Financial Officer, Antonio Giometti
RESPONSIBLE OFFICER	Chief Financial Officer, Antonio Giometti
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. Statement of Financial Activity - Menzies - February 2022 [6.2.1 - 27 pages]

SUMMARY:

Statutory Financial Reports are submitted to Council as a record of financial activity for the year to 28 February 2022.

BACKGROUND:

The *Local Government (Financial Management) Regulations r34* requires Local Government entities to prepare each month a Statement of Financial Activity reporting on the sources and application of funds, as set out in the Annual Budget under *r22(1)(d)*:

- The annual budget estimates;
- Budget estimates to the end of the month to which the statement relates. Actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
- Any material variations between year to date for income and expenditure and the relevant budget provisions to the end of the relevant reporting period;
- Identify any significant areas where activity is not in accordance with budget estimates for the relevant reporting period;
- Include an operating statement;
- Include the net current assets; and
- Any other relevant reporting notes.

COMMENT:

This report contains annual budget, actual amounts of expenditure and income to the end of the month. It shows the material variances between the budget and actual amounts where they are not associated to timing differences for the purpose of keeping Council informed of the current financial position.

CONSULTATION:

Nil.

STATUTORY AUTHORITY:

Local Government Act 1995 s6.4

Local Government (Financial Management) Regulations 1996, r34

POLICY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS:

As detailed in the Attachment.

RISK ASSESSMENT:

Nil.

STRATEGIC IMPLICATIONS:

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council receives the Statement of Financial Activity for the period ending 28 February 2022 as attached and notes any material differences.

COMMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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SHIRE OF MENZIES

**MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the Period Ended 28 February 2022**

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

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**SHIRE OF MENZIES
MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

KEY INFORMATION

Items of Significance

The material variance adopted by the Shire for the 2021/22 year is \$25,000 and 10%. The following selected items have been highlighted due to the amount of the variance to the budget or due to the nature of the revenue/expenditure. A full listing and explanation of all items considered of significant/material variance is disclosed in Note 15.

	% Collected / Completed	Amended Annual Budget	Amended YTD Budget	YTD Actual	Variance (Under)/Over
Significant Projects					
Arts Centre	2%	149,000	99,328	2,727	96,601
Men's Shed	0%	200,000	133,328	0	133,328
New 2x1 Staff House - Building (Capital)	3%	238,900	159,256	7,694	151,562
New 2x1 Staff House (21-22)	0%	520,000	346,656	0	346,656
Old Post Office House Lot 102 (33) Walsh St - Building (Capital)	2%	1,000,000	666,648	22,909	643,739
Town Hall (Hall) - Building (Capital)	0%	110,000	73,328	0	73,328
Old Butcher Shop Lot 1094 (53) Shenton St - Building (Capital)	95%	200,000	133,320	189,206	(55,886)
Depot - Building (Capital)	67%	250,000	166,656	166,793	(137)
Lady Shenton/CRC Lot 41 (37) Shenton St - Building (Capital)	2%	340,000	226,664	5,537	221,127
Mercer Street Caravan Park Infrastructure	4%	1,800,000	1,199,984	79,613	1,120,371
Tjunjuntjara CCTV	2%	110,000	110,000	2,245	107,755
Backhoe Replacement	19%	180,000	120,000	33,432	86,568
Program Reseal	0%	200,000	133,328	0	133,328
Kookynie Malcom Rd (Capital)	0%	300,000	200,000	0	200,000
Tjunjuntjara Access Rd (Capital) 20-21	100%	231,327	154,216	231,327	(77,111)
Tjunjuntjara Internal Roads Program (20-21)	0%	100,000	66,664	0	66,664
Tjunjuntjara Access Rd (R2R)	99%	88,443	58,960	87,579	(28,619)
Tjunjuntjara Access Road (R2R 20-21)	97%	499,901	333,264	482,423	(149,159)
Tjunjuntjara Access Road (R2R 21-22)	100%	190,000	126,664	190,000	(63,336)
Menzies North West Rd (R2R)	117%	510,628	340,416	598,975	(258,559)
Yarri Road (RRG 21-22)	0%	142,500	95,000	0	95,000
Tjunjuntjara Access Rd (RRG)	0%	80,000	53,328	0	53,328
Menzies North West Road Improvements (RRG 20-21)	100%	510,000	340,000	510,000	(170,000)
Menzies North West Road Improvements (RRG 21-22)	161%	142,500	95,000	230,070	(135,070)
Menzies North West Road Improvements (RRG 21-22)	32%	510,000	340,000	162,257	177,743
Evanston Menzies Road (RRG 21-22)	0%	300,000	200,000	0	200,000
Tjunjuntjara Access Road (Indigenous Community Access F	22%	240,000	160,000	53,610	106,390
LRCI Projects Phase 3 - Budgeting Purposes Only	0%	1,094,890	729,920	0	729,920
Evanston Road (LRCI 20-21)	49%	450,000	300,000	221,735	78,265
Marmion Village Reserve Improvements	0%	68,633	68,633	0	68,633
Tjunjuntjara Playground	99%	97,445	64,960	96,799	(31,839)
Tjunjuntjara Cemetery Shade	89%	50,000	33,328	44,319	(10,991)
Marmion Village - Access Road	3%	200,000	133,328	6,636	126,692
Kookynie Fencing	0%	490,500	327,000	0	327,000
Pilot Activated Lighting - Tjunjuntjara	0%	50,000	33,328	0	33,328
Town Dam Upgrade	0%	20,000	13,328	0	13,328
Niagra Dam Capital Works	0%	1,000,000	666,648	0	666,648
Grants, Subsidies and Contributions					
Operating Grants, Subsidies and Contributions	68%	1,646,099	1,271,965	1,121,544	(150,421)
Non-operating Grants, Subsidies and Contributions	13%	3,485,806	2,323,976	451,000	(1,872,976)
	31%	5,131,905	3,595,941	1,572,544	(2,023,397)
Rates Levied	102%	3,556,470	3,556,469	3,612,652	56,183

% Compares current ytd actuals to annual budget

Financial Position		Prior Year	Current Year
		28 February 2021	28 February 2022
Adjusted Net Current Assets	89%	\$ 3,719,424	\$ 3,316,178
Cash and Equivalent - Unrestricted	107%	\$ 3,383,965	\$ 3,608,486
Cash and Equivalent - Restricted	99%	\$ 11,904,635	\$ 11,764,049
Receivables - Rates	111%	\$ 822,866	\$ 917,245
Receivables - Other	205%	\$ 44,169	\$ 90,469
Payables	378%	\$ 193,759	\$ 732,762

% Compares current ytd actuals to prior year actuals at the same time

Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

**SHIRE OF MENZIES
MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

SUMMARY INFORMATION

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 28 February 2022
Prepared by: Kristy Van Kuyl (Team Leader Finance)
Reviewed by: Antonio Giometti (CFO)

BASIS OF PREPARATION

REPORT PURPOSE

This report is prepared to meet the requirements of Local Government (Financial Management) Regulations 1996, Regulation 34. Note: The Statements and accompanying notes are prepared based on all transactions recorded at the time of preparation and may vary due to transactions being processed for the reporting period after the date of preparation.

BASIS OF ACCOUNTING

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All Funds through which the Council controls resources to carry on its functions have been included in this statement. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 14.

SIGNIFICANT ACCOUNTING POLICES

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

CRITICAL ACCOUNTING ESTIMATES

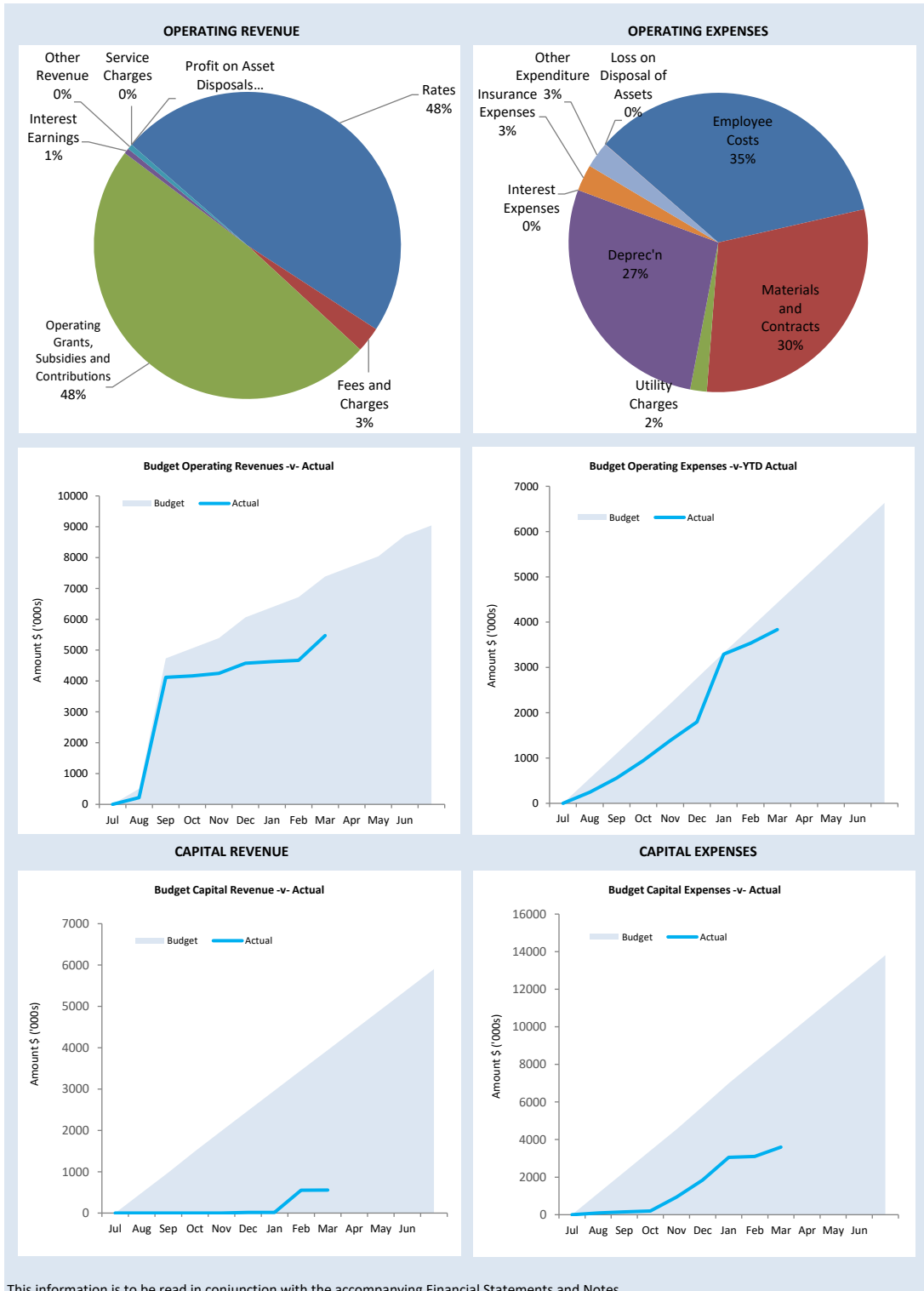
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

ROUNDING OFF FIGURES

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

**SHIRE OF MENZIES
MONTHLY FINANCIAL REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

SUMMARY GRAPHS



SHIRE OF MENZIES
KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 28 FEBRUARY 2022

STATUTORY REPORTING PROGRAMS

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>ACTIVITIES Includes the members of council and the administrative support available to the council for the provision of the governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	<p>The reporting of the Shire's general rating income and the recognition of the Western Australian Grants Commission payment together with interest on investments and costs associated with the collection of funds.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Expenditure to assist in the education of the children and youth within the Shire.</p>
<p>HOUSING To provide and maintain housing.</p>	<p>Income and expenditure associated with the provision of housing to staff and others.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resources that help the social wellbeing of the community.</p>	<p>The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by Council.</p>
<p>TRANSPORT To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, grids, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting and the maintenance of the Council's airstrips.</p>
<p>ECONOMIC SERVICES To help promote the Shire and improve its economic wellbeing.</p>	<p>The reporting of income and expenditure including the operation of Council's caravan park and administration of the Building Code of Australia.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control overheads and operating accounts.</p>	<p>Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works, salary and wages reconciliation and other incomes and expenditure not included elsewhere.</p>

SHIRE OF MENZIES
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

STATUTORY REPORTING PROGRAMS

Note	Amended		Amended YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var. ▲▼	Significant Var. \$
	Adopted Annual Budget	Annual Budget (d)						
	\$	\$	\$	\$	\$	%		
Opening Funding Surplus(Deficit)	1	3,418,114	3,659,164	3,659,164	3,659,164	0	0%	
Revenue from operating activities								
Governance		0	0	0	63	63	▲	
General Purpose Funding - Rates	6	3,556,469	3,556,470	3,556,469	3,612,652	56,183	2%	▲
General Purpose Funding - Other		1,498,386	1,498,385	1,113,817	979,439	(134,378)	(12%)	▼ S
Law, Order and Public Safety		14,650	14,650	9,768	16,155	6,387	65%	▲
Health		300	300	200	150	(50)	(25%)	▼
Education and Welfare		0	0	0	0	0		
Housing		37,880	37,880	25,248	30,872	5,624	22%	▲
Community Amenities		25,885	25,885	17,248	11,052	(6,196)	(36%)	▼
Recreation and Culture		700	700	448	582	134	30%	▲
Transport		182,613	182,613	181,364	191,965	10,601	6%	▲
Economic Services		212,150	212,150	141,408	166,824	25,416	18%	▲ S
Other Property and Services		28,435	28,435	18,944	11,758	(7,186)	(38%)	▼
		5,557,468	5,557,468	5,064,914	5,021,511			
Expenditure from operating activities								
Governance		(1,018,987)	(1,018,987)	(686,576)	(743,778)	(57,202)	(8%)	▼
General Purpose Funding		(412,189)	(412,189)	(274,736)	(124,311)	150,425	55%	▲ S
Law, Order and Public Safety		(135,187)	(135,187)	(90,056)	(76,731)	13,325	15%	▲
Health		(42,592)	(42,592)	(28,384)	(30,690)	(2,306)	(8%)	▼
Education and Welfare		0	0	0	0	0		
Housing		(204,818)	(204,818)	(136,224)	(151,671)	(15,447)	(11%)	▼
Community Amenities		(375,724)	(401,724)	(263,176)	(227,596)	35,580	14%	▲ S
Recreation and Culture		(854,772)	(864,272)	(579,044)	(504,588)	74,456	13%	▲ S
Transport		(2,259,243)	(2,259,243)	(1,505,968)	(1,247,634)	258,334	17%	▲ S
Economic Services		(1,262,110)	(1,289,610)	(859,352)	(555,950)	303,402	35%	▲ S
Other Property and Services		(3,069)	(3,069)	(1,808)	(173,028)	(171,220)	(9470%)	▼ S
		(6,568,691)	(6,631,691)	(4,425,324)	(3,835,977)			
Operating activities excluded from budget								
Add back Depreciation		2,032,027	2,032,027	1,354,688	1,061,999	(292,689)	(22%)	▼ S
Adjust (Profit)/Loss on Asset Disposal	7	2,140	2,140	1,424	835	(589)	(41%)	▼
Movement in Leave Reserve (Added Back)		0	0	0	0	0		
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0		
Movement in Employee Benefit Provisions		0	0	0	0	0		
Rounding Adjustments		0	0	0	0	0		
Movement Due to Changes in Accounting Standards		0	0	0	0	0		
Loss on Asset Revaluation		0	0	0	0	0		
Adjustment in Fixed Assets		0	0	0	0	0		
Amount attributable to operating activities		1,022,944	959,944	1,995,702	2,248,368			
Investing Activities								
Non-operating Grants, Subsidies and Contributions	13	3,485,806	3,485,806	2,323,976	451,000	(1,872,976)	(81%)	▼ S
Proceeds from Disposal of Assets	7	25,000	25,000	25,000	16,365	(8,635)	(35%)	▼
Land Held for Resale	8	0	0	0	0	0		
Land and Buildings	8	(5,116,900)	(5,157,900)	(3,438,472)	(565,790)	2,872,682	84%	▲ S
Plant and Equipment	8	(260,000)	(300,000)	(236,664)	(44,675)	191,989	81%	▲ S
Infrastructure Assets - Roads	8	(5,590,189)	(5,590,189)	(3,726,760)	(2,803,330)	923,430	25%	▲ S
Infrastructure Assets - Footpaths	8	(50,000)	(44,000)	(29,336)	0	29,336	100%	▲ S
Infrastructure Assets - Parks and Ovals	8	(226,078)	(186,078)	(146,921)	(96,799)	50,122	34%	▲ S
Infrastructure Assets - Other	8	(1,930,000)	(1,920,500)	(1,280,280)	(87,319)	1,192,961	93%	▲ S
Amount attributable to investing activities		(9,662,361)	(9,687,861)	(6,509,457)	(3,130,548)			
Financing Activities								
Proceeds from New Debentures	9	0	0	0	0	0		
Repayment of Debentures	9	0	0	0	0	0		
Repayment of Lease Financing	9	(2,363)	(2,363)	(1,568)	0	1,568	100%	▲
Advances to Community Groups		0	0	0	0	0		
Transfer from Reserves	10	5,835,821	5,876,821	3,917,840	540,000	(3,377,840)	(86%)	▼ S
Transfer to Reserves	10	(610,000)	(610,000)	(406,600)	(805)	405,795	100%	▲ S
Amount attributable to financing activities		5,223,458	5,264,458	3,509,672	539,195			
Closing Funding Surplus(Deficit)	1	2,155	195,705	2,655,081	3,316,178			

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer to Note 15 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021/22 year is \$25,000 and 10%.

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

SHIRE OF MENZIES**KEY TERMS AND DESCRIPTIONS****FOR THE PERIOD ENDED 28 FEBRUARY 2022****NATURE OR TYPE DESCRIPTIONS****REVENUE****RATES**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

PROFIT ON ASSET DISPOSAL

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

FEES AND CHARGEES

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

SERVICE CHARGES

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

INTEREST EARNINGS

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

OTHER REVENUE / INCOME

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

EXPENSES**EMPLOYEE COSTS**

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

MATERIALS AND CONTRACTS

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

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

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

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

SHIRE OF MENZIES
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

BY NATURE OR TYPE

	Note	Adopted Annual Budget	Amended Annual Budget	Amended YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var. ▲▼	Significant Var. \$
		\$	\$	\$	\$	\$	%		
Opening Funding Surplus (Deficit)	1	3,418,114	3,659,164	3,659,164	3,659,164	0	0%		
Revenue from operating activities									
Rates	6	3,556,469	3,556,470	3,556,469	3,612,652	56,183	2%	▲	
Operating Grants, Subsidies and Contributions	12	1,646,099	1,646,099	1,271,965	1,121,544	(150,421)	(12%)	▼	\$
Fees and Charges		207,265	207,265	138,096	203,055	64,959	47%	▲	\$
Service Charges		0	0	0	0	0			
Interest Earnings		112,500	112,500	74,992	42,629	(32,363)	(43%)	▼	\$
Other Revenue		35,135	35,135	23,392	41,632	18,240	78%	▲	
Profit on Disposal of Assets	7	0	0	0	0	0			
Gain FV Valuation of Assets		0	0	0	0	0			
		5,557,468	5,557,469	5,064,914	5,021,511				
Expenditure from operating activities									
Employee Costs		(2,374,097)	(2,374,097)	(1,581,920)	(1,344,268)	237,652	15%	▲	\$
Materials and Contracts		(1,514,182)	(1,585,182)	(1,054,852)	(1,142,985)	(88,133)	(8%)	▼	
Utility Charges		(88,150)	(88,150)	(58,624)	(68,478)	(9,854)	(17%)	▼	
Depreciation on Non-Current Assets		(2,032,027)	(2,032,027)	(1,354,688)	(1,061,999)	292,689	22%	▲	\$
Interest Expenses		(112)	(112)	(72)	0	72	100%	▲	
Insurance Expenses		(135,382)	(135,382)	(90,056)	(109,260)	(19,204)	(21%)	▼	
Other Expenditure		(422,601)	(414,601)	(283,688)	(108,153)	175,535	62%	▲	\$
Loss on Disposal of Assets	7	(2,140)	(2,140)	(1,424)	(835)	589	41%	▲	
Loss FV Valuation of Assets		0	0	0	0	0			
		(6,568,691)	(6,631,691)	(4,425,324)	(3,835,977)				
Operating activities excluded from budget									
Add back Depreciation		2,032,027	2,032,027	1,354,688	1,061,999	(292,689)	(22%)	▼	\$
Adjust (Profit)/Loss on Asset Disposal	7	2,140	2,140	1,424	835	(589)	(41%)	▼	
Movement in Leave Reserve (Added Back)		0	0	0	0	0			
Movement in Deferred Pensioner Rates/ESL		0	0	0	0	0			
Movement in Employee Benefit Provisions		0	0	0	0	0			
Rounding Adjustments		0	0	0	0	0			
Movement Due to Changes in Accounting Standards		0	0	0	0	0			
Loss on Asset Revaluation		0	0	0	0	0			
Adjustment in Fixed Assets		0	0	0	0	0			
Amount attributable to operating activities		1,022,944	959,945	1,995,702	2,248,368				
Investing activities									
Non-Operating Grants, Subsidies and Contributions	13	3,485,806	3,485,806	2,323,976	451,000	(1,872,976)	(81%)	▼	\$
Proceeds from Disposal of Assets	7	25,000	25,000	25,000	16,365	(8,635)	(35%)	▼	
Land Held for Resale	8	0	0	0	0	0			
Land and Buildings	8	(5,116,900)	(5,157,900)	(3,438,472)	(565,790)	2,872,682	84%	▲	\$
Plant and Equipment	8	(260,000)	(300,000)	(236,664)	(44,675)	191,989	81%	▲	\$
Infrastructure Assets - Roads	8	(5,590,189)	(5,590,189)	(3,726,760)	(2,803,330)	923,430	25%	▲	\$
Infrastructure Assets - Footpaths	8	(50,000)	(44,000)	(29,336)	0	29,336	100%	▲	\$
Infrastructure Assets - Parks and Ovals	8	(226,078)	(186,078)	(146,921)	(96,799)	50,122	34%	▲	\$
Infrastructure Assets - Other	8	(1,930,000)	(1,920,500)	(1,280,280)	(87,319)	1,192,961	93%	▲	\$
Amount attributable to investing activities		(9,662,361)	(9,687,861)	(6,509,457)	(3,130,548)				
Financing Activities									
Proceeds from New Debentures		0	0	0	0	0			
Repayment of Debentures	9	0	0	0	0	0			
Repayment of Lease Financing	9	(2,363)	(2,363)	(1,568)	0	1,568	100%	▲	
Transfer from Reserves	10	5,835,821	5,876,821	3,917,840	540,000	(3,377,840)	(86%)	▼	\$
Transfer to Reserves	10	(610,000)	(610,000)	(406,600)	(805)	405,795	100%	▲	\$
Amount attributable to financing activities		5,223,458	5,264,458	3,509,672	539,195				
Closing Funding Surplus (Deficit)	1	2,155	195,706	2,655,081	3,316,178				

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to Note 15 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021/22 year is \$25,000 and 10%.

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

SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES

NOTE 1

ADJUSTED NET CURRENT ASSETS

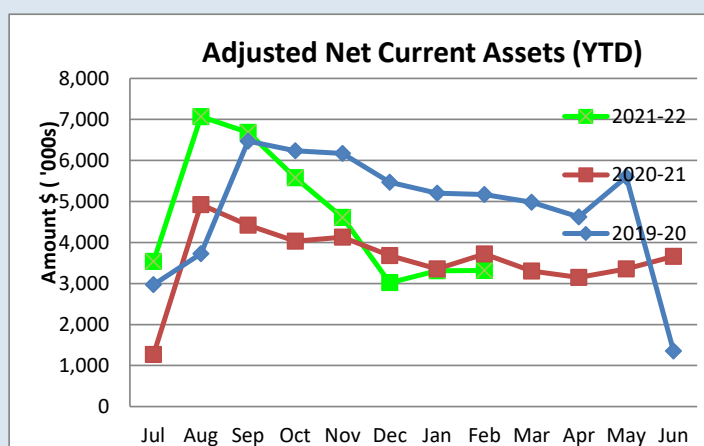
Adjusted Net Current Assets	Note	Last Years Closing 30/06/2021	This Time Last Year 28/02/2021	Year to Date Actual 28/02/2022
		\$	\$	\$
Current Assets				
Cash Unrestricted	2	3,535,226	3,383,965	3,608,486
Cash Restricted - Reserves	2	12,303,244	11,904,635	11,764,049
Cash Restricted - Bonds & Deposits	2	0	0	0
Receivables - Rates	3	663,136	822,866	917,245
Receivables - Other	3	135,312	44,169	90,469
Impairment of Receivables	3	(320,812)	(413,176)	(320,812)
Other Assets Other Than Inventories	4	12,797	8,358	57,622
Inventories	4	15,211	70,626	15,211
		16,344,113	15,821,441	16,132,269
Less: Current Liabilities				
Payables	5	(368,994)	(193,759)	(732,762)
Contract Liabilities	11	0	0	(312,651)
Bonds & Deposits	14	(12,712)	(3,624)	(6,629)
Loan and Lease Liability	9	(2,363)	(3,985)	(2,363)
Provisions	11	(192,238)	(197,106)	(192,238)
		(576,307)	(398,474)	(1,246,643)
Less: Cash Reserves	10	(12,303,244)	(11,904,635)	(11,764,049)
Add Back: Component of Leave Liability not Required to be funded		192,238	197,106	192,238
Add Back: Loan and Lease Liability		2,363	3,985	2,363
Less : Loan Receivable - clubs/institutions		0	0	0
Net Current Funding Position		3,659,164	3,719,424	3,316,178

SIGNIFICANT ACCOUNTING POLICIES

Please see Note 1(a) for information on significant accounting policies relating to Net Current Assets.

KEY INFORMATION

The amount of the adjusted net current assets at the end of the period represents the actual surplus (or deficit if the figure is a negative) as presented on the Rate Setting Statement.



This Year YTD

Surplus(Deficit)

\$3.32 M

Last Year YTD

Surplus(Deficit)

\$3.72 M

SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES
NOTE 2
CASH AND FINANCIAL ASSETS

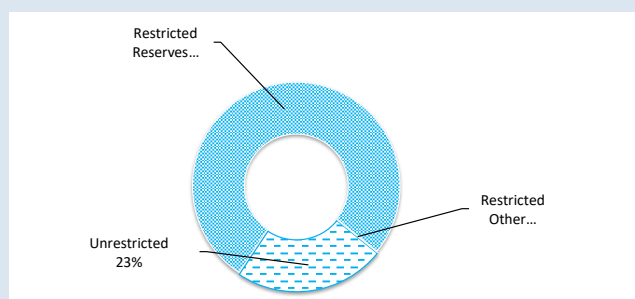
	Unrestricted	Restricted Reserves	Restricted Muni	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
Cash on Hand							
Cash On Hand - Admin	330			330	Cash on Hand	Nil	On Hand
At Call Deposits							
Municipal Bank Account	2,078,566			2,078,566	NAB	0.00%	Ongoing
Reserve Bank Account		11,764,049		11,764,049	NAB	0.01%	Ongoing
Trust Cash at Bank			0	0	NAB		
Term Deposits							
Municipal Maximiser Investment Account	1,529,590			1,529,590	NAB	0.01%	Ongoing
Investments							
Total	3,608,486	11,764,049	0	15,372,535			

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.



Total Cash	Unrestricted
\$15.37 M	\$11.76 M

SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES

NOTE 3

RECEIVABLES

Receivables - Rates & Rubbish	30 June 2021	28 Feb 22
	\$	\$
Opening Arrears Previous Years	863,375	663,136
Levied this year	3,528,459	3,622,697
Less Collections to date	(3,728,698)	(3,368,588)
Equals Current Outstanding	663,136	917,245
Net Rates Collectable	663,136	917,245
% Collected	84.90%	78.60%

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	11,049	3,089	50	195	14,383
Percentage	77%	21%	0%	1%	
Balance per Trial Balance					
Sundry Debtors					14,383
Impairment of Receivables					(320,812)
Receivables - Other					76,086
Total Receivables General Outstanding					(230,344)

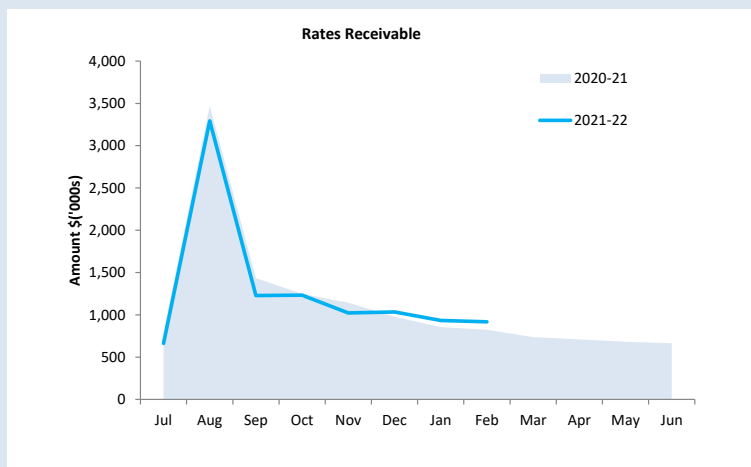
Amounts shown above include GST (where applicable)

KEY INFORMATION

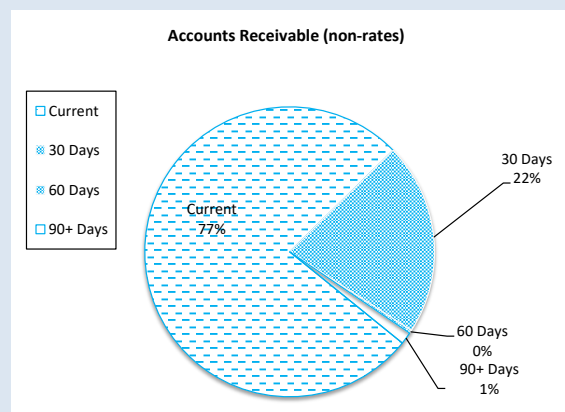
Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.



Collected	Rates Due
79%	\$917,245



Debtors Due
-\$230,344
Over 30 Days
23%
Over 90 Days
1%

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES
NOTE 4
OTHER CURRENT ASSETS

	Opening Balance 1 Jul 2021	Asset Increase	Asset Reduction	Closing Balance 28 Feb 2022
Other Current Assets	\$	\$	\$	\$
Other Financial Assets at Amortised Cost				
Financial assets at amortised cost - self supporting loans	0	0	0	0
Inventory				
Fuel, Oil & Materials on hand	15,211	0	0	15,211
Land held for resale	0	0	0	0
Accrued income and prepayments				
Accrued income and prepayments	12,797	44,825	0	57,622
Contract assets				
Contract assets	0	0	0	0
Total Other Current assets				72,833
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Other financial assets at amortised cost

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

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

Inventory

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

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

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

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

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES

NOTE 5

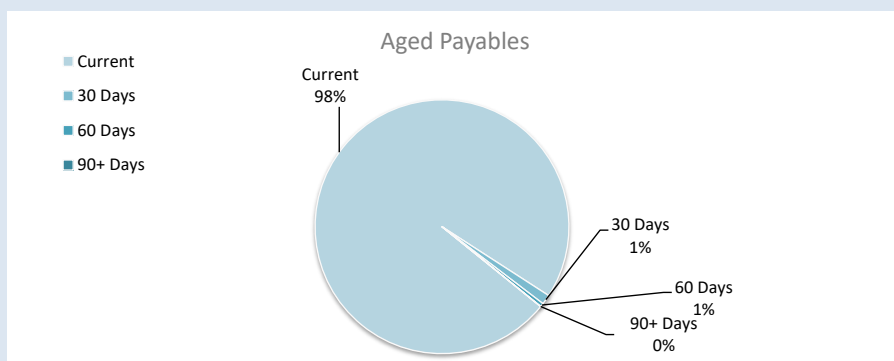
Payables

Payables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Payables (Sundry Creditors) - General	586,411	7,400	2,668	125	596,605
Percentage	98.3%	1.2%	0.4%	0%	
Balance per Trial Balance					
Sundry creditors - General					596,605
Other creditors					0
Accruals/Income in Advance					(40)
ATO liabilities					93,909
Other accruals/payables					2,908
Prepaid rates					39,380
Total Payables General Outstanding					732,762

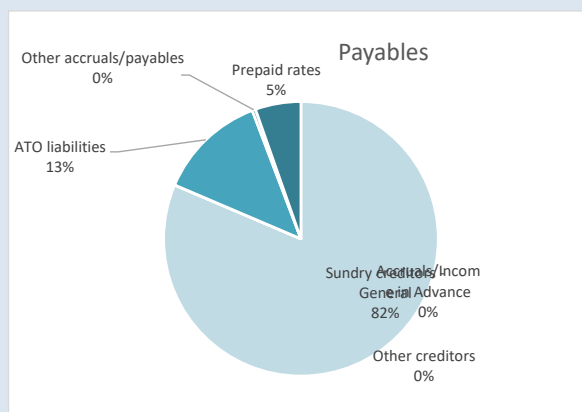
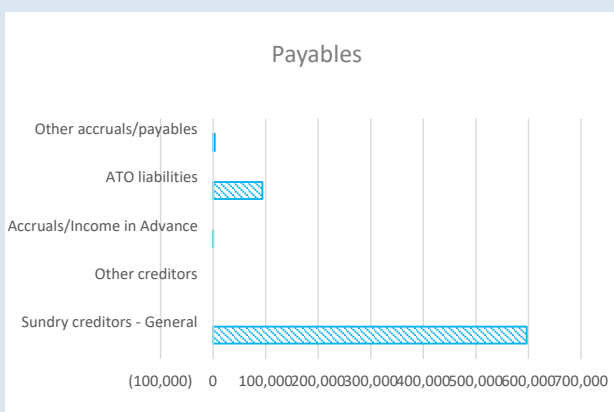
Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire 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.



Creditors Due
\$732,762
Over 30 Days
2%
Over 90 Days
0%



SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES

NOTE 6

RATE REVENUE

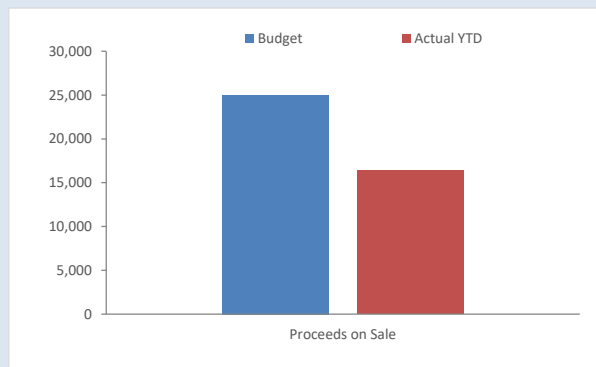
RATE TYPE	Rate in	Number of Properties	Rateable Value	Budget			YTD Actual				
				Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
	\$			\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
Gross rental valuations											
Vacant	0.086400	4	20,956	1,811	0	0	1,811	1,811	0	0	1,811
Residential	0.086200	32	2,500,428	215,537	0	0	215,537	215,537	0	0	215,537
Unimproved valuations											
Mining lease	0.165500	230	15,652,482	2,590,486	0	0	2,590,486	2,590,486	8,973	1	2,599,460
Exploration lease	0.150000	340	3,297,144	486,704	0	0	486,704	494,572	44,031	987	539,590
Prospecting lease	0.147700	214	518,784	75,415	0	0	75,415	76,624	5,165	161	81,951
Pastoral lease	0.082900	23	683,652	56,592	0	0	56,592	56,675	0	(11,882)	44,793
Other	0.082900	63	307,900	25,525	0	0	25,525	25,525	1,923	0	27,448
Non-Rateable				0			0	0	0	(538)	-538
Sub-Totals		906	22,981,346	3,452,070	0	0	3,452,070	3,461,229	60,093	(11,271)	3,510,052
Minimum Payment											
Gross rental valuations											
Vacant	200	198	40,769	39,600	0	0	39,600	39,600	0	0	39,600
Residential	200	8	5,537	1,600	0	0	1,600	1,600	0	0	1,600
Unimproved valuations											
Mining lease	200	55	41,119	11,000	0	0	11,000	11,000	0	0	11,000
Exploration lease	200	158	129,365	32,800	0	0	32,800	31,600	0	0	31,600
Prospecting lease	200	89	51,561	18,400	0	0	18,400	17,800	0	0	17,800
Pastoral lease	200	4	4,638	800	0	0	800	800	0	0	800
Other	200	1	100	200	0	0	200	200	0	0	200
Sub-Totals		513	273,089	104,400	0	0	104,400	102,600	0	0	102,600
		1,419	23,254,435	3,556,470	0	0	3,556,470	3,563,829	60,093	(11,271)	3,612,652
Amount from General Rates											
Ex-Gratia Rates							0				0
Total Rates							3,556,470				3,612,652

SHIRE OF MENZIES
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES
 NOTE 7
 DISPOSAL OF ASSETS

Asset Number	Asset Description	Amended Budget				YTD Actual				Forecast Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Land - Vacant Freehold (Level 2)												
257	Kookynie Lot 3 (62 Cumberland)	0	0			3,000	2,854	(146)		3,000	2,854	(146)	
280	Kookynie Lot 70 (28 Britannia)	0	0			2,000	1,903	(97)		2,000	1,903	(97)	
288	Kookynie Lot 69 (26 Britannia)	0	0			2,000	1,903	(97)		2,000	1,903	(97)	
284	Kookynie Lot 75 (27 Cumberland)	0	0			3,000	2,854	(146)		3,000	2,854	(146)	
283	Kookynie Lot 74 (29 Cumberland)	0	0			3,000	2,854	(146)		3,000	2,854	(146)	
281	Kookynie Lot 76 (25 Cumberland)	0	0			2,200	2,093	(107)		2,200	2,093	(107)	
279	Kookynie Lot 68 (24 Britannia)	0	0			2,000	1,903	(97)		2,000	1,903	(97)	
	Plant and Equipment												
321	P0160 Komatsu Wb93R-5Eo Backhoe Loader M	27,140	25,000		(2,140)	0	0			27,140	25,000		(2,140)
		27,140	25,000	0	(2,140)	17,200	16,365	0	(835)	44,340	41,365	0	(2,975)

KEY INFORMATION



Proceeds on Sale		
Budget	YTD Actual	%
\$25,000	\$16,365	65%

SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY

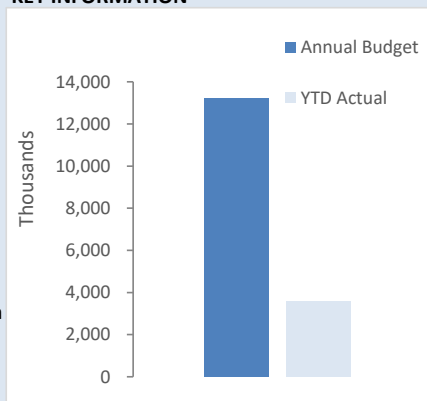
FOR THE PERIOD ENDED 28 FEBRUARY 2022

INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS

Capital Acquisitions	Adopted	Amended		YTD Actual Total	YTD Budget Variance
	Annual Budget	YTD Budget	Annual Budget		
	\$	\$	\$	\$	\$
Land Held for Resale	0	0	0	0	0
Land and Buildings	5,116,900	3,438,472	5,157,900	565,790	(2,872,682)
Plant and Equipment	260,000	236,664	300,000	44,675	(191,989)
Furniture and Equipment	0	0	0	0	0
Infrastructure Assets - Roads	5,590,189	3,726,760	5,590,189	2,803,330	(923,430)
Infrastructure Assets - Footpaths	50,000	29,336	44,000	0	(29,336)
Infrastructure Assets - Parks and Ovals	226,078	146,921	186,078	96,799	(50,122)
Infrastructure Assets - Other	1,930,000	1,280,280	1,920,500	87,319	(1,192,961)
Capital Expenditure Totals	13,173,167	8,858,433	13,198,667	3,597,913	(5,260,520)
Capital acquisitions funded by:					
	\$	\$	\$	\$	\$
Capital Grants and Contributions	3,485,806	2,323,976	3,485,806	451,000	(1,872,976)
Borrowings	0	0	0	0	0
Other (Disposals & C/Fwd)	25,000	25,000	25,000	16,365	(8,635)
Council contribution - Cash Backed Reserves					
Various Reserves	5,876,821	3,917,840	5,876,821	540,000	(3,377,840)
Council contribution - operations	3,785,540	2,591,617	3,811,040	2,590,548	(1,069)
Capital Funding Total	13,173,167	8,858,433	13,198,667	3,597,913	(5,260,520)

SIGNIFICANT ACCOUNTING POLICIES

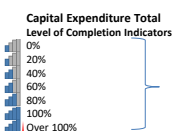
All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

KEY INFORMATION

Acquisitions	Annual Budget	YTD Actual	% Spent
	\$13.2 M	\$3.6 M	27%
Capital Grant	Annual Budget	YTD Actual	% Received
	\$3.49 M	\$0.45 M	13%

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS

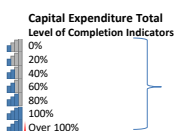


Percentage YTD Actual to Annual Budget Expenditure over budget highlighted in red.

Assets	Account Number	Balance Sheet Category	Job Number	Adopted		Amended		Variance (Under)/Over	
				Annual Budget	YTD Budget	Annual Budget	YTD Budget		
				\$	\$	\$	\$	\$	
Buildings									
Education & Welfare									
0.02	Arts Centre	4080410	510	BC060	(149,000)	(149,000)	(99,328)	(2,727)	96,601
0.00	Men's Shed	4080410	510	BC060A	(200,000)	(200,000)	(133,328)	0	133,328
Total - Education & Welfare					(349,000)	(349,000)	(232,656)	(2,727)	229,929
Housing									
1.00	New Staff House 2020 - Building (Capital)	4090110	510	BC009	0	0	0	(24,426)	(24,426)
0.03	New 2x1 Staff House - Building (Capital)	4090110	510	BC010	(238,900)	(238,900)	(159,256)	(7,694)	151,562
0.00	New 2x1 Staff House (21-22)	4090110	510	BC011	(520,000)	(520,000)	(346,656)	0	346,656
0.02	Old Post Office House Lot 102 (33) Walsh St - Building (Capital)	4090210	510	BC020	(1,000,000)	(1,000,000)	(666,648)	(22,909)	643,739
Total - Housing					(1,758,900)	(1,758,900)	(1,172,560)	(55,029)	1,117,531
Recreation And Culture									
0.00	Town Hall (Hall) - Building (Capital)	4110110	510	BC026	(110,000)	(110,000)	(73,328)	0	73,328
0.95	Old Butcher Shop Lot 1094 (53) Shenton St - Building (Capital)	4110610	510	BC029	(200,000)	(200,000)	(133,320)	(189,206)	(55,886)
Total - Recreation And Culture					(310,000)	(310,000)	(206,648)	(189,206)	17,442
Transport									
0.67	Depot - Building (Capital)	4120110	510	BC037	(250,000)	(250,000)	(166,656)	(166,793)	(137)
0.48	Workshop - Chemical Storage	4120110	510	BC037A	(50,000)	(50,000)	(33,320)	(24,077)	9,243
Total - Transport					(300,000)	(300,000)	(199,976)	(190,870)	9,106
Economic Services									
0.43	Building not specified	4130210	510	BC000	(100,000)	(100,000)	(66,664)	(42,809)	23,855
0.02	Lady Shenton/CRC Lot 41 (37) Shenton St - Building (Capital)	4130210	510	BC028	(299,000)	(340,000)	(226,664)	(5,537)	221,127
0.00	Church Hall Lot 8 (50) Shenton St - Building (Capital)	4130210	510	BC030	(50,000)	(50,000)	(33,328)	0	33,328
0.04	Mercer Street Caravan Park Infrastructure	4130210	510	BC050	(1,800,000)	(1,800,000)	(1,199,984)	(79,613)	1,120,371
Total - Economic Services					(2,249,000)	(2,290,000)	(1,526,640)	(127,959)	1,398,681
Other Property & Services									
0.00	Town Hall (Admin) - Building (Capital)	4140210	510	BC027	(150,000)	(150,000)	(99,992)	0	99,992
Total - Other Property & Services					(150,000)	(150,000)	(99,992)	0	99,992
Total - Buildings					(5,116,900)	(5,157,900)	(3,438,472)	(565,790)	2,872,682
Plant & Equipment									
Governance									
0.00	Administration Communications Equipment	4040230	530	C0141	(10,000)	(10,000)	(6,664)	0	6,664
Total - Governance					(10,000)	(10,000)	(6,664)	0	6,664
Other Law, Order & Public Safety									
0.02	Tjunjuntjara CCTV	4050330	530	PE113	(70,000)	(110,000)	(110,000)	(2,245)	107,755
Total - Other Law, Order & Public Safety					(70,000)	(110,000)	(110,000)	(2,245)	107,755
Transport									
1.00	Banners and Signage	4120330	530	C0128	0	0	0	(8,998)	(8,998)
0.19	Backhoe Replacement	4120330	530	PA160	(180,000)	(180,000)	(120,000)	(33,432)	86,568
Total - Transport					(180,000)	(180,000)	(120,000)	(42,430)	77,570
Total - Plant & Equipment					(260,000)	(300,000)	(236,664)	(44,675)	191,989
Infrastructure - Roads									
Transport									
0.00	Program Reseal	4120140	540	C1213	(200,000)	(200,000)	(133,328)	0	133,328
1.00	Mercer St (Capital)	4120140	540	RC053	0	0	0	(8,500)	(8,500)
0.00	Kookynie Malcom Rd (Capital)	4120142	540	RC038	(300,000)	(300,000)	(200,000)	0	200,000
1.00	Tjunjuntjara Access Rd (Capital) 20-21	4120142	540	RC049	(231,327)	(231,327)	(154,216)	(231,327)	(77,111)
0.00	Tjunjuntjara Internal Roads Program (20-21)	4120142	540	RC249	(100,000)	(100,000)	(66,664)	0	66,664
0.99	Tjunjuntjara Access Rd (R2R)	4120146	540	R2R049	(88,443)	(88,443)	(58,960)	(87,579)	(28,619)
0.97	Tjunjuntjara Access Road (R2R 20-21)	4120146	540	R2R049A	(499,901)	(499,901)	(333,264)	(482,423)	(149,159)
1.00	Tjunjuntjara Access Road (R2R 21-22)	4120146	540	R2R049B	(190,000)	(190,000)	(126,664)	(190,000)	(63,336)
1.17	Menzies North West Rd (R2R)	4120147	540	R2R007	(510,628)	(510,628)	(340,416)	(598,975)	(258,559)
0.00	Yarri Road (RRG 21-22)	4120150	540	RRG039A	(142,500)	(142,500)	(95,000)	0	95,000
0.00	Tjunjuntjara Access Rd (RRG)	4120150	540	RRG049	(80,000)	(80,000)	(53,328)	0	53,328
1.00	Menzies North West Road Improvements (RRG 20-21)	4120151	540	RRG007A	(510,000)	(510,000)	(340,000)	(510,000)	(170,000)
1.61	Menzies North West Road Improvements (RRG 21-22)	4120151	540	RRG007B	(142,500)	(142,500)	(95,000)	(230,070)	(135,070)
0.32	Menzies North West Road Improvements (RRG 21-22)	4120151	540	RRG007C	(510,000)	(510,000)	(340,000)	(162,257)	177,743
1.00	Evanston Menzies Rd (RRG 20-21)	4120151	540	RRG008	0	0	0	(16,688)	(16,688)
0.00	Evanston Menzies Road (RRG 21-22)	4120151	540	RRG008A	(300,000)	(300,000)	(200,000)	0	200,000
1.00	Pianto Rd - Flood Damage	4120158	540	RFD036	0	0	0	(9,939)	(9,939)
1.00	Kookynie Rd - Flood Damage	4120159	540	RFD025	0	0	0	(227)	(227)
0.22	Tjunjuntjara Access Road (Indigenous Community Access Rd)	4120164	540	ICA049	(240,000)	(240,000)	(160,000)	(53,610)	106,390
0.00	LRCI Projects Phase 3 - Budgeting Purposes Only	4120164	540	LRC000A	(1,094,890)	(1,094,890)	(729,920)	0	729,920
0.49	Evanston Road (LRCI 20-21)	4120164	540	LRC008	(450,000)	(450,000)	(300,000)	(221,735)	78,265
Total - Transport					(5,590,189)	(5,590,189)	(3,726,760)	(2,803,330)	923,430
Total - Infrastructure - Roads					(5,590,189)	(5,590,189)	(3,726,760)	(2,803,330)	923,430
Infrastructure - Footpaths									
Transport									

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS



Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.

% of Completion	Level of completion indicator, please see table at the top of this note for further detail.	Balance		Adopted		Amended		Total YTD	Variance (Under)/Over
		Account Number	Sheet Category	Job Number	Annual Budget	Annual Budget	YTD Budget		
	Assets				\$	\$	\$	\$	\$
0.00	Footpath Construction General (Budgeting Only)	4120170	560	FC000	(50,000)	(44,000)	(29,336)	0	29,336
	Total - Transport				(50,000)	(44,000)	(29,336)	0	29,336
0.00	Total - Infrastructure - Footpaths				(50,000)	(44,000)	(29,336)	0	29,336
	Infrastructure - Parks & Ovals								
	Recreation And Culture								
0.00	Marmion Village Reserve Improvements	4110370	570	PC005	(90,000)	(68,633)	(68,633)	0	68,633
1.00	Marmion Village - Outdoor Exercise Equip	4110370	570	PC005A	(18,633)	0	0	0	0
0.00	Drink Fountain in Park	4110370	570	PC036	(10,000)	(10,000)	(6,664)	0	6,664
0.00	Hand Wash at BBQ Area Water Park	4110370	570	PC112	(10,000)	(10,000)	(6,664)	0	6,664
0.99	Tjuntjunjarra Playground	4110370	570	PC113	(97,445)	(97,445)	(64,960)	(96,799)	(31,839)
	Total - Recreation And Culture				(226,078)	(186,078)	(146,921)	(96,799)	50,122
0.52	Total - Infrastructure - Parks & Ovals				(226,078)	(186,078)	(146,921)	(96,799)	50,122
	Infrastructure - Other								
	Community Amenities								
1.00	Cometvale Cemetery Fence	4100790	590	C0103	0	0	0	(36,364)	(36,364)
0.89	Tjuntjunjarra Cemetery Shade	4100790	590	C0104	(50,000)	(50,000)	(33,328)	(44,319)	(10,991)
	Total - Community Amenities				(50,000)	(50,000)	(33,328)	(80,683)	(47,355)
	Recreation And Culture								
0.03	Marmion Village - Access Road	4110390	590	IO005	(200,000)	(200,000)	(133,328)	(6,636)	126,692
0.00	Kookynie Fencing	4110390	590	IO040	(500,000)	(490,500)	(327,000)	0	327,000
	Total - Recreation And Culture				(700,000)	(690,500)	(460,328)	(6,636)	453,692
	Transport								
0.00	Bores to Support Road Works	4120190	590	C0123	(50,000)	(50,000)	(33,328)	0	33,328
0.00	Grids Capital	4120190	590	GRIDCAP	(60,000)	(60,000)	(39,992)	0	39,992
0.00	Pilot Activated Lighting - Tjunjtjara	4120690	590	IO12601	(50,000)	(50,000)	(33,328)	0	33,328
0.00	Town Dam Upgrade	4120790	590	C0121	(20,000)	(20,000)	(13,328)	0	13,328
	Total - Transport				(180,000)	(180,000)	(119,976)	0	119,976
	Economic Services								
0.00	Niagra Dam Capital Works	4130290	590	C0131	(1,000,000)	(1,000,000)	(666,648)	0	666,648
	Total - Economic Services				(1,000,000)	(1,000,000)	(666,648)	0	666,648
0.05	Total - Infrastructure - Other				(1,930,000)	(1,920,500)	(1,280,280)	(87,319)	1,192,961
0.27	Grand Total				(13,173,167)	(13,198,667)	(8,858,433)	(3,597,913)	5,260,520

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

FINANCING ACTIVITIES
NOTE 9
LOAN DEBENTURE BORROWINGS AND FINANCING

(a) Information on Loan Debenture Borrowings

The Shire of Menzies do not have any loan debenture borrowings to be reported.

All debenture repayments were financed by general purpose revenue.

(b) Information on Financing

Particulars/Purpose	01 Jul 2021	New Financing			Lease Financing Principal Repayments			Lease Financing Principal Outstanding			Lease Financing Interest Repayments		
		Actual	Amended Budget	Adopted Budget	Actual	Amended Budget	Adopted Budget	Actual	Amended Budget	Adopted Budget	Actual	Amended Budget	Adopted Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other Property and Services													
Smart Board	2,363	0	0	0	0	2,363	2,363	2,363	0	0	0	112	112
	2,363	0	0	0	0	2,363	2,363	2,363	0	0	0	112	112
Total	2,363	0	0	0	0	2,363	2,363	2,363	0	0	0	112	112
Current financing borrowings	2,363							2,363					
Non-current financing borrowings	0							0					
	2,363							2,363					

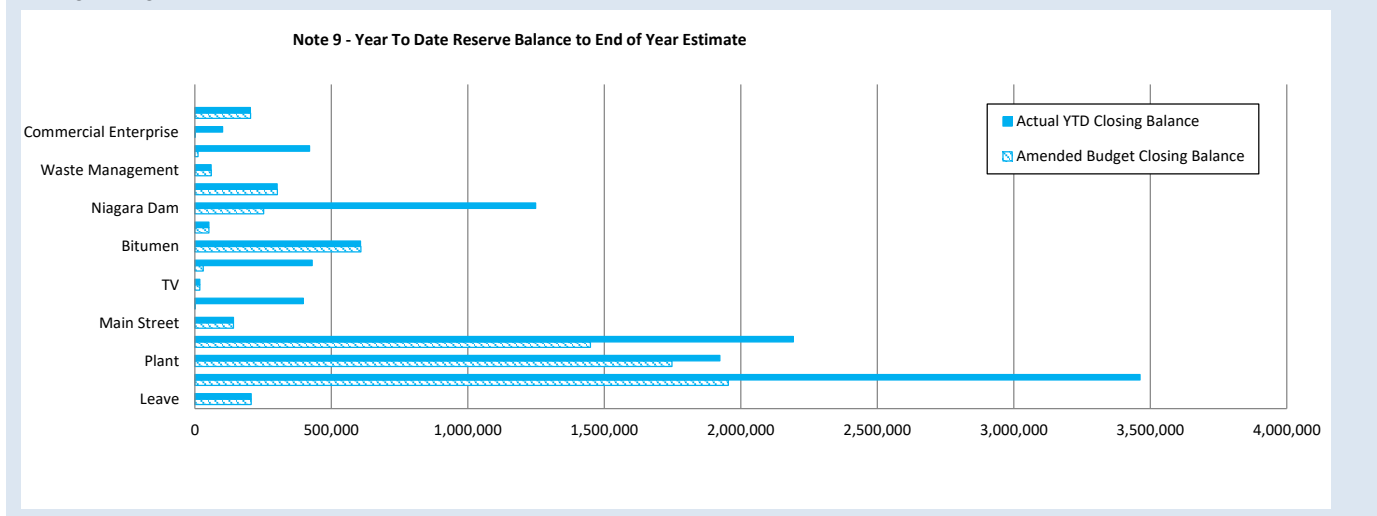
SHIRE OF MENZIES
 NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
 FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES
 NOTE 10
 CASH BACKED RESEVES

Cash Backed Reserve

Reserve Name	Opening Balance	Amended Budget Interest Earned	Actual Interest Earned	Amended Budget Transfers In (+)	Actual Transfers In (+)	Amended Budget Transfers Out (-)	Actual Transfers Out (-)	Amended Budget Closing Balance	Actual YTD Closing Balance
Leave	\$ 206,067	\$ 502	\$ 13	\$ 0	\$ 0	\$ 0	\$ 0	\$ 206,569	\$ 206,081
Building	3,462,259	8,442	227	580,000	0	(2,096,725)	0	1,953,976	3,462,485
Plant	1,922,975	4,689	126	0	0	(180,000)	0	1,747,664	1,923,101
Road	2,732,648	6,663	179	0	0	(1,290,000)	(540,000)	1,449,311	2,192,827
Main Street	141,133	344	9	0	0	0	0	141,477	141,143
Staff Amenities	397,246	969	26	0	0	(398,160)	0	55	397,272
TV	17,976	44	1	0	0	0	0	18,020	17,977
Caravan Park	429,505	1,047	28	0	0	(400,000)	0	30,552	429,533
Bitumen	606,768	1,480	40	0	0	0	0	608,248	606,808
Rates Creditors	51,391	125	3	0	0	0	0	51,516	51,394
Niagara Dam	1,248,675	3,045	82	0	0	(1,000,000)	0	251,720	1,248,757
Water Park	301,266	735	20	0	0	0	0	302,001	301,285
Waste Management	59,802	146	4	0	0	0	0	59,948	59,806
Former Post Office	420,432	1,025	28	0	0	(410,000)	0	11,457	420,459
Commercial Enterprise	101,698	248	7	0	0	(101,936)	0	10	101,705
Land Purchase	203,402	496	13	0	0	0	0	203,898	203,415
	12,303,244	30,000	805	580,000	0	(5,876,821)	(540,000)	7,036,423	11,764,049

KEY INFORMATION



SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

OPERATING ACTIVITIES
NOTE 11
OTHER CURRENT LIABILITIES

Other Current Liabilities	Note	Opening Balance 1 Jul 2021	Liability Increase	Liability Reduction	Closing Balance 28 Feb 2022
		\$	\$	\$	\$
Contract Liabilities					
Unspent grants, contributions and reimbursements					
- operating	12	0	83,614	(27,963)	55,651
- non-operating	13	0	708,000	(451,000)	257,000
Total unspent grants, contributions and reimbursements		0	791,614	(478,963)	312,651
Provisions					
Annual leave		106,525	0	0	106,525
Long service leave		85,713	0	0	85,713
Total Provisions		192,238	0	0	192,238
Total Other Current Liabilities					504,888
Amounts shown above include GST (where applicable)					

KEY INFORMATION

PROVISIONS

Provisions are recognised when the Shire has a present 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.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire'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's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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 identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

NOTE 12

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent Operating Grant, Subsidies and Contributions Liability					Operating Grants, Subsidies and Contributions Revenue			
	Liability 1 Jul 2021	Increase in Liability	Liability Reduction (As revenue)	Liability 28 Feb 2022	Current Liability 28 Feb 2022	Adopted Budget Revenue	Amended Annual Budget	Amended YTD Budget	YTD Actual Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Grants and Subsidies									
General purpose funding									
Grants Commission - General (WALGGC)	0	0	0	0	0	890,340	890,340	667,755	548,931
Grants Commission - Roads (WALGGC)	0	0	0	0	0	488,646	488,646	366,486	352,903
Law, order, public safety									
DFES Grant - Operating Bush Fire Brigade	0	15,332	(8,916)	6,416	6,416	6,500	6,500	4,344	8,916
Transport									
Direct Grant (MRWA)	0	0	0	0	0	178,900	178,900	178,900	190,034
Street Lighting Subsidy (MRWA)	0	0	0	0	0	1,713	1,713	1,136	1,713
Economic services									
WACRN Community Resource Centre Grant	0	40,000	0	40,000	40,000	80,000	80,000	53,344	0
	0	55,332	(8,916)	46,416	46,416	1,646,099	1,646,099	1,271,965	1,102,497
Operating Contributions									
Other property and services									
INDUE Cashless Debit Card Contribution	0	28,282	(19,047)	9,235	9,235	0	0	0	19,047
	0	28,282	(19,047)	9,235	9,235	0	0	0	19,047
TOTALS	0	83,614	(27,963)	55,651	55,651	1,646,099	1,646,099	1,271,965	1,121,544

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

NOTE 13

NON-OPERATING GRANTS AND CONTRIBUTIONS

Provider	Unspent Non Operating Grants, Subsidies and Contributions Liability					Non Operating Grants, Subsidies and Contributions Revenue			
	Liability 1 Jul 2021	Increase in Liability	Liability Reduction (As revenue)	Liability 28 Feb 2022	Current Liability 28 Feb 2022	Adopted Budget Revenue	Amended Annual Budget	Amended YTD Budget	YTD Actual Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Non-Operating Grants and Subsidies									
General purpose funding									
LRCIP Grant - Marmion Village - Access Road	0	0	0	0	0	137,684	137,684	91,800	0
LRCIP Grant - Phase 3 - Budgeting Purposes Only	0	0	0	0	0	1,094,890	1,094,890	729,936	0
LRCIP Grant - Evanston Road (LRCI 20-21)	0	0	0	0	0	298,606	298,606	199,080	0
Transport									
RTR Grant Funded - Tjunjuntjara Access Road	0	190,000	(190,000)	0	0	190,000	190,000	126,672	190,000
RTR Grant Funded - Menzies North West Rd	0	0	0	0	0	510,626	510,626	340,424	0
RRG Grant Funded - Menzies North West Road Improvements (RRG 20-21)	0	204,000	(204,000)	0	0	204,000	204,000	136,008	204,000
RRG Grant Funded -Menzies North West Road Improvements (RRG 21-22)	0	57,000	(57,000)	0	0	95,000	95,000	63,344	57,000
RRG Grant Funded -Menzies North West Road Improvements (RRG 21-22)	0	0	0	0	0	340,000	340,000	226,672	0
RRG Grant Funded -Evanston Menzies Road (RRG 21-22)	0	120,000	0	120,000	120,000	200,000	200,000	133,344	0
RRG Grant Funded -Tjuntjunjarra Access Rd	0	80,000	0	80,000	80,000	80,000	80,000	53,344	0
RRG Grant Funded -Yarri Road (RRG 21-22)	0	57,000	0	57,000	57,000	95,000	95,000	63,344	0
WALGGC Special Road Grant - Tjuntjunjarra Access Road	0	0	0	0	0	240,000	240,000	160,008	0
	0	708,000	(451,000)	257,000	257,000	3,485,806	3,485,806	2,323,976	451,000
Total Non-operating grants, subsidies and contributions	0	708,000	(451,000)	257,000	257,000	3,485,806	3,485,806	2,323,976	451,000

SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022NOTE 14
BONDS & DEPOSITS AND TRUST FUNDS

In previous years, bonds and deposits were held as trust monies. They are still reported in this Note but also included in Restricted Cash - Bonds and Deposits and as a current liability in the books of Council.

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

Description	Opening Balance 01 Jul 2021	Amount Received	Amount Paid	Closing Balance 28 Feb 2022
	\$	\$	\$	\$
Restricted Cash - Bonds and Deposits				
Pet Bonds	0.00	200.00	0.00	200.00
Staff Housing Bonds	2,680.00	1,480.00	(920.00)	3,240.00
BCITF	(684.23)	100.73	0.00	(583.50)
Building Levy	8,191.37	3,093.00	(10,736.37)	548.00
Nomination Fees	0.00	640.00	(640.00)	0.00
Unclaimed Moines	0.00	400.00	0.00	400.00
Hall Hire Bond	0.00	350.00	(250.00)	100.00
Other Housing Bond	0.00	0.00	0.00	0.00
Community Bus Bond	0.00	200.00	0.00	200.00
Retention Bonds & Liabilities	2,524.52	0.00	0.00	2,524.52
Sub-Total	12,711.66	6,463.73	(12,546.37)	6,629.02
Trust Funds				
Nil				
Sub-Total	0.00	0.00	0.00	0.00
	12,711.66	6,463.73	(12,546.37)	6,629.02

KEY INFORMATION

SHIRE OF MENZIES

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

NOTE 15

EXPLANATION OF SIGNIFICANT VARIANCES

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

The material variance adopted by Council for the 2021/22 year is \$25,000 and 10%.

Reporting Program	Var. \$	Var. %	Var.	Significant Var.	Timing/ Permanent	Explanation of Variance
Revenue from operating activities	\$	%				
Governance	63				Timing	Training Reimbursement
General Purpose Funding - Rates	56,183	2%			Timing	Variable revenue on several mining tenements
General Purpose Funding - Other	(134,378)	(12%)			Permanent	Permanent - FAGS Instalment less than Budget. Timing - LRCP grant funding not yet received
Law, Order and Public Safety	6,387	65%			Timing	ESL Grant Extra
Housing	5,624	22%			Timing	Extra Rental Income
Community Amenities	(6,196)	(36%)			Permanent	Increase revenue on domestic refuse collection charges
Recreation and Culture	134	30%			Timing	Extra Fees and Charges - GYM
Transport	10,601	6%			Timing	RRG Income Recognition under new Accounting Standard
Economic Services	25,416	18%			Permanent	Caravan park revenue greater than expected.
Other Property and Services	(7,186)	(38%)			Timing	Variance of reimbursement
Expenditure from operating activities						
Governance	(57,202)	(8%)			Permanent	Consultant fee greater than budget allocation
General Purpose Funding	150,425	55%			Timing	Allocation rates ceased
Law, Order and Public Safety	13,325	15%			Timing	Depn for July-Sept 21 not allocated
Health	(2,306)	(8%)			Timing	Payment to New Doctor and Other TSMC
Education and Welfare	0				Timing	Depn for July-Sept 21 not allocated
Housing	(15,447)	(11%)			Timing	Depn for July-Sept 21 not allocated
Community Amenities	35,580	14%			Timing	Depn for July-Sept 21 not allocated
Recreation and Culture	74,456	13%			Timing	Depn for July-Sept 21 not allocated
Transport	258,334	17%			Timing	Depn for July-Sept 21 not allocated
Economic Services	303,402	35%			Timing	Budget allocation for several events this FY
Other Property and Services	(171,220)	(9470%)			Timing	Overhead Allocations for FY 22
Investing Activities						
Non-operating Grants, Subsidies and Contributions	(1,872,976)	(81%)			Timing	Budget Allocations for completed project grant related to this FY
Proceeds from Disposal of Assets	(8,635)	(35%)			Timing	Budget allocation for disposal asset P0160
Land and Buildings	2,872,682	84%			Timing	Capital works - Refer to Note 8 Capital details
Plant and Equipment	191,989	81%			Timing	Capital works - Refer to Note 8 Capital details
Infrastructure Assets - Roads	923,430	25%			Timing	Capital works - Refer to Note 8 Capital details
Infrastructure Assets - Footpaths	29,336	100%			Timing	Capital works - Refer to Note 8 Capital details
Infrastructure Assets - Parks and Ovals	50,122	34%			Timing	Capital works - Refer to Note 8 Capital details
Infrastructure Assets - Other	1,192,961	93%			Timing	Capital works - Refer to Note 8 Capital details
Financing Activities						
Repayment of Lease Financing	1,568	100%			Timing	Budget allocation for ending lease of equipment
Transfer from Reserves	(3,377,840)	(86%)			Timing	the allocation transfer from reserve to operating account
Transfer to Reserves	405,795	100%			Timing	Interest reserve allocation to operating account

SHIRE OF MENZIES
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 28 FEBRUARY 2022

NOTE 16
BUDGET AMENDMENTS

GL Code	Job #	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
					\$	\$	\$	\$
		Budget Adoption		Closing Surplus/(Deficit)			0	0
		Opening surplus adjustment		Opening Surplus(Deficit)		241,050		241,050
4050330	PE113	Tjunjuntjara CCTV	CM-86	Capital Expenses			(40,000)	201,050
4110370	PC005	Marmion Village Reserve Improvements	CM-86	Capital Expenses		21,367		222,417
4110370	PC005A	Marmion Village - Outdoor Exercise Equip	CM-86	Capital Expenses		18,633		241,050
2040129		MEMBERS - Donations to Community Groups		Operating Expenses		8,000		249,050
2040186		MEMBERS - Expensed Minor Asset Purchases		Operating Expenses			(8,000)	241,050
2100119	W0043	Landfill Closure		Operating Expenses			(26,000)	215,050
2110718		OTH CUL - Community Grants Scheme	CM-135	Operating Expenses			(9,500)	205,550
2130111	W0040	Cactus Control		Operating Expenses		20,000		225,550
2130287		TOUR - Other Expenses	CM-55	Operating Expenses			(47,500)	178,050
4110390	IO040	Kookynie Fencing	CM-135	Capital Expenses		9,500		187,550
4120170	FC000	Footpath Construction General (Budgeting Only)		Capital Expenses		6,000		193,550
4130210	BC028	Lady Shenton/CRC Lot 41 (37) Shenton St - Building (Capital)	CM-130	Capital Expenses			(41,000)	152,550
5130284		TOUR - Transfers from Building Reserve	CM-130	Capital Revenue		41,000		193,550

6.3	List of Monthly Payments February 2022
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	NAM603
DATE OF REPORT	17 March 2022
AUTHOR	Chief Financial Officer, Antonio Giometti
RESPONSIBLE OFFICER	Chief Financial Officer, Antonio Giometti
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. Creditor Payment Report - February 2022 [6.3.1 - 6 pages]

SUMMARY:

The list of payments made for the month of February 2022 be received by Council.

BACKGROUND:

Payments have been made by electronic funds transfer (EFT), direct transfer from Council's Municipal Bank account and duly authorised as required by Council Policy. These payments have been made under delegated authority to the Chief Executive Officer and are reported to Council.

COMMENT:

The EFT, Direct Debit, Credit Card and Payroll payments that have been made for the month of February 2022 are attached.

CONSULTATION:

Nil.

STATUTORY AUTHORITY:

Local Government (Financial Management) Regulations 1996 r13.

POLICY IMPLICATIONS:

Policy 4.7 – Creditors Preparation for Payment.

FINANCIAL IMPLICATIONS:

\$316,682.88 withdrawn from Municipal Bank Account.

RISK ASSESSMENT:

Nil.

STRATEGIC IMPLICATIONS:

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council receives the list of payments for the month of February 2022 totaling \$316,682.88 being:

1. Electronic Funds Transfer EFT 6712 - 6786, payments from Municipal Fund totaling \$176,153.73.
2. Direct Debit payments from the Municipal Fund totaling \$33,593.60.
3. Payroll payments from the Municipal Fund totaling \$104,894.43.
4. Credit Card payments for the Statement Month of February 2022 from the Municipal Fund totaling \$2,041.12.

COMMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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Shire of Menzies
Payments for the Month of February 2022

Chq/EFT	Date	Name	Description	Amount
		Cheques		\$ -
		EFT		\$ 176,153.73
		Direct Debit		\$ 33,593.60
		Credit Card Payments		\$ 2,041.12
		Payroll		\$ 104,894.43
		<u>Total Payments</u>		<u>\$ 316,682.88</u>

Shire of Menzies
Payments for the Month of February 2022

Chq/EFT	Date	Name	Description	Amount
EFT6712	01/02/2022	LEONORA PHARMACY	PHARMACY ITEMS ON CONSIGNMENT FOR THE MONTH OF DECEMBER 2021	\$491.20
EFT6713	01/02/2022	STRATCO	BUILDING MAINTENANCE MATERIALS	\$663.39
EFT6714	01/02/2022	BATTERIES N MORE	BATTERIES FOR PUBLIC BBQS	\$495.00
EFT6715	01/02/2022	3E ADVANTAGE	PHOTOCOPIER CHARGES FROM 01/01/2022 - 31/01/2022, SMARTBOARD LEASED FOR THE MONTH OF FEBRUARY 2022	\$2,043.50
EFT6716	01/02/2022	COOLGARDIE TYRE SERVICE	P15MN - TOYOTA LANDCRUISER PRADO TYRE REPLACEMENT	\$1,402.50
EFT6717	01/02/2022	PASCOE DURTANOVICH	ACTING CEO FEE FROM 25/12/2021 - 07/01/2022	\$10,492.00
EFT6718	01/02/2022	ANTONIO GIOMETTI	TELSTRA PREPAID MODEM	\$49.00
EFT6719	01/02/2022	SPARTAN FIRST PTY LTD	NEW EMPLOYEE PRE EMPLOYMENT MEDICAL - TATENDA RUSERE	\$297.00
EFT6720	01/02/2022	BOB WADDELL & ASSOCIATES PTY LTD	MONTHLY FINANCIAL CONSULTANT FEE FOR JANUARY 2022	\$866.25
EFT6721	01/02/2022	BAH HENNEKER & CO	SUPPLY AND INSTALL NEW PUMP FOR AIRCON AT CRC	\$1,482.80
EFT6722	01/02/2022	WESTFARMERS LTD T/AS BUNNINGS	BUILDING MATERIALS FOR DEPOT, 23 ONSLOW, GASS CONNECTION AND REGULATOR	\$766.98
EFT6723	01/02/2022	TOLL TRANSPORT PTY LTD	FREIGHT FEE FROM 21/12/21 - 5/01/2022	\$113.74
EFT6724	01/02/2022	FLEX INDUSTRIES	24V SOLENOID - 12MN GRADER	\$297.00
EFT6725	01/02/2022	GOLDFIELDS TOYOTA	1MN - TOYOTA PRADO VEHICLE SERVICE	\$1,012.90
EFT6726	01/02/2022	HEATLEYS SAFETY AND INDUSTRIAL	PPE UNIFORM - EMPLOYEE IRENE KITTS	\$57.75
EFT6727	01/02/2022	NETLOGIC INFORMATION TECHNOLOGY	IT SUPPORT FOR THE MONTH OF JANUARY 2022	\$1,275.00
EFT6728	01/02/2022	OFFICE NATIONAL	STATIONERY SUPPLIES FOR CRC AND ADMIN	\$823.29
EFT6729	01/02/2022	PUBLIC LIBRARIES WA INC	PLWA MEMBERSHIP - 2022 SUBSCRIPTION RENEWAL	\$110.00
EFT6730	01/02/2022	MOORE STEPHENS T/AS MOORE AUSTRALIA	ROADS TO RECOVERY (RTR) AUDIT 2021, REVIEW AND LODGE THE QUARTERLY BAS FROM OCTOBER - DECEMBER 2021	\$4,810.66
EFT6731	01/02/2022	VERLINDEN'S ELECTRICAL SERVICE	ELECTRICAL MAINTENANCE AT CRC AND CHURCH BUILDING	\$610.50
EFT6732	01/02/2022	WURTH AUSTRALIA	DEPOT CONSUMABLES - CUTTING DISCS, CREWS, WASHERS, HEXAGON NUT, SOCKETS, FREIGHT	\$766.38
EFT6733	09/02/2022	SAFE FINANCE PTY LTD	PAYROLL DEDUCTIONS PPE 08/02/2022	\$149.09
EFT6734	09/02/2022	THE VIEW ON HANNANS	RATES REFUND A5805	\$1,797.75
EFT6735	09/02/2022	HORIZON POWER	ELECTRICITY - 233027 - UNIT A/55 WALSH STREET - USAGE FROM 30/12/2021 TO 27/01/2022	\$52.49
EFT6736	09/02/2022	SHIRE OF MENZIES SOCIAL CLUB	PAYROLL DEDUCTIONS PPE 08/02/2022	\$160.00
EFT6737	15/02/2022	CANINE CONTROL	CONTRACT RANGER SERVICE 12/01/2022, 01/02/2022	\$3,201.00
EFT6738	15/02/2022	LEONORA PHARMACY	RAPID ATIGEN TESTS, PHARMACY ITEMS ON CONSIGNMENT FOR THE MONTH OF JANUARY 2022	\$1,883.29
EFT6739	15/02/2022	BATTERIES N MORE	BATTERIES FOR VARIOUS PLANTS	\$535.00
EFT6740	15/02/2022	XSTRA GLOBAL IT AND COMMUNICATION	PBX MONTHLY RENTAL JANUARY 2022	\$310.45
EFT6741	15/02/2022	DEPARTMENT OF PREMIER AND CABINET	ADVERTISE GOVERNMENT GAZETTE - LOCAL LAWS 2021	\$4,242.30
EFT6742	15/02/2022	RSEA PTY LTD	FACE MASKS	\$78.00

Shire of Menzies
Payments for the Month of February 2022

Chq/EFT	Date	Name	Description	Amount
EFT6743	15/02/2022	ALMETRA BETHLEHEM	CRC COMMUNITY SOCIAL ACTIVITY CONSUMABLES REIMBURSEMENT	\$40.55
EFT6744	15/02/2022	SLADE CONTRACTING PTY LTD	TRUCK BAY AND 23 ONSLOW ST PLUMBING MAINTENANCE	\$1,012.00
EFT6745	15/02/2022	DONNA'S DINNER & TAKEAWAY	CATERING FOR COMMUNITY CATCH-UP 08/02/2022	\$100.00
EFT6746	15/02/2022	BOB WADDELL & ASSOCIATES PTY LTD	FINANCE ASSISTANT FOR ANNUAL CAPITAL EXPENDITURE, RESERVE TRANSFER	\$3,258.75
EFT6747	15/02/2022	PEMA CHHUNZOM	YOUTH CENTRE ACTIVITIES CONSUMABLES MATERIAL REIMBURSEMENT	\$216.55
EFT6748	15/02/2022	GOLDFIELDS LOCKSMITHS	COUNCIL PROPERTIES KEY CUTTING	\$182.78
EFT6749	15/02/2022	AIR LIQUIDE AUSTRALIA LTD	MONTHLY RENTAL CYLINDER MONTH OF JANUARY 2022	\$28.16
EFT6750	15/02/2022	AUSTRALIAN TAXATION OFFICE	IAS LODGEMENT FOR PERIOD OF JANUARY 2022	\$33,088.00
EFT6751	15/02/2022	ATOM	TOWN SPORTS OVAL - LAY FLAT HOSE	\$70.84
EFT6752	15/02/2022	WESTFARMERS LTD T/AS BUNNINGS	GRINDER ANGLE CORDED RYOBI	\$653.94
EFT6753	15/02/2022	CORE BUSINESS AUSTRALIA PTY LTD	CONSULTANCY FEE FOR RENOVATIONS CRC/LADY SHENTON	\$9,583.63
EFT6754	15/02/2022	TOLL TRANSPORT PTY LTD	FREIGHT FEE 23/12/2021	\$11.01
EFT6755	15/02/2022	CUTTING EDGES EQUIPMENT PARTS	GRADER BLADES, NUTS, BOLTS.	\$3,070.10
EFT6756	15/02/2022	CYBERSECURE	BACKUP SUBSCRIPTION FOR JANUARY 2022	\$618.76
EFT6757	15/02/2022	DEBRA KAY PIANTO	REIMBURSE DRINKS FOR SALE AT COMMUNITY EVENT	\$78.15
EFT6758	15/02/2022	EAGLE PETROLEUM (W.A) PTY LTD	SUPPLIED DIESEL AND ADBLUE	\$13,000.35
EFT6759	15/02/2022	ROVAR PTY LTD T/AS GOLDLINE DISTRIBUTORS	PLATES, CUPS ETC SUPPLIES FOR COMMUNITY EVENT	\$160.16
EFT6760	15/02/2022	GOLDFIELDS IMAGE WORKS	2022 MENZIES COUNCILLORS PHOTOS	\$1,342.00
EFT6761	15/02/2022	ORE INVESTMENTS PTY LTD T/A GOLDRUSH TOURS,	BUS TICKETS SOLD ON CONSIGNMENT	\$122.40
EFT6762	15/02/2022	HEATLEYS SAFETY AND INDUSTRIAL	FACE MASKS	\$135.93
EFT6763	15/02/2022	HORIZON POWER	DESIGN FEE - 29 WILSON ST, MENZIES	\$6,287.00
EFT6764	15/02/2022	LANDGATE	MINING TENEMENT SCHEDULES FROM 15/10/2021 - 19/11/2021	\$350.70
EFT6765	15/02/2022	MARKETFORCE	ADVERTISE LOCAL GOVERNMENT TENDER, PUBLIC NOTICE	\$391.84
EFT6766	15/02/2022	SAMUEL MCKAY	TOWN SPORTS OVAL HOSE FITTINGS REIMBURSEMENT	\$135.01
EFT6767	15/02/2022	NETLOGIC INFORMATION TECHNOLOGY	MONTHLY SERVER AND PC MONITORING FOR FEBRUARY 2022	\$179.00
EFT6768	15/02/2022	OFFICE NATIONAL	STATIONARY FOR ADMIN, PHOTOCOPIER GENERAL MAINTENANCE	\$988.21
EFT6769	15/02/2022	TOURISM COUNCIL WESTERN AUSTRALIA	TOURISM COUNCIL WA MEMBERSHIP RENEWAL 2022 - MENZIES VISITOR CENTRE	\$578.00
EFT6770	15/02/2022	TUDOR HOUSE	SHIRE OF MENZIES FLAGS	\$518.00
EFT6771	15/02/2022	PAUL WARNER	TRAVEL CLAIM - GVROC MEETING ESPERANCE	\$737.05
EFT6772	17/02/2022	TRADELINK PTY LIMITED	TOWN SPORTS OVAL HOSE FITTINGS	\$155.08
EFT6773	17/02/2022	PICCADILLY BUTCHERS	CONSUMABLE FOOD FOR SALE AT COMMUNITY EVENT	\$244.20

Shire of Menzies
Payments for the Month of February 2022

Chq/EFT	Date	Name	Description	Amount
EFT6774	17/02/2022	COVENTRY GROUP LTD	GRADER PARTS	\$65.21
EFT6775	17/02/2022	KRISTY VAN KUYL	REIMBURSEMENT ACCOMODATION - BUDGET WORKSHOP 25/02/2022	\$232.60
EFT6776	17/02/2022	DONNA'S DINNER & TAKEAWAY	MEALS FOR COMMUNITY EVENT PERFORMERS	\$100.00
EFT6777	17/02/2022	BOB WADDELL & ASSOCIATES PTY LTD	MONTHLY FINANCE CONSULTANT - JANUARY 2022	\$412.50
EFT6778	17/02/2022	EVAN AYRES	PERFORMERS AT COMMUNITY EVENT	\$1,320.00
EFT6779	17/02/2022	AVELING	ON-SITE FIRE AND AREA WARDEN TRAINING - INITIAL 50% DEPOSIT PAYMENT	\$5,170.00
EFT6780	17/02/2022	CORE BUSINESS AUSTRALIA PTY LTD	CONSULTANT - CRC RENOVATIONS	\$40,920.22
EFT6781	17/02/2022	EAGLE PETROLEUM (W.A) PTY LTD	UNLEADED FUEL FOR MINOR PLANT	\$1,089.00
EFT6782	17/02/2022	MOORE STEPHENS T/AS MOORE AUSTRALIA	PREPARE AND LODGE IAS FOR PERIOD ENDING 31/01/2022	\$385.00
EFT6783	17/02/2022	WATER CORPORATION	SHIRE OF MENZIES WATER USAGE FROM 08/12/2021 - 09/02/2022	\$5,810.75
EFT6784	23/02/2022	SAFE FINANCE PTY LTD	PAYROLL DEDUCTIONS PPE 22/02/2022	\$149.09
EFT6785	23/02/2022	VANGUARD PUBLISHING PTY LTD T/A PREMIUM	2022 AGO HOLIDAY PLANNER	\$1,675.00
EFT6786	23/02/2022	SHIRE OF MENZIES SOCIAL CLUB	PAYROLL DEDUCTIONS PPE 22/02/2022	\$150.00
TOTAL				<u>\$176,153.73</u>

Shire of Menzies
Payments for the Month of February 2022

Chq/EFT	Date	Name	Description	Amount
DD4516.1	01/02/2022	WESTNET	CRC GOVERNMENT COMPUTER INTERNET	\$54.99
DD4518.1	01/02/2022	NAB	BANK FEES	\$138.08
DD4522.1	08/02/2022	IOOF ESSENTIAL SUPER	SUPERANNUATION CONTRIBUTIONS PPE 08/02/2022	\$689.30
DD4522.2	08/02/2022	AWARE SUPER PTY LTD	SUPERANNUATION CONTRIBUTIONS PPE 08/02/2022	\$6,754.54
DD4522.3	08/02/2022	CBUS	SUPERANNUATION CONTRIBUTIONS PPE 08/02/2022	\$854.80
DD4522.4	08/02/2022	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS PPE 08/02/2022	\$1,825.60
DD4522.5	08/02/2022	LGIASUPER	SUPERANNUATION CONTRIBUTIONS PPE 08/02/2022	\$838.71
DD4522.6	08/02/2022	SUNSUPER	SUPERANNUATION CONTRIBUTIONS PPE 08/02/2022	\$512.50
DD4526.1	08/02/2022	TELSTRA	SATELITE TELEPHONES CHARGE FROM 20/01/2022 - 19/02/2022	\$180.00
DD4528.1	07/02/2022	POWER ICT PTY LTD	MESSAGES ON HOLD	\$75.90
DD4531.1	11/02/2022	TELSTRA	SATELITE TELEPHONES CHARGE FROM 23/01/2022 - 22/02/2022	\$319.74
DD4537.1	02/02/2022	NAB	ADMIN EXPENSES BANK FEES	\$47.48
DD4541.1	17/02/2022	HORIZON POWER	ELECTRICITY - STREETLIGHTS FROM 01/01/2022 TO 31/01/2022	\$946.34
DD4543.1	22/02/2022	IOOF ESSENTIAL SUPER	SUPERANNUATION CONTRIBUTIONS PPE 22/02/2022	\$689.30
DD4543.2	22/02/2022	AWARE SUPER PTY LTD	SUPERANNUATION CONTRIBUTIONS PPE 22/02/2022	\$6,552.91
DD4543.3	22/02/2022	CBUS	SUPERANNUATION CONTRIBUTIONS PPE 22/02/2022	\$855.19
DD4543.4	22/02/2022	AUSTRALIAN SUPER	SUPERANNUATION CONTRIBUTIONS PPE 22/02/2022	\$1,795.86
DD4543.5	22/02/2022	LGIASUPER	SUPERANNUATION CONTRIBUTIONS PPE 22/02/2022	\$848.56
DD4543.6	22/02/2022	SUNSUPER	SUPERANNUATION CONTRIBUTIONS PPE 22/02/2022	\$512.50
DD4551.1	24/02/2022	NAB	BANK FEES	\$25.74
DD4551.2	28/02/2022	NAB	BPAY BANK FEE	\$42.22
DD4554.1	28/02/2022	GREGORY DWYER	MEMBERS SITTING FEES PRESIDENT	\$3,364.49
DD4554.2	28/02/2022	IAN BAIRD	MEMBERS SITTING FEES DEPUTY PRESIDENT	\$1,289.67
DD4554.3	28/02/2022	PAUL WARNER	MEMBERS SITTING FEES CR. PW	\$875.84
DD4554.4	28/02/2022	ANDREW TUCKER	MEMBERS SITTING FEES CR. AT	\$875.84
DD4554.5	28/02/2022	SUDHIR	MEMBERS SITTING FEES CR. S	\$875.84
DD4554.6	28/02/2022	JILLIAN DWYER	MEMBERS SITTING FEES CR. JD	\$875.83
DD4554.7	28/02/2022	ROHAN S BAIRD	MEMBERS SITTING FEES CR. RB	\$875.83
			<u>TOTAL</u>	<u>\$33,593.60</u>

Shire of Menzies
Payments for the Month of February 2022

Date	Name	Description	Amount
		CARD NO: **** * 2831	
05/01/2022	WA NEWSPAPERS	WA NEWSPAPERS SUBSCRIPTION - JANUARY 2022	\$28.00
13/01/2022	VIRGIN AUSTRALIA	CREDIT CARD SURCHARGE	\$4.68
	VIRGIN AUSTRALIA	AIRFARE KALGOORLIE TO PERTH FOR ADMIN BUDGET TRAINING - KRISTY	\$498.00
14/01/2022	QANTAS AIRWAYS	AIRFARE PERTH - KALGOORLIE - NELSON - CEO REVIEW	\$761.95
	BLUE TREE PROJECT	10 X BLUE TREE CAPS FOR VOLUNTEERS PLUS SHIPPING	\$264.00
17/01/2022	DONNA'S DINER	CATERING FOR BRIEFING SESSION 20 JANUARY 2022	\$49.00
21/01/2022	WOOLWORTHS KALGOORLIE	SUPPLIES GOODS FOR AUSTRALIA DAY CELEBRATIONS 2022	\$63.10
24/01/2022	ADOBE PRO	ADOBE SUBSCRIPTION JANUARY 2022	\$299.90
	WOOLWORTHS KALGOORLIE	SUPPLIES GOODS FOR AUSTRALIA DAY CELEBRATIONS 2022	\$40.80
25/01/2022	ADOBE PRO	ADOBE ADDITIONAL USER - PRO RATA	\$22.69
28/01/2022		FEE - JANUARY 2022	
28/01/2022	NATIONAL BANK	CARD FEE	\$9.00
		<u>TOTAL</u>	<u>\$2,041.12</u>
09/02/2022	AUTOMATIC DRAWING	PAYROLL PPE 08/02/2022	\$53,960.62
23/02/2022	AUTOMATIC DRAWING	PAYROLL PPE 22/02/2022	\$50,933.81
		TOTAL Payroll	<u>\$ 104,894.43</u>

6.4	Investment Report February 2022
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	NAM604
DATE OF REPORT	17 March 2022
AUTHOR	Chief Financial Officer, Antonio Giometti
RESPONSIBLE OFFICER	Chief Financial Officer, Antonio Giometti
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	Nil

SUMMARY:

This item recommends Council receives the investment report for the month of February 2022.

BACKGROUND:

The Chief Executive Officer has delegated authority to invest funds into interest bearing accounts under Delegation 1.1.23 Power to Invest and Manage Investments.

COMMENT:

Below are the current investments for the Shire of Menzies as at 28/02/2022:

INSTITUTION / ACCOUNT TYPE	SUM	TERM	DATE OF MATURITY	INTEREST RATE	INTEREST EARNED/ PAID	RISK ASSESSMENT
NAB – Municipal	\$2,076,983.78	Open	Open	0.010%	\$13.43	Medium
NAB – Reserve Fund – Cash Maximiser	\$11,764,049.09	Open	Open	0.010%	\$90.24	Medium
NAB – Cash Maximiser	\$1,529,589.88	Open	Open	0.010%	\$11.73	Medium

CONSULTATION:

Nil.

STATUTORY AUTHORITY:

Local Government Act 1995

2.7 Role of Council

- (2) Without limiting subsection (1), the council is to —
- (a) oversee the allocation of the local government's finances and resources; and
 - (b) determine the local government's policies.

3.1. General function

- (1) The general function of a local government is to provide for the good government of persons in its district.

6.14 Power to invest

Local Government (Administration) Regulations 1996

19C. Investment of money, restrictions on (Act s. 6.14(2)(a))

- (1) In this regulation —

authorised institution means —

- (a) an authorised deposit-taking institution as defined in the Banking Act 1959 (Commonwealth) section 5; or
 - (b) the Western Australian Treasury Corporation established by the Western Australian Treasury Corporation Act 1986;
- (2) When investing money under section 6.14(1), a local government may not do any of the following —
- (a) deposit with an institution except an authorised institution;
 - (b) deposit for a fixed term of more than 3 years;
 - (c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;
 - (d) invest in bonds with a term to maturity of more than 3 years;
 - (e) invest in a foreign currency.

POLICY IMPLICATIONS:

Policy 4.9 - Investments

Delegation 1.1.23 Power to Invest and Manage Investments

FINANCIAL IMPLICATIONS:

Nil.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
<p>There is always a certain risk in investment of funds as banking institutions are no longer the stable and unfailing institutions they once were.</p> <p>The proposal is to closely manage the Shire's investments and avoid the possibility of loss on the investment.</p> <p>At the same time this proposal still seeks the safest and not necessarily the most profitable return on investments.</p>	Medium	<p>Close management of investment.</p> <p>Close attention to financial markets and information.</p> <p>Diversity of investments as much as possible.</p>

STRATEGIC IMPLICATIONS:

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council receives the investment report for the month of February 2022.

COMMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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6.5	Audit Recommendations Progress Report
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	NAM605
DATE OF REPORT	14 March 2022
AUTHOR	Executive Officer, Eve Reitmajer
RESPONSIBLE OFFICER	Chief Executive Officer, Brian Joiner
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. Audit Recommendations Progress Register [6.5.1 - 9 pages]

SUMMARY:

For the Committee to note the actions taken following the 2020 – 2021 Office of the Auditor General annual audit and consider the inclusion of an audit recommendations progress report as a standing item on committee agendas.

BACKGROUND:

The Better Practice Guide for Public Sector Audit Committees, released by the Office of the Auditor General in June 2020, provides guidance on common key challenges that audit committees face. The guide suggests the inclusion of an Audit recommendations progress report as a standing item on committee agendas.

COMMENT:

The Audit recommendations progress report is designed to assist the Committee with monitoring the implementation of recommendations from the OAG, internal audit and external reviews. It is recommended the Committee should review this report at every Audit & Risk Committee meeting.

The attached report includes the findings from the 2020 – 2021 annual audit. Previous annual audits have not been included as items identified in earlier audits have either been resolved or carried over to the 2020-2021 audit. All but two of the findings have been actioned by the Shire, with work on the remaining two ongoing. This year's audit will determine whether they have been resolved.

Also included are findings / recommendations from the Financial Management and Regulation 17 reviews completed by Avant Edge Consulting in October 2021.

CONSULTATION:

Brian Joiner, Chief Executive Officer.
Antonio Giometti, Chief Financial Officer.

STATUTORY AUTHORITY:

Local Government Act 1995 Part 7 - Audit
Local Government (Financial Management) Regulations 1996 r5(2)(c)
Local Government (Audit) Regulations 1996 r17

POLICY IMPLICATIONS:

Nil.

FINANCIAL IMPLICATIONS:

Nil.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
N/A		

STRATEGIC IMPLICATIONS:

- 4.2 An efficient and effective organisation.
- 4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council receives the attached Audit Recommendations Progress Report to be introduced as a standing item each quarter for the Audit and Risk Committee’s review.

COMMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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Audit Recommendations Progress Report

Audit name	Issue	Recommendation	Rating	Management Comments	Follow up comments	Status	Open/Closed
2020-2021 Annual Audit	<p>1. Purchase orders are raised / approved after services or goods are received</p> <p>Finding: From a sample of 30 purchase transactions from the period of 1 July 2020 to 31 March 2021, six instances (20%) were identified where purchase orders were raised after the supplier invoice was received. Purchase orders act as an internal approval and control mechanism to proceed with a purchase.</p>	<p>The Shire should ensure all procurements are supported by dual authorised purchase orders which should be raised and issued prior to goods or services being received. They should contain all necessary details for matching with final invoices subsequently received from suppliers.</p>	Significant	<p>Purchase Orders (PO) are now raised upon the receipt of quotes, verbal or written - as specified in the Shire's Purchasing Policy. Standing POs are raised for purchases such as utilities or similar nature recurring procurements. Creditor Invoices are matched to POs and checked prior to payments.</p>	<p>CFO 11.03.2022 - PO policy and operational requirements are checked and compliance ensured for all purchases. In addition for the second part of the financial year, high value POs are checked against approved budget to ensure expenditure is within budget prior to being approved.</p>	Complete	
2020-2021 Annual Audit	<p>2. No evidence of credit card reconciliation review</p> <p>Findings During our audit procedures, it was noted that the Shire has one active credit card issued to the Chief Executive Officer (CEO). The monthly credit card statements are to be reviewed by Deputy CEO, independent of the initial reconciliation by the CEO. This practice accords with the recommendations of the Western Australian Auditor General's Report Controls Over Corporate Credit Cards issued 7 May 2018. During our procedures it was found that for the month of December 2020 there was no evidence of the credit card reconciliation being reviewed by the Deputy CEO.</p>	<p>Corporate credit card reconciliations should be reviewed and signed by a senior employee independent of the preparer in a timely manner.</p>	Moderate	<p>Every month, current procedures are that the Credit Card statement transactions are checked, confirmed and then the statement is executed by the CEO. The Credit Card purchases, and statement are then checked and reviewed by Accounting staff as a part of Month End Reconciliations and Reporting, Final review/confirmation is undertaken by CFO each month prior to tabling at the monthly OCM. Any issues/concerns are raised and clarified/rectified with the CEO prior to CFO confirmation and tabling at the OCM.</p>	<p>CFO 11.03.2022 - The Credit Card review is undertaken monthly by the Accounting staff and CFO, independent of the CEO. Reconciled Credit Card statement is signed-off by the CFO.</p>	Complete	
2020-2021 Annual Audit	<p>3. No evidence of management review of property values input into SynergySoft</p> <p>In current financial year, the Local Government issued initial rate notices for the 30 June 2021 financial year based on preliminary valuation reports received from Landgate. Rates are calculated, in part, by referring to the property values stored in the Shire's automated SynergySoft financial management platform. Subsequently, the Shire received several revised property valuation reports from Landgate. The revised property values were manually input by the Rates and Records Officer into SynergySoft and updated rates notices were issued to ratepayers. However, during the audit, it was noted that there was no evidence of management review of the reconciliation between the rating verification and Landgate report completed by the Rates and Records Officer. We did not identify any errors between the two systems.</p>	<p>The Shire should implement a formal review process for the Landgate valuation reports to verify that the information is consistent with the data held in SynergySoft.</p>	Moderate	<p>A rolling valuation reconciliation is now being kept, and this is reconciled with LandGate information received and accesses on the LandGate portal, this is done monthly, post receipt of information from LandGate.</p>	<p>CFO 11.03.2022 - Management Comments actions are confirmed</p>	Complete	

2020-2021 Annual Audit	<p>4. No evidence of daily petty cash reconciliations</p> <p>Finding: Regulation 11 of the Local Government (Financial Management) Regulations 1996 requires the Shire to develop procedures for proper control over petty cash. During our audit we noted that there was no evidence of independent review of the Shire's daily petty cash count. Further, on observation of a cash count performed by the Shire, the petty cash balance was \$255 less than the recorded balance. This discrepancy was unable to be explained by the Shire.</p>	The Shire should develop and implement a system of control over petty cash.	Moderate	<p>Shire unable to provide information in relation to discrepancy due to unreconciled petty cash.</p> <p>Finance Management Team is reviewing and action will be taken with cash count and will update petty cash reconciliation for Admin and CRC cash float.</p>	<p>CFO 11.03.2022 - Petty cash held in Administration has been removed and bank, as front counter transaction are via EFPOS. Cash payments are made at the Visitor Centre/CRC. Visitor Centre petty cash/cash balanced daily.</p>	Complete
2020-2021 Annual Audit	<p>5. Non-compliance with Local Government Act 1995 – annual and primary returns</p> <p>Finding Section 5.75 of the Local Government Act 1995 requires that elected members and designated employees (relevant person) must lodge with the Chief Executive Officer (CEO) a primary return in the prescribed form within three months of the start day. In addition, section 5.76 of the Local Government Act 1995 requires that relevant persons must disclose changes that have occurred to the status of information disclosed in a previous return and any new interests obtained during the return period must be disclosed in the annual return. During our review of the primary and annual returns of relevant persons, three annual returns and one primary return were not able to be located by the Shire.</p>	<p>The Shire should design and implement a system to ensure:</p> <p>(a) All relevant persons lodge a primary return in the prescribed form within 3 months of the start date with the CEO. The CEO must lodge with the Shire president.</p> <p>(b) All relevant persons lodge an annual return in the prescribed form by 31 August of that year with the CEO. The CEO must lodge with the Shire president.</p> <p>(c) In accordance with section 5.77, the CEO or Shire president should give the person submitting the return written acknowledgement of having received the return.</p>	Moderate	<p>Shire of Menzies is aware of the requirements of Council members and designated employees to disclose personal financial information in primary and annual returns. It outlines these requirements to Council members upon election and at the end of each financial year, and designated employees when they become a designated employee, and again, at the end of each financial year.</p> <p>Shire of Menzies has a process and timeline for requesting lodgement of financial interest returns, which includes an initial request, two follow-up requests and a final reminder the day the return is due, with a statement outlining the consequences of non-compliance. It provides the forms, instructions on completing the forms and a copy of the Department Guidelines on Primary and Annual Returns.</p> <p>Shire of Menzies acknowledges the lack of response from some council members and former staff. Upon refusal of elected members or a designated employee to comply with the requirements, the CEO reports the breach to the Department and Corruption and Crime Commission in accordance with the Corruption, Crime and Misconduct Act 2002.</p>	<p>10.03.2022 - EO - Checklist established for requesting and acknowledging annual and primary returns.</p> <p>Advice received from LG Department and WALGA - designated people who leave prior to 31 August of any year are not required to complete annual return for that year.</p>	Complete
2020-2021 Annual Audit	<p>6. Unrecorded liabilities</p> <p>Finding: During our audit procedures, it was noted that invoices that are received late are recorded in the month of receipt instead of the month in which the transactions has occurred. These invoices are therefore not recognised as a liability in the period in which they were incurred. For such unrecorded invoices for the month of June 2021, an adjustment of \$246,339.87 was recorded to properly accrue the liability and procurement as at 30 June 2021.</p>	Invoices should be entered into the accounting system and dated according to the period they relate to, instead of when the invoices are received.	Moderate	<p>Finance Management Teams with CFO supervision will be reviewing and controlling of end of year transactions to reduce risk of liabilities and capitalised expenditure being understated.</p>	<p>CFO 11.03.2022 - All invoices are now recorded for the month that the transaction has occurred.</p>	Complete

<p>2020-2021 Annual Audit</p>	<p>7. Accounting for credit card transactions Finding: During our audit procedures, it was noted that the Shire records transactions, incurred through credit cards, in the following month, when the credit card balance is automatically paid. This results in transactions being recorded in the incorrect period. The credit card balance as at 30 June 2021 was \$3,633.91, and liabilities were therefore understated by this amount. This has been deemed immaterial and no adjustment has been posted to recognise this balance. Credit card transactions should be recorded at the time of purchase and should be recorded as a payable balance until the time of payment.</p>	<p>The Shire should ensure that each month the respective credit card transactions are accrued for as part of month end procedures. Moderate</p>	<p>Management noted that Credit card transaction currently processing through Direct debit following with posting period as per date of deduction. Finance Management Teams with CFO supervision will be reviewing and will update processing credit card transaction to address risk of payable and expenses under recorded.</p>	<p>CFO 11.03.2022 Finance Management Teams with CFO supervision will be reviewing and will update processing credit card transaction to address risk of payable and expenses under recorded. Review and checks are ongoing, to ensure transactions are recorded in the month they relate to/occured.</p>	<p>90 per cent</p>
<p>2020-2021 Annual Audit</p>	<p>8. (Prior year issue) Procurement – obtaining quotes Findings 2021: Prior year issue was not satisfactorily resolved as during our procurement testing, from a sample of 30 purchases made during the period 1 July 2020 to 31 March 2021, we noted 2 (6%) instances where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated. Findings 2020: Prior year issue was not satisfactorily resolved as during our procurement testing, from a sample of 30 purchases made during the period 1 July 2019 to 31 March 2020, we noted 4 (13%) instances where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated. Section 4.2 Purchasing and Tenders of the Shire’s purchasing policy requires that purchases within prescribed price ranges meet certain conditions in order to comply with the Local Government Act 1995 and accompanying regulations. Findings 2019: During our procurement testing, from a sample of 30 purchases made during the</p>	<p>The requirement for full compliance with the Shire’s purchasing policy must be communicated to all staff and be closely monitored by management. Significant If instances arise where the Shire is unable to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.</p>	<p>Procedures and process have been reviewed post the completion of the previous annual audit (circa mid-June 2021) and following the commencement of new CFO, Purchase Order requests present to the CEO and CFO and Delegations policies. All relevant information, such as quotes requested, obtained, assessed, OCM approvals where relevant, are checked prior to payments being made and attached to the final EFT payments held on file.</p>	<p>CFO 11.03.2022 - Actions continue as stated under Management comments. In addition for the second part of the financial year, high value POs are checked against approved budget to ensure expenditure is within budget prior to being approved.</p>	<p>Complete</p>

2020-2021 Annual Audit	<p>9. (Prior year issue)Non-compliance with Local Government (Financial Management) Regulations 1996 - assets</p> <p>Findings 2021: Effective from 1 July 2018, regulation 17A (5) of the Local Government (Financial Management) Regulations 1996 (Financial Management Regulations) provides that an asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5,000. During our audit we noted that five (5) assets with a total net book value of \$10,040, were recorded on the fixed assets register with acquired cost of less than \$5,000 each. Management has advised that the fixed asset register is being reviewed and assets with a cost less than \$5,000 will be expensed during the 30 June 2021 financial year. Furthermore, we were unable to obtain an attractive item register.</p> <p>Findings 2020: During our audit we noted six (6) assets, with a total net book value of \$12,777, were recorded on the fixed assets register with acquired cost of less than \$5,000 each. Management has advised that the fixed</p>	<p>The Shire should:</p> <ul style="list-style-type: none"> • Review the fixed asset register to ensure all items acquired for less than \$5,000 have been expensed; and • Consider monitoring the assets excluded from the fixed asset register by including all or some of these assets in 'attractive items register' 	Moderate	<p>The Shire had previously kept an Attractive Assets Register until the change to the new accounting software. For some reason, staff stopped using the manual system as they found it too difficult to track in the new system.</p> <p>On 15 June 2021, the Administration and Finance Officer/Asset Management was provided with a copy of the procedures to use the Module "Minor Tools" in the SynergySoft program, which is designed for this purpose a few years ago.</p> <p>In order to resolve this situation, I make the following recommendations:</p> <ul style="list-style-type: none"> • This task be reassessed at the Annual Audit • Staff are to extract the GL data from the BM and BO Jobs held in Synergysoft • The extract is to be reviewed to identify any purchases as per the below – Portable and Attractive items are non-consumable items that: <ul style="list-style-type: none"> • have a value below the capitalisation threshold (eg is between \$500 and \$5,000); and • are susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale. <p>A list of Attractive Assets has been extracted</p>	CFO 11.03.2022 - Attractive Assets register has been located, however it needs to be updated and checked.	Not started
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Audit Recommendations Progress Report

Date of Audit	Audit name	Issue	Recommendation	Risk Rating	Management Comments	Follow up comments	Status
29.10.2021	Regulation 17 - Avant Edge Consulting	Risk management - FRAUD IDENTIFICATION AND PREVENTION POLICIES The Shire does not currently have in place a "Fraud Prevention Policy" nor a "Whistle Blower Policy". Such policies outline the importance and responsibility that all staff in the Shire have in ensuring that fraud is prevented through proper adherence and compliance with existing management controls and that where fraud is suspected that it is promptly reported for investigation.	That the CEO consider establishing both a formal Fraud Prevention policy and a Whistle Blower policy.	Medium	Formal Fraud Prevention and Whistle Blower policies are to be established, and work has commenced in relation to both of these.	EO 14.03.2022 - The following policies were adopted at the OCM of 25 November 2021 to address issues identified within the audits: Policy 1.15 Public Interest Disclosure (Whistle-blower). Policy 1.16 Fraud Risk Identification and Prevention.	Complete
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 1. Procurement (formal quotations and tender process) - 1.1. Monitoring compliance with RFQ and RFT procurement policy and Regulations.	That the Shire consider obtaining a "Supplier > \$50,000" report from Synergy. This report should be reviewed possibly on a quarterly basis and should list all suppliers who have had over \$50,000 paid to them over say the last 12-18 months.	Medium	Process to be established. Seek to commence and implement a process by end June 2022, with quarterly review thereafter.		To be commenced
29.10.2021	Regulation 17 - Avant Edge Consulting		That the Shire's procurement policy clearly document the process of establishing an evaluation panel to evaluate tender and formal quote submissions including the need for all evaluation panel members to sign a conflict of interest declaration form prior to assessing tender submissions.	Medium	The Shire's procurement policy is currently under review and the recommendations will be incorporated into the review for presentation at November OCM. WALGA contracts have not been used for procurement over \$250,000 by the current CEO. This is not a practise that the Shire wishes to follow with full tenders being used over \$250,000 to maximise the coverage of quotes. The new procurement policy will state that WALGA preferred supply will only be used by the Shire up to \$250,000. The 'conflict of interest' form is being incorporated into the procurement policy.	EO 14.03.2022 - Amended Policy 4.2 Purchasing and Tenders adopted OCM 25 November 2021. Refers to SoM-PUR-01 to 03 Purchasing Evaluation Forms, which incorporate a confidentiality and conflict of declaration statement.	Complete
29.10.2021	Regulation 17 - Avant Edge Consulting		That the Shire ensure that all documentation that relates to a public tender or formal quotation is clearly maintained and held in a central filing system for easy access so as to easily identify the process followed for each formal quotation or public tender process from the point approval is given to proceed with a formal quotation or public tender through to final approval to awarding a contract.	Medium			
29.10.2021	Regulation 17 - Avant Edge Consulting		That the Shire ensure that its Tender Register is up to date, includes all previous awarded tender information on tenders that are still progressing. I would also suggest that where the tender allows for contract extension options and such options are exercised that this information should also be included in the tender register.	Medium	A lot of work has occurred on the tender register and the comments are noted and will be actioned.		

29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 1. Procurement (formal quotations and tender process) - 1.2. Monitoring contracts	That comprehensive guidelines / protocols be developed for the following processes so that it can be applied consistently by the relevant appointed contract manager(s): o Processing contract variations for those contracts less than tender threshold and above tender threshold. o Contract variation, extension and renewal process and approvals. o Monitoring contract overspends and approval process. o Supplier post contract performance assessments.	Medium	A contract management policy will be developed taking into consideration the points raised.	EO 14.03.2022 - Policy 4.14 Contract Management adopted OCM 25 November 2021. Supporting Procedure still to be developed.	50 per cent
29.10.2021	Regulation 17 - Avant Edge Consulting		That the CEO establish a process by which all contract management process documentation is maintained and stored in a central location that is easily accessible as evidence that contracts are being managed and signed off by the CEO, appointed contract manager or the Works Manager prior to contract ending.	Medium	A contract management process to be developed		
29.10.2021	Regulation 17 - Avant Edge Consulting		That the Shire ensure that a supplier performance appraisal process is implemented and undertaken at the end of each contract (contracts awarded under an RFQ or RFT only) in order to assess whether the supplier has performed satisfactorily to be used again by the Shire.	Medium	Supplier performance assessments are not being conducted, as noted, and staff are not aware of this occurring at other small Shires. The lack of suppliers can make this a double edge sword. Staff will look for examples from other Shires that may be tailored for the Shire of Menzies.	EO 14.03.2022 - Policy 4.15 Tender Evaluation adopted OCM 25 November 2021. Procedure yet to be developed.	50 per cent
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 2. Accounts Payable (Segregation of Duties)	That a daily exception report be produced from Synergy which provides a list of all amendments or changes that have been made in Synergy regarding a supplier and this exception report is checked on a sample basis and signed off either by the CEO or the CFO daily to ensure supplier amendments are legitimate and are supported with appropriate authorisation from the supplier. Such amendments would include: o New supplier creations o Supplier detail changes o Supplier bank account detail changes	Medium	A daily exception report will be trialled as discussed above. Daily reports may be too much for a small Shire and it is possible that weekly exception report would be more appropriate. Some of the comments have been superseded with approvals being further limited.	CFO 15.03.2022 - efsure has been implemented, which governs all creditor payments to bonifidi accounts. Creditor invoices are checked to the efsure database prior to payments being made. All creditor amendments are checked by Finance team staff and signed-off by CFO.	Complete
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 3. Asset Management (asset stocktakes) 3.1 Depreciable Assets	That the CEO give consideration updating the Policy Manual to include the need to undertake at least annual stocktakes of all depreciable plant and equipment assets and to also establish the Shire's depreciation rates for plant and equipment and major infrastructure assets.	Low	Policy manual will be updated with the recommendations and annual stocktakes will be undertaken.	EO 14.03.2022 - Amended Policy 2.3 Annual Stocktake of Assets and new policy Policy 2.6 Depreciation of Non-current Assets adopted 25.11.2021 OCM.	Complete
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 3. Asset Management (asset stocktakes) 3.2 Portable and Attractive Assets	That the CEO ensure that the shire identify all minor plant and equipment that has a value of less than \$5,000 which it considers could be classified as portable and attractive and include the items in a portable and attractive register.	Low	Portable and attractive items will be identified and subject to an annual stocktake.	CFO 15.03.2022 - Register to be resurrected from SynergySoft, checked, and updated.	
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 4. Budgeting	That the CEO give consideration to formalising this process and ensuring that all major variances are between approved budget and actual expenditure is monitored on a monthly basis with comments explaining the variance being documented and signed off by the CFO or the CEO.	Low	The CEO and CFO do routinely investigate variances to budget. Formal processes will be instigated.	CFO 15.03.2022 - Process is ongoing on a quarterly basis, for the second half of the financial year, POs for purchases above \$2,000 are being checked against budget allocation prior to execution.	Complete

29.10.2021	Regulation 17 - Avant Edge Consulting		That the CEO develop a policy as to what would constitute a major variance such as for example 10% or > \$5,000.	Low	The CEO and CFO do routinely investigate variances to budget. Formal processes will be instigated.	CFO 15.03.2022 - Major variances are investigated as a prt of the OCM monthly financial reports. Variance thresholds are to be investigated and formalised.	75 per cent
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 5. General Ledger Controls	That the CEO give consideration to ensuring that at least year end reconciliations to substantiate the asset and liability reported balances from the general ledger be conducted and that this process should be formalised in the Shire's Policy Manual.	Low	Recommendations will be incorporated into the policy manual.		
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 6. User logon Access Profiles List	That the CEO and the CFO investigate current user access with their IT service provider Netlogic Information Technology and ensure that any user access profiles no longer required are suspended or deleted.	Low	Defunct user profiles have been deleted.	CFO 15.03.2022 - Process of checking access across platforms, SynergySoft, Adobe, MicroSoft Office, Government reporting websites, etc., are proactively monitored, checked and amended as needed/required ongoing.	Complete
29.10.2021	Regulation 17 - Avant Edge Consulting	Internal control - 7. Staff passwords	That the CFO and the CEO discuss this matter with their external information technology provider and to determine best means of monitoring user password changes or seek other means by which user passwords can be better protected.	Low	This will be investigated to determine best practise. Guidance has previously been that generic emails should be avoided with some government departments not allowing logons with generic accounts. Passwords will now be updated every 3 months (implemented).	CFO 15.03.2022 - ICT Provider is currently testing the effectiveness of Staff Password changes across all Shire ICT systems, with implementation likely once testing is concluded, processes are fit for purposes and communicated with staff.	75 per cent
29.10.2021	Regulation 17 - Avant Edge Consulting	Legislative compliance - Legislative Compliance Checklist	The CEO give consideration to also extending legislative checks by targeting relevant operational managers for their sign off as evidence that legislative compliance is occurring.	Low	Agreed	EO 14.03.2022 - Work is ongoing to incorporate additional compliance checks in monthly compliance calender, recognising various departments and legislation. Process developed to ensure compliance calendar is a living document continuously updated.	85 per cent
29.10.2021	Reg 5(2)(c) – Financial Management Review - Avant Edge Consulting	As per Internal control observations above	As per Internal control observations above	As per Internal control observations above	As per Internal control observations above	As per Internal control observations above	Complete
29.10.2021	Reg 5(2)(c) – Financial Management Review - Avant Edge Consulting	1. Cash Handling and Security	(OBSERVATION ONLY) The Shire's Administration office does not have a cash register and therefore is unable to receipt payments. However, we noted that cash is sometimes received at the Administration office. As the office does not have a cash register or any formal cash receipting process there is a risk that cash handed over at the Administration office could go missing without detection. A cash register does exist in the Shire run Community Resource Centre which is in a building across the road and all cash handling possibly should be directed to the Community Resource Centre.	N/A	Cash has been removed form the Admin building/Reception area. Paymnets at the Admin Office are via EFT otherwise refred to the Visitor Centre, which is the only Shire office that recieves cash paymnets.	CFO 15.03.2022 - as per management comments	Complete

29.10.2021	Reg 5(2)(c) – Financial Management Review - Avant Edge Consulting	2. Open Purchase Orders	(OBSERVATION ONLY) It was not clear as to whether the Shire has a policy and procedure in place for monitoring open purchase orders to ensure that at financial year end any purchase orders that are still active and have a remaining balance are checked and if no further work is forthcoming under the purchase order that the purchase order is closed. I understand that this process is being followed by the Administration staff but is not documented in the Shire's Policy Manual.	N/A	Process is considered robust and secure. However consideration for inclusion in Policy Manual will be undertaken	
29.10.2021	Reg 5(2)(c) – Financial Management Review - Avant Edge Consulting	3. Whistle blower Policy	(OBSERVATION ONLY) I noted that the shire does not have in place a Whistle blower policy. Consideration should be given to adopting such a policy.	N/A	EO 14.03.2022 - Policy 1.15 Public Interest Disclosure (Whistle-blower) adopted by Council 21.12.2021. Policy links to previously developed procedure.	Complete
17.02.2022	Compliance Audit Report 2021	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes? Nature of interest not recorded for a declaration at OMC 28/01/2021	Maintain systems and procedures updated during the reporting period relating to the register of financial interests to ensure: • Records are maintained in accordance with legislation; • Disclosures are properly completed at the time of receiving the disclosures in writing; and • Returns and disclosures are filed correctly.		While the Rules of Conduct have been revoked, there is the same requirement in the new Model Code of Conduct. A system and checklist has been put in place to ensure interests are disclosed and recorded correctly.	Complete
17.02.2022	Compliance Audit Report 2021	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Publish the tender register required by regulation 17 of the Local Government (Function and General) Regulations 1996 to the official local government website.		Online Tender Register has been updated and is now compliant.	Complete
17.02.2022	Compliance Audit Report 2021	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? Cannot guarantee compliance has occurred with all purchasing activities below \$250,000.	Review systems and controls to minimise risks of non compliance with adopted purchasing policy.		Systems updated to minimise risk of non compliance.	Complete
17.02.2022	Compliance Audit Report 2021	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? Register complies with F&G Regs, however was not published on website. A summary list was instead published, and is being rectified to include the official tender register.	Publish the tender register required by regulation 17 of the Local Government (Function and General) Regulations 1996 to the official local government website.		Online Tender Register has been updated and is now compliant.	Complete
		Local Public notices published in newspapers etc do not appear to have been consistently published on the Shire's website as required by legislation. We noted this practice improved significantly as the reporting period progressed.	Ensure all notices relating to local public notice and statewide public notice are published on the website to comply with sections 1.7 & 1.8 of the Local Government Act 1995. Consider a mechanism/report trail for future compliance checks to be performed.			Complete

<p>A report detailing training for elected members was prepared and published on the Shire website as required by legislation. The report did not include details of training for all elected members.</p>	<p>Prepare and publish future reports on the local government website detailing training for all elected members as required by s5.127 of the Local Government Act 1995. Reports should consider training completed and training requirements by all Council members for transparency and consistency. Ensure reports are continued to be published to the local government website within one month of the EOFY to which the report relates.</p>	<p>Report template created, ready for end of Financial Year. Crs enrolled in Council Member Essentials course WALGA</p>	<p>Complete</p>
<p>Minutes of the Ordinary Meeting of Council held 28/01/2021 recorded Cr Mader in the attendance list as meeting as joining the meeting at 1:37pm. His entry to the meeting is not recorded in the chronological sequence of the business of the meeting in the minutes as required by regulation 11 of the Local Government (Administration) Regulations 1996.</p>	<p>Ensure minutes are recorded to comply with statutory requirements and to accurately reflect decisions and business of meetings in the order which they occurred.</p>	<p>Noted - Checklist for minutes preparation created including check for this.</p>	<p>Complete</p>
<p>We noted some minutes did not always record the decision of Council in full, but rather recorded only the mover and seconder and votes cast by members present. We noted occurrences decreased significantly as the reporting period progressed.</p>	<p>Ensure minutes are recorded to comply with statutory requirements and to accurately reflect decisions and business of meetings in the order which they occurred.</p>	<p>Noted - Checklist for minutes preparation created including check for this.</p>	<p>Complete</p>
<p>Through review of the minutes, we noted items presented for consideration relating to outstanding rates payments and write offs which were not closed to the public. These agenda items contained information which might be perceived to relate to the personal or financial affairs of a person.</p>	<p>Ensure minutes are recorded to comply with statutory requirements and to accurately reflect decisions and business of meetings in the order which they occurred.</p>	<p>Noted - Checklist for agenda preparation created including check for this.</p>	<p>Complete</p>
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6.6	Risk management updates
LOCATION	{custom-field-location}
APPLICANT	{custom-field-applicant}
DOCUMENT REF	NAM606
DATE OF REPORT	21 March 2022
AUTHOR	Executive Officer, Eve Reitmajer
RESPONSIBLE OFFICER	Chief Executive Officer, Brian Joiner
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	<ol style="list-style-type: none"> 1. CONFIDENTIAL REDACTED - Menzies Risk Register March 2022 [6.6.1 - 2 pages] 2. CONFIDENTIAL REDACTED - Risk Profiles March 2022 [6.6.2 - 6 pages] 3. CONFIDENTIAL REDACTED - Risk updates summary March 2022 [6.6.3 - 3 pages]

SUMMARY:

Summary of risk management activities since October 2021, including risk profile updates, summary report (as included in confidential attachments to the agenda).

BACKGROUND:

Prior to 30 June 2018, meetings with the Chief Executive Officers (CEO's) for the Shires of Leonora, Laverton, Menzies and Wiluna were held, where opportunities for collaboration and service sharing were discussed. From these meetings, it was considered a viable opportunity to further explore the possibility of engaging the services of a consultancy company to perform the Statutory Compliance Services for the four local governments, given many already engaged consultants to assist with a variety of work.

The Shires of Leonora, Laverton, Menzies and Wiluna supported proceeding to the tender stage for Statutory Compliance Services and subsequently the tender was awarded to Moore Stephens (now known as Moore Australia). This tender included risk management support services, and the delivery of statutory support and compliance services.

Since the service with Moore Australia commenced in 2018/19, the Shire has adopted an updated risk management policy which aligns to AS/NZS ISO 31000:2018 Risk Management Guidelines. A Risk Management Strategy was also prepared utilising the Principles, Framework and Process as defined within the standard. The Strategy considers the context of the Shire and conforms to the requirements of the standard by providing the necessary guidance and direction to be followed by the Shire in its risk management activities, and is aligned with the risk management policy.

COMMENT:

The Risk Management Strategy provides guidance and direction around risk management activities, including the assessment, prioritisation and communication of risk. This includes the reporting of risks through the Audit and Risk Committee. The tender response from Moore Stephens also set out the delivery of risk management services through quarterly 'dash board reports', bi-annual 'summary reports' and an annual 'risk control assurance workshop'.

A risk control assurance workshop was held with the Northern Goldfields Compliance Group (NGCG) in February 2019, which assisted to set out activities over the next twelve months. The workshop included discussions around the examination, review and updating of risks, as well as themes/profiles, controls and frameworks. The group requested a generic set of 'risk profiles' be developed by Moore Australia which could then be reviewed and updated to apply to individual local governments. These draft risk profiles were utilised to develop a draft risk register, which was created and populated as an extension to existing online registers service provided by Moore Australia. These activities formed the foundation for risk management activities to be reported and monitored to the Audit Committee.

In February and March 2021, Moore Australia conducted a site visit with the NGCG to review and update the risk profiles for each local government, and to populate the risk register with updated controls to calculate residual risks to be reported to the Audit Committee. Reviews were also performed for the Shire of Menzies offsite in June and August 2021, an on site review in late September 2021 and most recently an offsite workshop with the executive team in March 2022.

Updates resulting from the most recent review to risk profiles have been utilised to further update the risk register. A summary of updates to the risk profiles, the risk register and risk profiles up to March 2022 are included as confidential attachments to this agenda item. These documents are not circulated with agenda documents, as they include the controls to be implemented / actioned by the Shire in an effort to reduce risk levels. Publication of such information may adversely impact on risk management activities if published.

The risk summary report is intended to be provided bi-annually to the committee. This report enables analysis of what has changed for the organisation, and whether these changes result in new or emerging risks against each risk profile. This subsequently allows for the risk register to be updated, and to summarise new risks or changes to existing risks for the committee. The risk summary report highlighting risk changes identified against each profile since the last review, including actions and treatments in place for high level risks, is attached.

A quarterly dashboard report is essentially a progress report informing the committee with a summary of the current number of risks, unaddressed high level risks, total new risks etc. The table below demonstrates the format of quarterly reports to the committee communicating risk movements.

Risk Category	No. of High or Extreme Rated Risks Identified	No. of High or Extreme Rated Risks after Treatment	No. of New Risks Identified (March 2022)	No. of Risks Closed (March 2022)
Performance	2	1	0	0
Environmental	2	1	0	0
Reputational Damage	2	0	0	0
Financial	4	1	0	0
Service Delivery / Business Interruption	5	2	0	0
Legislative / Regulatory / Policy/ Occupational Safety and Health	3	1	0	1

Discussions with Moore Australia as well as future site visits will be undertaken to further update risk profiles, actions and treatments for the next reporting period. These reports will be updated for the next meeting for committee information.

CONSULTATION:

Brian Joiner, Chief Executive Officer.
Antonio Giometti, Chief Financial Officer.
Moore Australia (Consultants).

STATUTORY AUTHORITY:

Regulation 17.1 of the *Local Government (Audit) Regulations 1996* requires the CEO to monitor the appropriateness and effectiveness of systems and procedures in regard to risk management, internal controls and legislative compliance.

POLICY IMPLICATIONS:

Policy 1.7 - Enterprise Risk Management outlines the Shire's commitment and approach to managing risks impacting on day-to-day operations and the delivery of strategic objectives.

FINANCIAL IMPLICATIONS:

Provision is included in the 2021/22 Adopted Budget for Moore Australia to deliver Statutory Compliance Services, including risk management, in line with the awarded tender.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
This item has been evaluated against the Shire of Menzies' Risk Management Strategy, Risk Assessment Matrix.	The perceived level of risk is high prior to treatment.	The progression of risk management activities aligned with the Risk Management Strategy will reduce the risk to low.

STRATEGIC IMPLICATIONS:

4.1 A strategically focused Council, leading our community.

4.1.1 Provide strategic leadership and governance.

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council receives the summary of updates to the risk profiles, the risk register and risk profiles up to March 2022, and the above report updating risk management activities undertaken to date.

COMMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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6.7	Updated Risk Management Strategy
LOCATION	Shire of Menzies
APPLICANT	Internal
DOCUMENT REF	NAM607
DATE OF REPORT	21 March 2022
AUTHOR	Executive Officer, Eve Reitmajer
RESPONSIBLE OFFICER	Chief Executive Officer, Brian Joiner
OFFICER DISCLOSURE OF INTEREST	Nil
ATTACHMENT	1. Shire of Menzies Risk Management Strategy 2022 [6.7.1 - 17 pages]

SUMMARY:

Updates to the Shire's Risk Management Strategy 2022.

BACKGROUND:

Prior to 30 June 2018, meetings with the Chief Executive Officers (CEOs) for the Shires of Leonora, Laverton, Menzies and Wiluna were held, where opportunities for collaboration and service sharing were discussed. From these meetings it was considered a viable opportunity to further explore the possibility of engaging the services of a consultancy company to perform the Statutory Compliance Services for the four local governments, given many already engaged consultants to assist with a variety of work.

The Shires of Leonora, Laverton, Menzies and Wiluna supported proceeding to the tender stage for Statutory Compliance Services and subsequently the tender was awarded to Moore Stephens (now Moore Australia). Risk Management was one of the services included in the service scope/fee response to be delivered by Moore Australia.

To comply with AS/NZS ISO 31000:2018 Risk Management Guidelines, the Shire's Risk Management Policy was updated to align with the new standard and was adopted by Council in April 2019. The policy states a Risk Management Strategy is to be maintained and implemented utilising the Principles, Framework and Process as defined within the standard. This was developed by Moore Australia in consultation with the Shire, considering the context of the Shire and providing the necessary guidance and direction to be followed by the Shire in its risk management activities, and is aligned with the risk management policy to conform to the standard.

COMMENT:

During the most recent workshop with Moore Australia and the executive management team to review risk management activities, changes were noted where references to ‘Occupational Safety and Health’ or ‘OSH’ within risk management documents are now outdated following changes to legislation. ‘Work Health and Safety’ and ‘WHS’ are now applicable.

The Risk Management Strategy has been updated to reflect these changes at section 1.8 and Table 2 and has been circulated for committee information.

CONSULTATION:

Moore Australia (Consultants).

STATUTORY AUTHORITY:

Regulation 17.1 of the *Local Government (Audit) Regulations 1996* requires the CEO to monitor the appropriateness and effectiveness of systems and procedures in regard to risk management, internal controls and legislative compliance.

POLICY IMPLICATIONS:

Policy 1.7 - Enterprise Risk Management outlines the Shire’s commitment and approach to managing risks impacting on day-to-day operations and the delivery of strategic objectives.

FINANCIAL IMPLICATIONS:

Provision is included in the 2021/22 Adopted Budget for Moore Australia to deliver Statutory Compliance Services, including risk management, in line with the awarded tender.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
This item has been evaluated against the Shire of Menzies Risk Management Strategy, Risk Assessment Matrix.	The perceived level of risk is high prior to treatment.	The progression of risk management activities aligned with the Risk Management Strategy will reduce the risk to low.

STRATEGIC IMPLICATIONS:

4.1 A strategically focused Council, leading our community.

4.1.1 Provide strategic leadership and governance.

4.2 An efficient and effective organisation.

4.2.1 Maintain a high level of corporate governance, responsibility and accountability.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit and Risk Committee recommends Council receives the Risk Management Strategy 2022 updates as noted within this report.

COMMITTEE RECOMMENDATION:

Committee Resolution Number	
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Moved		Seconded	
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Carried	
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Risk Management Strategy 2022



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RISK MANAGEMENT STRATEGY

1.1 Introduction

The Risk Management Strategy (Strategy) aims to support an **integrated** and effective approach to risk management to ensure an organisation-wide approach to risk management, with the aim of value creation and protection, in accordance with the Shire of Menzies Risk Management Policy. This includes consistent assessment of risks including risk mitigation activities from a top down perspective, as well as bottom up, through operational processes and procedures.

The Shire has implemented a structured approach to risk management based on, Australian / New Zealand International Standard for Risk Management – Guidelines ISO 31000:2018. This will assist the Shire work towards:

- Aligning the objectives, culture and strategy of the Shire with risk management;
- Addressing and recognising all obligations (including voluntary commitments) of the Shire;
- Communicating the risk appetite of the Shire to guide the establishment of risk criteria, whilst conveying to all elected members, employees and contractors;
- Promoting and conveying value of risk management across the Shire;
- Encouraging methodical monitoring of risks; and
- Ensuring the Risk Management Strategy remains relevant to and considers the context of the organisation.

The key **objectives** of the Strategy are to:

- Ensure consistent and systematic approach to risk management through decision-making and corporate planning, contributing toward an effective and efficient risk management culture over time;
- Provide tools to assist management with risk identification and articulation of risks to enable appropriate risk mitigation strategies; and
- Supports the overall governance framework through integration of corporate culture, internal controls, policies and procedures (“internal control environment”) and management oversight.

The Strategy has been developed with input and review from the Executive Leadership Team and the Audit and Risk Committee.

RISK MANAGEMENT STRATEGY

1.2 Risk Management – Principles, Framework and Process

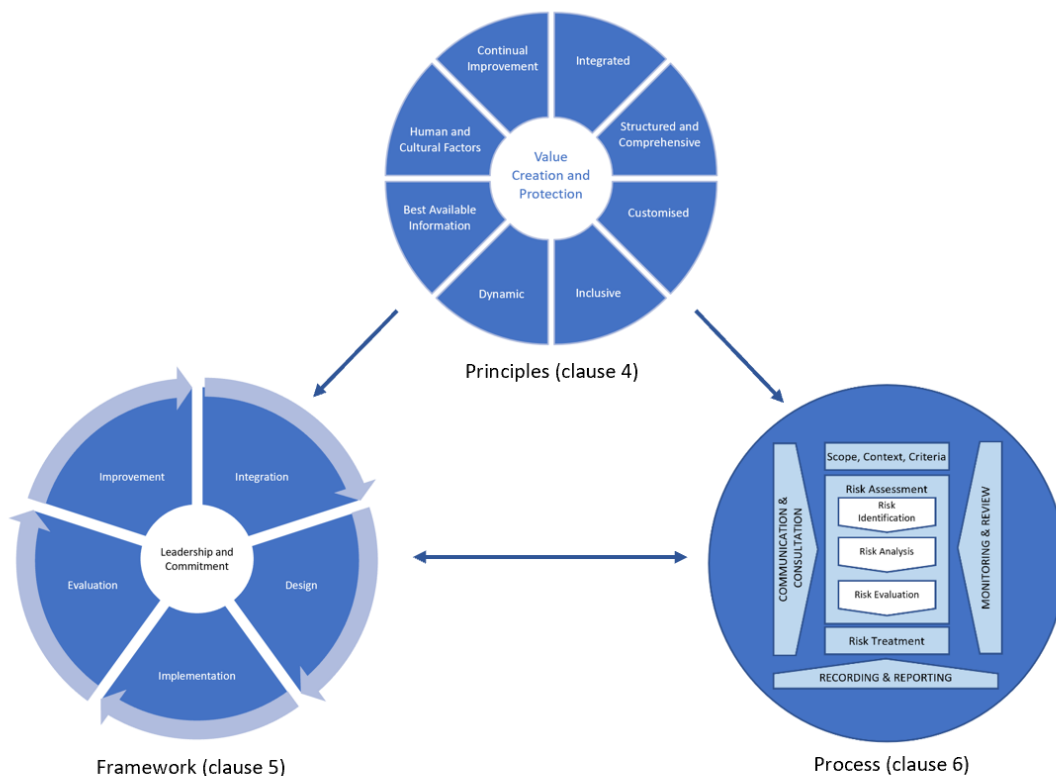
ISO 31000:2018 provides guidance on the development of a risk management approach, designed to be tailored to best apply to any organisation and its requirements. This Strategy has been developed using the Principles, Framework and Process as outlined within ISO 31000:2018.

The diagram below demonstrates the relationship between each component of the Risk Management Strategy, with the Principles forming the foundation of the Strategy. The Principles describe the features to be utilised and influence the Framework and Process elements.

The Framework component of the Strategy is intended to facilitate integration of risk management throughout the Shire, through commitment from leadership to risk management practices. Any gaps identified through analysis of existing practices will be remedied through the application of the Framework and will inform the Process component.

The Risk Management Process is to be designed and tailored to align best to the Shire's structure, resources and practices. The Risk Process is iterative, consisting of Risk Assessment, Risk Identification, Risk Analysis, Risk Evaluation and Risk Treatment, Communication and Consultation, Recording and Reporting along with Monitoring and Review, as noted in the below diagram. The Process component of the Strategy draws on both the Framework and the Principles in its application to managing risk.

High Level Overview of Strategy



Source: Australia/New Zealand Standard ISO 31000:2018

RISK MANAGEMENT STRATEGY

1.3 Risk Management Policy

The Shire's Risk Management Policy (A.2.13) states the mandate and commitment including roles and responsibilities of Council and all staff:

“Management of risk is considered the responsibility of all elected members, employees and contractors, and is to be integrated throughout the Shire.”

The Risk Management Policy must be read and understood in conjunction with this Strategy.

1.4 Risk Management Principles

In accordance with ISO 31000:2018, the following key principles provide necessary guidance and methodology when implementing a structured risk management process.

Human and cultural factors: Risk culture is created from visible leadership and commitment in embedding a risk mindset. All elected members and employees have responsibility for managing risk.

Risk management should be a part of, and not separate from, the Shire's purpose, governance, leadership and commitment, strategy, objectives and operations.¹

Structured and comprehensive: Refers to the risk management process which encompasses:

- Risk identification, assessment and treatment;
- Risk monitoring and review; and
- Risk reporting and communication.

Inclusive accountability and transparency: Leadership to assign clear roles and responsibilities for staff, external stakeholders and decision makers to ensure risk management remains relevant and up-to-date, and is based on informed choices and agreed priorities.

Integrated: Managing risks should create and protect value by contributing to the achievement of objectives as included in the Strategic Community Plan and Corporate Business Plan (Plan for the Future), as well as project outcomes and improving Shire performance as an integrated activity within existing processes.

Customised to Shire risk profile: Recognises the Shire's external and internal influences and challenges, due to its geographical location and community needs.

Dynamic: Risks needs to be managed in a dynamic, iterative and responsive manner.

Continuous improvement: Developing a more risk aware workforce will result in operational processes which take into account risk considerations and enable processes and decision making to improve over time.

Best available information: Risk management is reliant on use of the best available information at any given point in time.

¹ ISO 31000:2018 Risk Management – Guidelines, page 5

RISK MANAGEMENT STRATEGY

1.5 Risk Management Framework

The impact of risk management efforts is highly dependent upon the integration of risk management throughout the Shire. The Risk Management Framework is designed to assist with facilitating high level of integration across activities, practices and functions of the Shire.

Details of each stage within the framework are:

Integration

- Integrate risk management into Shire processes and structure. All elected members and employees are responsible for managing risk.

Design the Strategy

- Understand the organisation and its context;
- Establish and adopt Risk Management Policy;
- Establish roles, responsibilities and accountabilities;
- Allocate resources; and
- Establish internal and external communication and reporting mechanisms.

Implement the Strategy

- Develop Risk Management Plan;
- Engage stakeholders to convey the purpose and importance of the Strategy and Plan;
- Implement corporate risk management processes in all activities throughout the Shire, particularly decision making processes; and
- Identify changes in the internal and external context, as well as identifying emerging risks or changed risk conditions.

Evaluate the Strategy

- Regularly assess the purpose, objectives, and outcomes of the Strategy against actual risk management practices; and
- Consider the suitability and application of the Strategy to the Shire's operations and activities.

Continuous Improvement

- As gaps or improvement opportunities are identified from risk processes, continuously refine the Framework and the way the process is integrated; and
- Develop plans and tasks and assign them to those accountable for implementation.

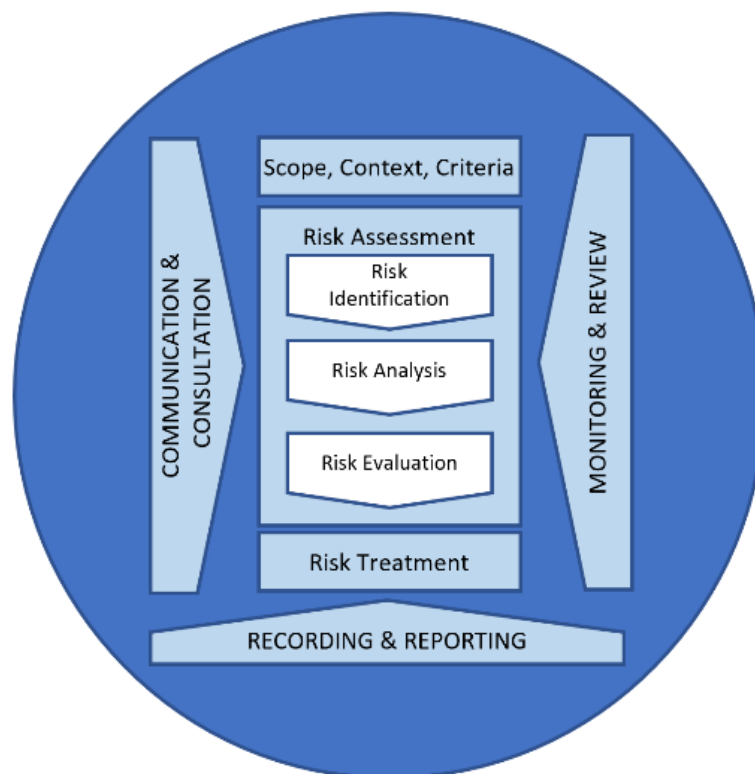
RISK MANAGEMENT STRATEGY

1.6 Risk Management Process

The risk management process can be delivered in many different ways. It should play a pivotal role in management of the Shire and decision making, unified with the general operations, practices, procedures and the structure of the Shire. Applications of the risk management process should be tailored to best work with the structure and context of the Shire and draw on the risk principles as defined in Section 1.4, with appropriate consideration afforded to maintaining the dynamic nature of the process, continual improvement, the variable nature of human and cultural factors, modifying and integration of processes/practices.

Given the highly dynamic and variable nature of the risk management process, the general approach by the Shire is to articulate and develop details relating to risk management processes within operational procedures, to best communicate the applicable elements of the process throughout the organisation. Development of these procedures will also enable appropriate feedback to be sought from stakeholders and implemented into decision making processes.

The diagram below depicts the re-iterative and continuous process for managing risks.



Source: Australia/New Zealand ISO31000:2018

RISK MANAGEMENT STRATEGY

1.7 Risk Management Process – Communication and Consultation

Communication and consultation are important elements of the risk management process. These elements promote a better understanding of risk across the Shire and convey the purpose behind actions occurring or required.

An effective risk management process relies on regular communication and consultation, both upward to leadership and downward from leadership and senior staff, involving risk owners, Shire management and Audit and Risk Committee / Council (as applicable).

The main objectives of risk communication and consultation are to:

- Provide information for decision making (relevance of information is dependent on currency);
- Utilise expertise from across the organisation in the course of carrying out risk management activities; and
- Facilitate an inclusive and empowered culture across the Shire in relation to risk management.

Communication of newly identified, untreated high level risks will be as follows:

Risk Context	Purpose	Reporting to:
Strategic	Emerging risks or existing risks which impact on the Council's ability to deliver on its strategic objectives.	CEO/Council
Operating	Risks identified from operational activities which need to be addressed, reported and monitored until effectively treated to an acceptable risk tolerance.	CEO
Projects	Risks identified from capital or infrastructure projects which impact on the project deliverables above the Council's acceptable risk tolerance.	CEO
Consolidated Risk Summary	For Executive Management – summary of high level risks and above items to inform Audit Committee & Council of risk treatments.	Audit Committee / Council

In line with the multi-directional approach to risk consultation it is equally important for newly identified untreated risk to be communicated from Council to the Executive.

Each level of management must communicate risks as they become aware of them, to relevant staff at the level directly above and below them, who must in turn communicate the risks to the next level above or below.

Communication and consultation of medium and higher risks should be through a documented process. Lower level risks may be communicated verbally.

RISK MANAGEMENT STRATEGY

1.8 Risk Management Process – Risk Categories / Risk Themes

The purpose of risk categories and/or risk themes is to group similar risks under the appropriate risk category. The use of standard risk categories enables:

- Structured process for staff to identify and capture risks; and
- Reporting of risks by risk type, providing focus areas requiring risk mitigation, especially where similar risks are identified across functional areas and/or by different stakeholders.

The Shire's risk categories/themes should be continually reviewed to ensure relevance in current environment.

Examples of risk categories within the local government sector include:

1. Performance: ability to achieve key objectives, within current resources, potential loss of infrastructure;
2. Financial: loss of assets, impact on annual revenues or costs, external audit issues, mismanagement of funds;
3. Environmental Risk: harm to the environment;
4. Reputational Damage: adverse publicity;
5. Service Delivery/Business Interruption: loss of service, disruption in business processes or impact to service delivery (including through lack of skilled resources); and
6. Legislative / Regulatory / Policy / Work Health and Safety: misconduct, injury, failure to meet statutory, regulatory or compliance requirements.

Risk categories will be defined in the initial establishment of risk registers and should be dynamic to reflect the current environment.

RISK MANAGEMENT STRATEGY

1.9 Risk Management Process – Risk Tolerance / Risk Appetite

Risk tolerance or risk appetite can be defined as the amount and type of risk the Shire is willing to take in order to meet its strategic objectives. Given the characteristic risk profile of local governments, it is important the Elected Members and CEO understand and consider this relatively low appetite for risk when evaluating major decisions. To facilitate meaningful analysis of the Shire's risk exposures, one role of the Council is to constructively challenge management's proposals from a risk perspective.

As risk management processes mature, a risk appetite matrix which pre-defines types of risk and quantifies them in a structured manner will help ensure the Shire's strategic objectives are effectively planned and managed. It enables articulation of specific actions/practices, i.e. the Shire does not tolerate any risk of breaches to regulatory obligations or legislative requirements. This assists staff understanding of how their day to day risk management activities contribute towards the Shire's risk culture and risk profile.

Understanding risk appetite helps determine the level of acceptable/unacceptable risk and the extent to which additional controls are required to treat risk. As a public body, there is an expectation the Shire will maintain an inherent low appetite for risk and as a consequence adopt policies and procedures in order to maintain the organisation's reputation and to protect public funds from loss or misappropriation.

The appetite for risk in relation to service delivery, finance, health, safety and the environment is considered 'low to medium', requiring treatment with effective controls. Where the level of risk is considered 'high' or 'extreme', additional controls are required to reduce the risk level. In circumstances where the level of risk cannot be reduced below 'high', close monitoring of risk controls is required to ensure the relevant internal controls remain effective. In cases of medium to high risk, the Shire will mitigate the risk by taking out insurance where possible.

RISK MANAGEMENT STRATEGY

Documentation to support risk management process

Documentation of medium and high level risks is best undertaken through the use of a risk register. Maintenance of risk registers demonstrates an active and evidentiary risk management process within the Shire.

The following provides guidance for documentation of risk registers:

- All elected members and employees have responsibilities to identify, assess, evaluate and treat risks in their day to day activities; risks assessed as being mitigated to an acceptable level through operating controls or risk treatments by eliminating the risk are deemed to be effectively addressed and do not require documenting;
- Risks which require further actions or treatment by more senior officers before they are within the acceptable risk tolerance must be documented in the risk register to enable effective communication and monitoring; and
- Any risks deemed to be rated High or Extreme and unable to be immediately treated to an acceptable level, must be escalated to the CEO immediately for further escalation to the Audit & Risk Committee and/or Council, where unable to be adequately treated by the CEO within the constraints of the annual budget. These risk must also be recorded in the risk register.

Assurance activities for risks mitigated through operational and/or financial controls

The Shire has the following governance activities to ensure controls required for risk mitigation are operating as intended:

- Completion of mandatory returns as required by legislation;
- Routine independent verification of operating controls, systems and procedures;
- External audit of financial statements; and
- Via Code of Conduct, Council policies and work procedures.

The following pages contain tools and guidance useful in the implementation of this Strategy.

- Table 1: Roles & Responsibilities
- Table 2: Risk Ratings
- Table 3: Matrix Assessment
- Table 4: Likelihood Rating
- Table 5: Risk Response

RISK MANAGEMENT STRATEGY

Table 1: Roles and Responsibilities

Role	Responsibilities
Council	Council's responsibilities are to: <ul style="list-style-type: none"> • Adopt a Risk Management Policy compliant with the requirements of AS/NZS ISO 31000:2018 and to review and approve the Policy in a timely manner as required. • Be satisfied risks are identified, managed and controlled appropriately, to achieve Shire's strategic objectives. • Supports the allocation of funds / resources to treat risks as required.
Audit & Risk Committee	<ul style="list-style-type: none"> • Requests and reviews reports on risk management on a biannual basis (minimum) or as required depending on the nature of the risk(s). • Monitors the overall risk exposure of the Shire and makes recommendations to Council as appropriate. • Assesses for effectiveness the risk control measures / risk treatment plans in reducing the severity of the risk(s).
Executive	<ul style="list-style-type: none"> • Creates an environment where staff are responsible for and actively involved in managing risk. • Oversight of the Shire's Risk Management Strategy. • Maintain and implement the Risk Management Strategy. • Ensures a consistent risk management approach is embedded in the operations and processes of the Shire. • Actively participates and supports the Risk Management Strategy through identification and creation of suitable risk treatments to control strategic and operational risks facing the Shire. • Monitors the strategic and operational risk management performance. • Reviews the Shire's Risk Summary Report prior to submission to the Audit & Risk Committee.
Staff	<ul style="list-style-type: none"> • Adopt and understand the principles of risk management and comply with policies, processes and practices relating to risk management. • Alert and bring to management's attention, the risks existing within their area. • Conduct risk assessments which are appropriate with the scope of the task and the associated level of risk identified.

RISK MANAGEMENT STRATEGY

Table 2: Consequence Ratings

Description	Performance	Financial	Environment	Reputation	Service Delivery / Business Disruption	Legislative / Regulatory / Policy /WHS
CATASTROPHIC	Unable to achieve key objectives. External resources required. Ongoing loss of critical infrastructure.	>15% of asset value. Adverse >15% deviation from budget. Audit unable to be completed.	Catastrophic long term environmental harm.	Significant damage to public confidence leading to sustained compromise in the achievement of strategic objectives.	Major, including several important areas of service and/or a protracted period. Ongoing loss of business systems.	Criminal instances of regulatory non-compliance. Extreme breaches of Code of Conduct. Personal details compromised / revealed – all. Death.
MAJOR	Major impact on ability to achieve key objectives. Impact cannot be managed with current allocated resources. Long-term loss of critical infrastructure.	5%-15% of asset value. Adverse 5%→15% deviation from budget. Audit qualification on the report and accounts.	Significant long-term environmental harm.	Local publicity of a major and persistent nature, affecting the perception/ standing within the community.	Complete loss of an important service area for a short period. Major disruption to business processes.	Major revenue or cost implications. Individuals at risk of harm. Significant breaches of Code of Conduct. Personal details compromised / revealed – many. Multiple serious injuries.
MODERATE	Moderate impact on ability to achieve key objectives. Significant adjustment to resource allocation. Loss of support infrastructure.	2%-5% of asset value. Adverse 2%→5% deviation from budget. Management letter contains significant issues.	Significant short-term environmental harm.	Damage to reputation to a specific audience, may not have significant long-term or community effects.	Major effect to an important service area for a short period, brief impact on multiple areas. Moderate disruption to business processes.	Minor revenue or cost implications. Breach of Code of Conduct. Personal details compromised / revealed – some. Serious injury and/or illness.
MINOR	Minor impact on ability to achieve key objectives. Additional internal management efforts required. Interruption to support infrastructure.	< 2 of asset value. Adverse impact on revenues and costs <2% deviation from budget. Management letter contains minor issues.	Minor transient environmental harm.	Minor damage to reputation to a small audience, complaint from a large group of people.	Brief disruption of important service area. Noticeable effect to non-crucial service area. Minor disruption to business processes.	Minor breaches of Code of Conduct. Personal details compromised / revealed – isolated. First aid or minor lost time injury.
INSIGNIFICANT	Negligible impact on ability to achieve key objectives. Impact can be managed through routine activities. Negligible interruption to support infrastructure.	Insignificant loss. Insignificant adverse impact on annual revenue or costs. Matters discussed with management not reported.	Negligible transient environmental harm.	Minor unsubstantiated publicity or damage to reputation to a small audience, complaint from individual/small group.	Negligible impact on the effectiveness of the organisation's processes. Negligible disruption to business processes.	Little or no impact to Code of Conduct. Personal details compromised / revealed - an individual's. Incident with or without minor injury.

RISK MANAGEMENT STRATEGY

Table 3: Risk Matrix

		CONSEQUENCE				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain	5	Medium	High	High	Extreme/Exceptional	Extreme/Exceptional
Likely	4	Medium	Medium	High	High	Extreme/Exceptional
Possible	3	Low	Medium	Medium	High	High
Unlikely	2	Low	Low	Medium	Medium	High
Rare	1	Very low	Low	Low	Medium	Medium

Table 4: Likelihood Rating

Likelihood	Definition	Frequency of Noted Occurrences	Score
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year	5
Likely	Occurrence is noticeable or is likely to occur. An opportunity that has been explored and may be achievable.	At least once per year	4
Possible	Occurs occasionally or may occur. Possible opportunity identified.	At least once in 5 years	3
Unlikely	Occurs infrequently or is not likely to occur. Opportunity that is fairly unlikely to happen.	At least once in 10 years	2
Rare	Only occurs in exceptional circumstances. Opportunity that is very unlikely to happen.	Less than once in 20 years	1

Table 5: Risk Response

Risk	Action Required
Extreme/Exceptional	Immediate corrective action
High	Prioritised action required
Medium	Planned action required
Low	Planned action required
Very low	Manage by routine procedures

RISK MANAGEMENT STRATEGY

Date approved:	TBD
Responsible officer:	TBD
Endorsed by:	TBD
Approved by:	Chief Executive Officer
Next review:	20xx

TERMINOLOGY

Definitions	
Consequence	The outcome of an event affecting achievement of organisational objectives.
Control	A measure that modifies a risk or manages risks within an organisation.
Establishing the context	Defining the external and internal parameters to be taken into account when managing risk and setting the scope and evaluating the significance of a risk (i.e. risk criteria).
Event	The occurrence or change of a particular set of circumstances.
Likelihood	The chance of a risk event occurring.
Monitoring	Continual checking, critically observing or determining status in order to identify change from the performance level required or expected.
Operational risk	Operational risks are linked to the Business Plan objectives and take into consideration risks which will prevent departments from delivering their annual business plans and ongoing services to the community.
Residual risk	The risk remaining after risk treatment.
Risk	The effect of uncertainty on objectives. The focus should be on the effect of incomplete knowledge of events or circumstances on the Shire's decision making.
Risk analysis	The process to comprehend the nature of risk and to determine the level of risk.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk attitude	The organisation's approach to assessing and eventually pursuing, retaining, taking or turning away from risk.
Risk criteria	The terms of reference against which the significance of a risk is evaluated.
Risk evaluation	The process of comparing the results of a risk analysis with the risk criteria to determine whether the risk and/or its magnitude are acceptable or tolerable.
Risk identification	The process of finding, recognising and describing risks.
Risk management	The co-ordinated activities to direct and control an organisation with requirements to manage risk.

TERMINOLOGY

Definitions	
Risk management policy	The Shire's statement of overall intention and direction related to risk management.
Risk owner	The person with the accountability and authority to manage a risk.
Risk profile	The acceptable level of risk an organisation is prepared to accept. For the purposes of this Framework, the Shire's risk profile is the overall exposure to risk based on its aggregated risks, at a point in time.
Risk source	An element that, either alone or in combination, has the intrinsic potential to give rise to a risk.
Risk treatment	The process to modify risk.
Stakeholder	A person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity.
Strategic risk	Strategic risks are the risks that will prevent the Shire from meeting the objectives outlined in its Plan for the Future.
<i>Reference: ISO 31000:2018 Risk management—Guidelines</i>	

7 INFORMATION REPORTS

Nil.

8 ELECTED MEMBER MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

9 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil.

10 NEXT MEETING

The next meeting of the Audit & Risk Committee is to be held on 23 June 2022 at the Shire Offices in Menzies commencing at 11.00am.

11 CLOSURE OF MEETING

The Chairperson declared the meeting closed at _____.