



## MINUTES

### CERTIFICATION OF CONFIRMATION OF AUDIT COMMITTEE MINUTES

6 MARCH 2014

I, Cr David Färdig hereby certify that the minutes from the Audit Committee Meeting held on 6 March 2014 pages (1) to (53) were confirmed at a Committee meeting held on 5 June 2014.

  
Signature

Cr David Färdig  
Person presiding at Meeting

## AUDIT COMMITTEE

### MINUTES

6 March 2014

(REF: D2014/00254)

A meeting of the Audit Committee was held at the EMRC Administration Office, 1<sup>st</sup> Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 6 March 2014**. The meeting commenced at **6:30pm**.

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## 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chief Executive Officer opened the meeting at 6:30pm.

## 2 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

### Councillor Attendance

Cr Gerry Pule (until 6:46pm)	EMRC Member	Town of Bassendean
Cr Chris Cornish	EMRC Member	City of Bayswater
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Bob Perks (Deputising for Cr Pilgrim)	EMRC Deputy Member	Shire of Mundaring
Cr Dylan O'Connor	EMRC Member	Shire of Kalamunda
Cr Charlie Zannino (Deputising for Cr Färdig)	EMRC Member	City of Swan

### Leave of Absence Previously Approved

Cr Färdig (from 6/03/2014 to 25/03/2014 inclusive)

### Apologies

Cr Alan Pilgrim	EMRC Member	Shire of Mundaring
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### EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr David Ameduri	Manager Financial Services
Ms Terri-Ann Ashton	Manager, Administration and Compliance
Mrs Annie Hughes-d'Aeth	Personal Assistant to Director Corporate Services (Minutes)

## 3 DISCLOSURE OF INTERESTS

Nil

## 4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

Nil



## **5 ELECTION OF AUDIT COMMITTEE CHAIRMAN AND DEPUTY CHAIRMAN**

### **5.1 ELECTION OF A CHAIRMAN OF THE AUDIT COMMITTEE**

**REFERENCE: D2014/00253**

#### **PURPOSE OF REPORT**

To provide for an election to be conducted for the office of Chairman of the Audit Committee (AC).

#### **KEY ISSUES AND RECOMMENDATION(S)**

- It is a statutory requirement that a Committee elects a Chairman at the first meeting of the AC after an Ordinary Council elections day.

#### **Recommendation(s)**

That the members of the Audit Committee elect a Chairman by secret ballot.

#### **SOURCE OF REPORT**

Director Corporate Services  
Manager Administration & Compliance

#### **BACKGROUND**

A Special Meeting of Council was held on Thursday 7 November 2013, the EMRC Chairman and Deputy Chairman were elected and members to the EMRC Committees were appointed.

#### **AC MEMBERS 2013-2015**

The following AC members were appointed to the AC at the Special Meeting of Council held on 7 November 2013:

EMRC Member	Cr Gerry Pule	Town of Bassendean
EMRC Member	Cr Chris Cornish	City of Bayswater
EMRC Member	Cr Steve Wolff	City of Belmont
EMRC Member	Cr Dylan O'Connor	Shire of Kalamunda
EMRC Member	Cr Alan Pilgrim	Shire of Mundaring
EMRC Member	Cr David Färdig	City of Swan

In accordance with section 5.12(1) of the Local Government Act 1995, (the Act) the members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3, Division 1.

It is a requirement of Schedule 2.3 of the Act that the election is conducted by the Chief Executive Officer and the nominations for the Office are to be given to the Chief Executive Officer in writing before the meeting or during the meeting before the close of nominations. Furthermore, if a member is nominated by another member the Chief Executive Officer is not to accept the nomination unless the nominee has advised the Chief Executive Officer, orally or in writing, that he or she is willing to be nominated for the Office. Members are to vote on the matter by secret ballot.

The procedure outlined in Schedule 2.3 of the Act will be followed if there is an equality of votes.



*Item 5.1 continued*

## **REPORT**

The Chief Executive Officer will preside at the meeting until the office of Chairman is filled.

The following material accompanies the agenda for this meeting as a means of assisting members of the Committee to nominate themselves or another member for the Office of Chairman of the AC.

1. Audit Committee Terms of Reference
2. A blank nomination form for the Office of Chairman of the AC, nominate oneself
3. A blank nomination form for the Office of Chairman of the AC, nominate another
4. A blank ballot paper for Election of Chairman of the AC

Ballot papers will be made available prior to voting.

The completed nomination forms are to be given to the Chief Executive Officer before the meeting or when the Chief Executive Officer calls for them when dealing with this item at the meeting.

## **STRATEGIC/POLICY IMPLICATIONS**

Council Policy 2.1 Committees of Council provides for the establishment of the Audit Committee.

Key Result Area 4 – Good Governance

- 4.3 To provide responsible and accountable Governance and Management of the EMRC

## **FINANCIAL IMPLICATIONS**

Nil

## **SUSTAINABILITY IMPLICATIONS**

Nil

## **MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## **ATTACHMENT(S)**

1. Audit Committee Terms of Reference (D2014/02518)
2. A blank nomination form for the Office of Chairman of the AC, nominate oneself (Ref: D2014/00299)
3. A blank nomination form for the Office of Chairman of the AC, nominate another (Ref: D2014/00299)
4. Ballot Paper – Election of AC Chairman (Ref: D2014/00295)



*Item 5.1 continued*

#### VOTING REQUIREMENT

Secret Ballot

#### **RECOMMENDATION(S)**

That the members of the Audit Committee elect a Chairman by secret ballot.

The Chief Executive Officer (CEO) advised that he had received one (1) nomination for the Office of Chairman of the Audit Committee prior to the meeting and called for further nominations.

No further nominations were received.

#### **ANNOUNCEMENT: OF THE OFFICE OF CHAIRMAN**

There being no further nominations, the CEO declared Cr David Färdig Chairman of the Audit Committee unopposed for the term commencing 6 March 2014 until 2015.

The CEO congratulated Cr Färdig.

As Cr Färdig was an apology for the meeting, the CEO continued to chair the meeting and proceeded with the next item of the meeting.

## **TERMS OF REFERENCE**

### **AUDIT COMMITTEE**

#### **1 OBJECTIVES OF COMMITTEE:**

1.1 The Audit Committee (AC) is a formally appointed committee of Council and is responsible to that body. It has been established to assist Council with:

- (a) The effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of controls.
- (b) The co-ordination of relevant activities of management, compliance, internal audit, external audit and to facilitate achieving overall organisational objectives in an efficient and effective manner.
- (c) The facilitation of:
  - the enhancement of the credibility and objectivity of internal and external financial reporting;
  - effective management of financial and other risks and the protection of Council assets;
  - compliance with laws and regulations as well as use of best practice guidelines;
  - the provision of an effective means of communication between the external auditor, internal audit, management and the Council;
  - the allocation of the EMRC's finances and resources.

#### **2 RESPONSIBILITIES**

The duties of the Audit Committee include the following:

2.1 To review the scope of the internal audit plan and programme and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:

- (a) internal controls over revenue, expenditure, assets and liability processes
- (b) the efficiency, effectiveness and economy of significant EMRC programmes; and
- (c) compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.

2.2 Critically analyse and follow up any internal or external audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues, and any other matters relevant under the Committee's terms of reference. Review management's response to, and actions taken as a result of the issues raised.

2.3 Monitor the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

- 2.4 Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.
- 2.5 Review Council's draft annual financial report, focusing on:
  - (a) accounting policies and practices;
  - (b) changes to accounting policies and practices;
  - (c) the process used in making significant accounting estimates;
  - (d) significant adjustments to the financial report (if any) arising from the audit process;
  - (e) compliance with accounting standards and other reporting requirements;
  - (f) significant variances from prior years.
- 2.6 Recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.
- 2.7 Discuss with the external auditor the scope of the audit and the planning of the audit.
- 2.8 Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor and the resolution of such matters. Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the internal auditor and the Council if appropriate.
- 2.9 Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

### **3 MEMBERSHIP:**

- 3.1 The Audit Committee will comprise of:
  - a. Six Councillors, one from each member Council.
  - b. A deputy member of the Committee will be appointed
- 3.2 Members and Deputies will be appointed for a period of two years following each ordinary Council election.
- 3.3 The Chief Executive Officer and the Director Corporate Services will attend all meetings except when the Committee chooses to meet in camera.
- 3.4 An Internal Auditor (whether a member of staff or contractor) will attend meetings where internal audit reports are being considered by the committee

### **4 MEETINGS**

- 4.1 The Audit Committee will meet as required at the discretion of the chairperson of the committee and at least three times per year to coincide with:
  - a. approval of strategic and annual plans
  - b. approval of the annual budget; and



- c. the auditor's report on the annual financial report.
- 4.2 Additional meetings will be convened at the discretion of the Chairperson.

## **5 OPERATING PROCEDURES**

- 5.1 All meetings of the AC are to be conducted in accordance with the Local Government Act 1995, associated Regulations and the *EMRC Standing Orders Local Law 1998*.
- 5.2 A quorum for a meeting of the Committee shall be at least four of the number of offices (whether vacant or not) of members of the Committee.
- 5.3 Voting
- a. All decisions of the Committee shall be made on the basis of a simple majority decision of the members present or, if another kind of majority has been prescribed by regulations for the particular kind of decision, by that kind of majority.
  - b. If the decision results in a tied vote, the person presiding is to cast a second vote.
  - c. Persons other than Committee members are not entitled to cast a vote.
  - d. All other aspects related to voting procedure shall be consistent with relevant sections of the EMRC Standing Orders Local Law 1998
- 5.4 Other EMRC staff or member Council staff may attend meetings, at the discretion of the Chief Executive Officer and/or the Committee Chairperson, to provide advice and information when required.
- 5.5 Representatives of the External Auditor will be invited to attend meetings at the discretion of the Committee but MUST attend meetings considering the draft annual financial report and results of the external audit.

## **6 REPORTING**

- 6.1 The Committee shall after every meeting forward the minutes of that meeting to the next Ordinary Meeting of Council, including a report explaining any specific recommendations and key outcomes

## **7 DELEGATED POWER**

- 7.1 The Committee does not have authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility.

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### **Related Documentation:**

- Policy 1.2 Meetings  
Policy 2.1 Committees of Council  
Policy 3.1 Annual Financial Reporting  
Policy 7.1 Risk Management Policy

EMRC Standing Orders Local Law 2013

EMRC Code of Conduct

### **Administration:**

- Adopted / Reviewed by Council: 23 September 2010  
Next Review: Following the Ordinary Elections in 2013  
Responsible: Director Corporate Services



**Nomination for Chairman  
Audit Committee**

To the Chief Executive Officer

I hereby nominate myself, \_\_\_\_\_ for the position of Chairman of the Eastern Metropolitan Regional Council Audit Committee for the term of Office commencing on the date of the election and continuing until the next ordinary elections day and/or other circumstances occur in accordance with Section 5.11 of the Local Government Act 1995.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



## **Nomination for Chairman Audit Committee**

To the Chief Executive Officer

I hereby nominate \_\_\_\_\_ for the position of Chairman of the Eastern Metropolitan Regional Council Audit Committee for the term of Office commencing on the date of the election and continuing until the next ordinary elections day and/or other circumstances occur in accordance with Section 5.11 of the Local Government Act 1995.

.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

\*I \_\_\_\_\_ hereby certify that I accept the above nomination to the position of Chairman of the Eastern Metropolitan Regional Council Audit Committee.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

\*This certificate is to be completed when a Representative is nominated by another Representative.



**Eastern Metropolitan Regional Council  
AC Thursday 6 March 2014**

**BALLOT PAPER FOR THE  
ELECTION OF THE AC CHAIRMAN**

***HOW TO VOTE***

**Place a tick  in the box next to the candidate you want  
to elect.  
Do not make any other marks on the ballot paper.**

***First Name, Last Name***

***First Name, Last Name***



## 5.2 ELECTION OF A DEPUTY CHAIRMAN OF THE AUDIT COMMITTEE

**REFERENCE: D2014/00252**

### PURPOSE OF REPORT

To provide for an election to be conducted for the office of Deputy Chairman of the Audit Committee (AC).

### KEY ISSUES AND RECOMMENDATION(S)

- In accordance with section 5.12(2) of the Local Government Act 1995, the members of a committee may elect a deputy presiding member from amongst themselves.

#### **Recommendation(s)**

That the members of the Audit Committee elect a Deputy Chairman by secret ballot.

### SOURCE OF REPORT

Director Corporate Services  
Manager Administration & Compliance

### BACKGROUND

A Special Meeting of Council was held on Thursday 7 November 2013, the EMRC Chairman and Deputy Chairman were elected and members to the EMRC Committees were appointed.

### AC MEMBERS 2013-2015

The following AC members were appointed to the AC at the Ordinary Meeting of Council held on 7 November 2013:

EMRC Member	Cr Gerry Pule	Town of Bassendean
EMRC Member	Cr Chris Cornish	City of Bayswater
EMRC Member	Cr Steve Wolff	City of Belmont
EMRC Member	Cr Dylan O'Connor	Shire of Kalamunda
EMRC Member	Cr Alan Pilgrim	Shire of Mundaring
EMRC Member	Cr David Färdig	City of Swan

In accordance with section 5.12(2) of the Local Government Act 1995, (the Act) the members of a committee may elect a deputy presiding member from amongst themselves.

It is a requirement of Schedule 2.3 of the Act that the election is conducted by the Chairman and the nominations for the Office are to be given to the Chairman in writing before the meeting or during the meeting before the close of nominations. Furthermore, if a member is nominated by another member, the Chairman is not to accept the nomination unless the nominee has advised the Chairman, orally or in writing, that he or she is willing to be nominated for the Office. Members are to vote on the matter by secret ballot.

The procedure outlined in Schedule 2.3 of the Act will be followed if there is an equality of votes.



*Item 5.2 continued*

## REPORT

The following material accompanies the agenda for this meeting as a means of assisting members of the Committee to nominate themselves or another member for the Office of Deputy Chairman of the AC.

1. A blank nomination form for the Office of Deputy Chairman of the AC, nominate oneself
2. A blank nomination form for the Office of Deputy Chairman of the AC, nominate another
3. A blank ballot paper for Election of Deputy Chairman of the AC

Ballot papers will be made available prior to voting.

The completed nomination forms are to be given to the CEO or to the Chairman when the Chairman calls for them when dealing with this item at the meeting.

## STRATEGIC/POLICY IMPLICATIONS

Council Policy 2.1 Committees of Council provides for the establishment of the Audit Committee.

Key Result Area 4 – Good Governance

- 4.3 To provide responsible and accountable Governance and Management of the EMRC

## FINANCIAL IMPLICATIONS

Nil

## SUSTAINABILITY IMPLICATIONS

Nil

## MEMBER COUNCIL IMPLICATIONS

Member Council	Implication Details
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## ATTACHMENT(S)

1. A blank nomination form for the Office of Deputy Chairman of the AC, nominate oneself (Ref: D2014/00302)
2. A blank nomination form for the Office of Deputy Chairman of the AC, nominate another (Ref: D2014/00302)
3. Ballot Paper – Election of AC Deputy Chairman (Ref: D2014/00297)



*Item 5.2 continued*

#### VOTING REQUIREMENT

Secret Ballot

#### **RECOMMENDATION(S)**

That the members of the Audit Committee elect a Deputy Chairman by secret ballot.

The CEO advised that he had received one (1) nomination for the Office of Deputy Chairman of the Audit Committee prior to the meeting. Cr Pule nominated Cr Steve Wolff who accepted the nomination.

The CEO called for further nominations. No further nominations were received.

#### **ANNOUNCEMENT: OF THE OFFICE OF DEPUTY CHAIRMAN**

There being no other nominations, Cr Steve Wolff was declared Deputy Chairman of the Audit Committee for the term commencing 6 March 2014 until 2015.

The CEO congratulated Cr Wolff and vacated the Chair at 6:31pm.

At 6:31pm, Cr Wolff took the Chair.





## **Nomination for Deputy Chairman Audit Committee**

To the Chief Executive Officer

I hereby nominate myself, \_\_\_\_\_ for the position of Deputy Chairman of the Eastern Metropolitan Regional Council Audit Committee for the term of Office commencing on the date of the election and continuing until the next ordinary elections day and/or other circumstances occur in accordance with Section 5.11 of the Local Government Act 1995.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



## **Nomination for Deputy Chairman Audit Committee**

To the Chief Executive Officer

I hereby nominate \_\_\_\_\_ for the position of Deputy Chairman of the Eastern Metropolitan Regional Council Audit Committee for the term of Office commencing on the date of the election and continuing until the next ordinary elections day and/or other circumstances occur in accordance with Section 5.11 of the Local Government Act 1995.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

\*I \_\_\_\_\_ hereby certify that I accept the above nomination to the position of Deputy Chairman of the Eastern Metropolitan Regional Council Audit Committee.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

\*This certificate is to be completed when a Representative is nominated by another Representative.



**Eastern Metropolitan Regional Council  
AC Thursday 6 March 2014**

**BALLOT PAPER FOR THE  
ELECTION OF THE AC DEPUTY CHAIRMAN**

***HOW TO VOTE***

Place a tick  in the box next to the candidate you want to elect.

Do not make any other marks on the ballot paper.

***First Name, Last Name***

***First Name, Last Name***



**6 PETITIONS, DEPUTATIONS AND PRESENTATIONS**

Nil

**7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**7.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 5 SEPTEMBER 2013**

That the Minutes of the Audit Committee meeting held 5 September 2013, which have been distributed, be confirmed.

**AC RESOLUTION(S)**

MOVED CR PULE

SECONDED CR O'CONNOR

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 5 SEPTEMBER 2013, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

**CARRIED UNANIMOUSLY**

**8 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**9 QUESTIONS BY MEMBERS WITHOUT NOTICE**

Nil

**10 ANNOUNCEMENT OF CONFIDENTIAL MATTERS FOR WHICH MEETINGS MAY BE CLOSED TO THE PUBLIC**

Nil

**11 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING**

Nil



## **12 REPORTS OF EMPLOYEES**

### **12.1 HALF YEAR BUDGET REVIEW 2013/2014**

**REFERENCE: D2014/00304**

#### **PURPOSE OF REPORT**

The purpose of this report is to provide Council, via the Audit Committee, with an overview of the Eastern Metropolitan Regional Council's (EMRC's) 2013/2014 budget review for adoption and subsequent submission to the Department of Local Government.

#### **KEY ISSUES AND RECOMMENDATION(S)**

- It is a requirement of the Local Government (Financial Management) Regulations 1996 (r.33A) that a Local Government, between 1 January and 31 March in each year, is to carry out a review of its annual budget for that year.
- Council receives monthly financial reports inclusive of end of year forecasts. Forecasts have been constantly monitored and reviewed based on current information and circumstances available to provide a more accurate forecast of the year end result.

#### **Recommendation(s)**

That Council, by an absolute majority in accordance with the provisions of Local Government (Financial Management) Regulations 1996 r.33A, adopts the review of the 2013/2014 budget and approve its submission to the Department of Local Government and Communities within 30 days.

#### **SOURCE OF REPORT**

Director Corporate Services  
Manager Financial Services

#### **BACKGROUND**

It is a requirement of the Local Government (Financial Management) Regulations 1996 (r.33A) that a Local Government, between 1 January and 31 March in each year, is to carry out a review of its annual budget for that year.

Regulation 33A(2) also states that 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 who is to consider the review submitted to it and is to determine, by absolute majority, whether or not to adopt the review, any parts of the review or any recommendation made to the review.

The EMRC's budget is presented in a format that separates operating income and expenditure from other revenue and expenses to provide improved disclosure of Council's underlying operating result.

Submitted to each meeting of Council is a financial report and summaries which provide an overview of year to date budget performance for operating activities and capital works. Variances greater than 10% or \$10,000, whichever is the greater, within each nature and type category on the Income Statement are reported on in the body of the report. Also included are end of year forecasts by nature and type for operating activities and end of year forecasts for each capital works project. These forecasts are reviewed regularly in order to provide an accurate forecast of the end of year result.



*Item 12.1 continued*

## **REPORT**

In compliance with the Local Government (Financial Management) Regulations 1996 (r.33A), the EMRC currently undertakes forecast reviews in November and January of each financial year with changes incorporated within the financial report submitted to Council at its next ordinary meeting.

### **Format of Budget Review**

The format of the review undertaken is based on a review by officers of all EMRC accounts (operating income, operating expenditure and capital expenditure accounts) within their area of responsibility.

A review of the tonnages budgeted to be received at the Red Hill Waste Management Facility is also undertaken. Tonnage budgets are reviewed to provide a forecast of volumes expected to be received by 30 June 2014. These forecasts, when calculated against the previously adopted disposal rates, provide financial forecasts relating to the following:

- Income from normal operations (including landfill levy);
- Secondary Waste Income;
- Landfill Levy Expenditure;
- Carbon Price;
- Waste Education Levy Income; and
- Cell usage and depreciation.

All forecasts, which are an actual review of the budgets set against each account, are input into the financial management system in order to provide a more accurate forecast of the end of year result.

The year to date monthly budget allocations are also reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. Effort is undertaken to ensure that the year to date budget allocations best reflect the timing applicable either to expenditure expected to be incurred or income to be received. This process commences immediately following adoption of the budget and is constantly being monitored and reviewed based on current information and circumstances available. This process provides a better comparison between the year to date actual and year to date budget figures.

### **Adjustments resulting from Budget Review**

EMRC officers undertook the latest review based on the actual financial data provided for the period ended 31 December 2013. The financial report relating to the period ended 31 January 2014 will be submitted to Council at its meeting to be held on 20 March 2014. Variances reported in that report will be based on the budget review as specified within the body of this report. This is undertaken as part of the EMRC's ongoing budget and forecast review process and in accordance with Council's adopted criteria.

In accordance with the process followed in previous years, the original budget is not updated with the revised forecasts, as relevant regulations require the end of year results to be compared to the original adopted annual budget, rather than the reviewed budget

Whilst it is accepted that many costs are incurred generally within a specific pattern, many are not. These may include costs incurred relating to operating and capital projects, for which the EMRC have many, and depend solely on the timing of when the project is undertaken.



*Item 12.1 continued*

Outlined below is a summary of the forecast changes to budget provisions resulting from the half year budget review:

(Increase) / (Decrease) in Operating Income/Other Revenues:	\$8,386,861
(Increase) / (Decrease) in Operating Expenditure/Other Expenses:	(\$5,045,190)
(Increase) / (Decrease) in Change in net assets from operations:	\$3,341,671
(Increase) / (Decrease) in Capital Expenditure:	(\$4,723,777)
(Increase) / (Decrease) in overall expenditure:	(\$1,382,106)

Provided below is a summary of changes between the original budget and the forecast for the financial year ending 30 June 2014. Comments are provided for significant variances using Council's adopted criteria of 10% or \$10,000, which ever is the greater, as a guide:

**Operating Income/Other Revenues**

User Charges

- Current Budget: \$38,874,520    Forecast Budget: \$31,486,907    Variance: (\$7,387,613);    (19.00%)

The full year forecast for User Charges is below the annual budget by \$7,387,612 (19.00%). This is due to the City of Stirling ceasing disposing of their tonnages at Red Hill with effect from 5 August 2013 with only 10,553 tonnes of the budgeted 100,000 tonnes for the 2013/2014 financial year having been received from them. This was subject to a report (Ref: DMDOC/185229) submitted to Council at its meeting held on 19 September 2013.

Special Charges

- Current Budget: \$362,143    Forecast Budget: \$385,080    Variance: \$22,937    6.33%

Contributions

- Current Budget: \$724,646    Forecast Budget: \$647,517    Variance: (\$77,129);    (10.64%)

The full year forecast for Contributions is below the annual budget by \$77,129 (10.64%) and is attributable to income for Environmental consulting services (\$16,744 forecast compared to a budget provision of \$30,000) and for Environmental services future projects (\$30,000 forecast compared to a budget provision of \$90,000). This is as a result of Member Councils not fully participating in proposed projects. This reduction however is offset by additional Environmental services grant funds forecast to be received by year end.

Operating Grants

- Current Budget: \$1,015,800    Forecast Budget: \$1,186,300    Variance: \$170,500;    16.78%

The full year forecast for Operating Grants is above the annual budget by \$170,500 (16.78%). This is attributable to the timing of the Community Energy Efficient program (CEEP) which has been forecast to receive an additional \$258,000 brought forward from 2014/2015. This is offset by a forecast reduction of \$62,500 in grant funds for the Eastern Hills Catchment Management Programme (EHCM) due to an unsuccessful application by Perth Region NRM for "Caring for Country" grant funding.



*Item 12.1 continued*

Interest Municipal Cash & Investments

- Current Budget: \$278,303      Forecast Budget: \$410,000      Variance: \$131,697;      47.32%

The full year forecast for Interest on Municipal Funds is above the annual budget by \$131,697 or 47.32%. This is as a result of the forecast lower level of operating and capital expenditure to year end together with a higher average interest rate forecast for the year (4.02%) compared to the budgeted rate of 3.70%.

Reimbursements

- Current Budget: \$886,567      Forecast Budget: \$893,164      Variance: \$6,597;      0.74%

Other Income

- Current Budget: \$1,759,404      Forecast Budget: \$1,239,364      Variance: (\$520,040);      (29.56%)

The full year forecast for Other Income of \$1,239,364 is \$520,040 (29.56%) below the budget of \$1,759,404. This is mainly due to the lower than budgeted sales of mattress products forecast to be \$50,000 compared to the budget provision of \$400,000. As there is no market for the mattress steel in its current form, it is being stockpiled while more work is undertaken to maximise the return to the EMRC.

Also contributing to the variance is a forecast reduction in income (\$10,000 forecast compared to a budget provision of \$128,271) for the sale of products relating to the Lime Amended Bio-Clay project due to delays by the Water Corporation. As a result of EMRC operational imperatives this project is ceasing and is subject to a separate report tabled with the Technical Advisory Committee (TAC) at its March Meeting.

Secondary Waste Charge (Other Revenues)

- Current Budget: \$5,690,727      Forecast Budget: \$5,039,870      Variance: (\$650,857);      (11.44%)

The full year forecast for Secondary Waste Charge is \$650,857 (11.44%) below the budget of \$5,690,727 due to the reduced tonnages from the City of Stirling as outlined earlier in this report.

Interest Restricted Cash Investments (Other Revenues)

- Current Budget: \$1,547,814      Forecast Budget: \$1,573,849      Variance: \$26,035;      1.68%

Reimbursements (Other Revenues)

- Current Budget: \$2,169      Forecast Budget: \$2,169      Variance: \$0;      0.00%

Proceeds from Sale of Assets (Other Revenues)

- Current Budget: \$724,614      Forecast Budget: \$615,626      Variance: (\$108,988);      (15.04%)

The full year forecast for the Proceeds from Sale of Assets is \$108,988 (15.04%) below the budget of \$724,614 due to the timing of vehicles budgeted for change over during the current financial year. Based on current usage figures it is expected that there will be less change over this year than originally budgeted. There is a corresponding reduction in the expenditure, Carrying Amount of Assets Disposed of totalling, \$104,464 to offset this.

**Operating Expenditure**

Salary Expenses

- Current Budget: \$9,801,805      Forecast Budget: \$7,850,953      Variance: \$1,950,852;      19.90%

The variance is attributable to unfilled positions as well as lower overtime costs forecast compared to budget.





*Item 12.1 continued*

Contract Expenses

- Current Budget: \$6,608,817      Forecast Budget: \$6,629,853      Variance: (\$21,036);      (0.32%)

Material Expenses

- Current Budget: \$1,146,270      Forecast Budget: \$1,139,931      Variance: \$6,339;      0.55%

Utility Expenses

- Current Budget: \$265,536      Forecast Budget: \$297,128      Variance: (\$31,592);      (11.90%)

The variance is attributable to additional electricity expenses incurred at the Hazelmere site including additional costs associated with an increase in utilisation of the grinder.

Fuel Expenses

- Current Budget: \$844,764      Forecast Budget: \$814,474      Variance: \$30,290;      3.59%

Finance Fees and Interest Expenses

- Current Budget: \$20,683      Forecast Budget: \$20,683      Variance: \$0;      0.00%

Insurance Expenses

- Current Budget: \$281,030      Forecast Budget: \$288,278      Variance: (\$7,248);      (2.58%)

Depreciation Expenses

- Current Budget: \$6,420,134      Forecast Budget: \$5,652,255      Variance: \$767,879;      11.96%

The full year forecast for Depreciation Expenses is \$767,879 (11.96%) below the budget of \$6,420,134. This relates primarily to lower than budgeted usage of Class III airspace consumed following the reduced tonnages from the City of Stirling as outlined earlier in this report.

Miscellaneous Expenses (incl. landfill levy expenditure)

- Current Budget: \$12,969,658      Forecast Budget: \$10,632,890      Variance: \$2,336,768;      18.02%

The full year forecast Miscellaneous Expenses is \$2,336,768 (18.02%) below the budget of \$12,969,658. This is due to lower Landfill Levy expenses (\$7,417,309 forecast compared to a budget provision of \$9,319,768) and lower Carbon Price Expense provision (\$2,079,460 forecast compared to a budget provision of \$2,496,367) following the reduced tonnages from the City of Stirling as outlined earlier in this report.

Provision Expenses

- Current Budget: \$111,895      Forecast Budget: \$84,231      Variance: \$27,664;      24.72%

The full year forecast for Provision Expenses is \$27,664 (24.72%) below the budget of \$111,895. This is attributable to a lower Site Rehabilitation provision following the reduced tonnages from the City of Stirling as outlined earlier in this report.

Costs Allocated

- Current Budget: (\$424,451)      Forecast Budget: (\$266,543)      Variance: (\$157,908);      37.20%

The full year forecast for Costs Allocated of \$266,543 is \$157,908 (37.20%) below the budget \$424,451. This is due to the lower than budgeted level of plant utilisation on capital works projects as a result of a reduced level of capital expenditure.



*Item 12.1 continued*

Salary Expenses (Other Expenses)

- Current Budget: \$316,956      Forecast Budget: \$220,216      Variance: \$96,740;      30.52%

The full year Salary Expenses is \$96,740 (30.52%) below the budget of \$316,956. The lower salary expenditure relates to the promotion of the Manager Project Development to the role of Director Waste Services in the first half of 2013/2014 with the former position yet to be recruited for.

Contract Expenses (Other Expenses)

- Current Budget: \$754,630      Forecast Budget: \$834,980      Variance: (\$80,350);      (10.65%)

The variance is due to the timing of the Resource Recovery Project and the consultancy expenditure.

Material Expenses (Other Expenses)

- Current Budget: \$14,550      Forecast Budget: \$14,850      Variance: (\$300);      (2.06%)

Utility Expenses (Other Expenses)

- Current Budget: \$2,500      Forecast Budget: \$2,500      Variance: \$0;      0.00%

Insurance Expenses (Other Expenses)

- Current Budget: \$1,375      Forecast Budget: \$1,375      Variance: \$0;      0.00%

Depreciation Expenses (Other Expenses)

- Current Budget: \$12,020      Forecast Budget: \$10,534      Variance: \$1,486;      12.36%

Miscellaneous Expenses (Other Expenses)

- Current Budget: \$59,113      Forecast Budget: \$36,413      Variance: \$22,700;      38.40%

The variance is due to the timing of various Resource Recovery Project tasks which will be carried forward into the 2014/2015 financial year.

Carrying Amount of Assets Disposed Of (Other Expenses)

- Current Budget: \$450,859      Forecast Budget: \$346,395      Variance: \$104,464;      23.17%

The full year forecast for Carrying Amount of Assets Disposed Of is \$104,464 (23.17%) below the budget of \$450,859. This relates specifically to the timing of vehicles budgeted for change over during the 2013/2014 financial year that have not as yet attained the specified criteria for change over. This is offset by a reduction of \$108,988 in the Proceeds from Sale of Assets.

Costs Allocated (Other Expenses)

- Current Budget: \$264,451      Forecast Budget: \$266,009      Variance: (\$1,558);      (0.59%)

**Capital Expenditure**

- Current Budget: \$15,471,081      Forecast Budget: \$10,747,304      Variance: \$4,723,777;      30.53%

As a result of the City of Stirling ceasing disposal of its tonnages at the Red Hill Waste Management Facility, a review was undertaken of the Capital Expenditure budget in September 2013. This resulted in \$2,155,675 (13.93%) of Capital Expenditure being deferred and carried forward. A further review has been undertaken as part of the half year budget review. It was established overall that the approval process with DER in obtaining works approval has been increasingly protracted. As a result of the continual delay outside of the EMRC's control, it has now been decided to construct the Class III –



*Item 12.1 continued*

Stage 15 cell in an area alongside the Stage 14 land. Whilst the permits are still being sought for the Farm Stage 3 land, works are able to commence on Stage 15 without delays.

This has resulted in a budget forecast reduction of \$3,215,000 for the construction of Class III Cell - Stage 14 and a forecast increase of \$1,600,000 for Class III Cell - Stage 15. The variance has been carried forward to the 2014/2015 financial year.

\$2,568,102 is being deferred and carried forward. The impact of this is a reduction in the 2013/2014 Capital Expenditure budget total of \$15,471,081 to a forecast of \$10,747,304.

Significant reductions to capital budgets include the following:

- Construct Class III Cell - Stage 14 - \$3,215,000;
- Purchase / Replace Plant - Red Hill Landfill Facility - \$1,061,000;
- Purchase / Replace Plant - Hazelmere - \$865,000;
- Construct and Commission Resource Recovery Park Site Infrastructure - \$750,000;
- Construct and Commission Resource Recovery Park C & I Building - \$450,000;
- Construct access road to Lots 8,9 &10 - Red Hill Landfill Facility - \$375,000;
- Relocate Greenwaste Processing area - \$350,000;
- Purchase Information Technology & Communication Equipment - \$314,500;
- Construct Roads / Carparks - \$250,000;
- Construct and Commission Resource Recovery Park Pyrolysis Building - \$250,000;
- Purchase Vehicles - Ascot Place - \$227,514;
- Construct Hardstand and Road - Hazelmere - \$202,175;
- Construct Siltation Ponds 10 - Red Hill Landfill Facility - \$190,000;
- Construct Class III Leachate Pond 10 - Red Hill Landfill Facility - \$180,000;
- Construct and Commission Resource Recovery Park weighbridges - \$150,000;
- Construct Nutrient Stripping Pond - \$110,500;
- Construct and Commission Resource Recovery Park C & I Building - Plant & Equipment - \$100,000;
- Construct Perimeter Fencing - \$100,000; and
- Purchase / Replace Security System - Red Hill Landfill Facility - \$100,000.

This is offset by an increase in the following Capital Expenditure budget provisions following a review of the capital expenditure program:

- Resource Recovery Park Pyrolysis plant contract payments - \$2,370,378;
- Construct Class III Cell - Stage 15 - \$1,600,000;
- Construct Class III Cell - Farm Stage 2 - \$350,000;
- Construct Class III Cell - Farm Stage 3 - \$100,000; and
- Construct Class III Landfill Cell - Red Hill Farm Stage 1 Batter - \$400,000.

## **STRATEGIC/POLICY IMPLICATIONS**

### **Key Result Area 4 - Good Governance**

- 4.3 To provide responsible and accountable governance and management of the EMRC
- 4.4 To continue to improve financial and asset management practices



*Item 12.1 continued*

## **FINANCIAL IMPLICATIONS**

Nil

## **SUSTAINABILITY IMPLICATIONS**

Nil

## **ATTACHMENT(S)**

1. Income Statement by Nature and Type (Ref: D2014/02313)
2. Capital Expenditure Statement (Ref: D2014/02314)
3. Statement of Financial Position (Ref: D2014/02315)
4. Statement of Cash and Investments (Ref: D2014/02316)

## **VOTING REQUIREMENT**

Absolute Majority

## **RECOMMENDATION(S)**

That Council, by an absolute majority in accordance with the provisions of Local Government (Financial Management) Regulations 1996 r.33A, adopts the review of the 2013/2014 budget and approve its submission to the Department of Local Government and Communities within 30 days.

The CEO gave a brief overview of the budget and discussion ensued.

## **AUDIT COMMITTEE RECOMMENDATION(S)**

MOVED CR PERKS

SECONDED CR PULE

That Council, by an absolute majority in accordance with the provisions of Local Government (Financial Management) Regulations 1996 r.33A, adopts the review of the 2013/2014 budget and approve its submission to the Department of Local Government and Communities within 30 days.

**CARRIED UNANIMOUSLY**



## STATEMENT OF COMPREHENSIVE INCOME

### Nature and Type

Year to Date				JANUARY 2014			Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance			
<b>Operating Income</b>									
\$18,108,600	\$22,804,170	(\$4,695,570)	(U)	User Charges	\$31,486,907	\$38,874,520	(\$7,387,613)	(U)	
\$218,869	\$216,901	\$1,968	(F)	Special Charges	\$385,080	\$362,143	\$22,937	(F)	
\$563,696	\$622,007	(\$58,311)	(U)	Contributions	\$647,517	\$724,646	(\$77,129)	(U)	
\$443,674	\$468,383	(\$24,709)	(U)	Operating Grants	\$1,186,300	\$1,015,800	\$170,500	(F)	
\$372,475	\$162,337	\$210,138	(F)	Interest Municipal Cash Investments	\$410,000	\$278,303	\$131,697	(F)	
\$502,019	\$495,002	\$7,017	(F)	Reimbursements	\$893,164	\$886,567	\$6,597	(F)	
\$752,103	\$940,069	(\$187,966)	(U)	Other	\$1,239,364	\$1,759,404	(\$520,040)	(U)	
<b>\$20,961,436</b>	<b>\$25,708,869</b>	<b>(\$4,747,433)</b>	<b>(U)</b>	<b>Total Operating Income</b>	<b>\$36,248,332</b>	<b>\$43,901,383</b>	<b>(\$7,653,051)</b>	<b>(U)</b>	
<b>Operating Expenditure</b>									
\$4,270,035	\$5,640,184	\$1,370,149	(F)	Salary Expenses	\$7,850,953	\$9,801,805	\$1,950,852	(F)	
\$2,002,908	\$3,837,016	\$1,834,108	(F)	Contract Expenses	\$6,629,853	\$6,608,817	(\$21,036)	(U)	
\$396,568	\$630,053	\$233,485	(F)	Material Expenses	\$1,139,931	\$1,146,270	\$6,339	(F)	
\$171,350	\$155,883	(\$15,467)	(U)	Utility Expenses	\$297,128	\$265,536	(\$31,592)	(U)	
\$504,384	\$492,709	(\$11,675)	(U)	Fuel Expenses	\$814,474	\$844,764	\$30,290	(F)	
\$12,561	\$12,054	(\$507)	(U)	Finance Fees and Interest Expenses	\$20,683	\$20,683	\$0	(F)	
\$214,389	\$195,402	(\$18,987)	(U)	Insurance Expenses	\$288,278	\$281,030	(\$7,248)	(U)	
\$4,038,501	\$3,744,874	(\$293,627)	(U)	Depreciation Expenses	\$5,652,255	\$6,420,134	\$767,879	(F)	
\$6,038,513	\$7,556,210	\$1,517,697	(F)	Miscellaneous Expenses	\$10,632,890	\$12,969,658	\$2,336,768	(F)	
\$36,397	\$55,948	\$19,551	(F)	Provision Expenses	\$84,231	\$111,895	\$27,664	(F)	
(\$167,576)	(\$248,067)	(\$80,491)	(U)	Costs Allocated	(\$266,543)	(\$424,451)	(\$157,908)	(U)	
<b>\$17,518,030</b>	<b>\$22,072,266</b>	<b>\$4,554,236</b>	<b>(F)</b>	<b>Total Operating Expenditure</b>	<b>\$33,144,133</b>	<b>\$38,046,141</b>	<b>\$4,902,008</b>	<b>(F)</b>	
<b>\$3,443,406</b>	<b>\$3,636,603</b>	<b>(\$193,197)</b>	<b>(U)</b>	<b>OPERATING RESULT FROM NORMAL ACTIVITIES</b>	<b>\$3,104,199</b>	<b>\$5,855,242</b>	<b>(\$2,751,043)</b>	<b>(U)</b>	
Surplus	Surplus				Surplus	Surplus			

## Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies; and
5. Miscellaneous Expenses - includes the Landfill Levy expense of \$4,330,409 as at 31 January 2014.

Operating Income and Expenditure relates to the ordinary operations of the organisation.

Other Revenues and Expenses relates to the Resource Recovery Project, interest from cash reserves and disposal of assets.

(F) denotes Favourable variance and (U) denotes Unfavourable variance



# STATEMENT OF COMPREHENSIVE INCOME

## Nature and Type

JANUARY 2014

Year to Date

Full Year

Year to Date			Full Year					
Actual	Budget	Variance		Forecast	Budget	Variance		
<b>Other Revenues</b>								
\$2,795,346	\$3,372,507	(\$577,161)	(U)	Secondary Waste Charge	\$5,039,870	\$5,690,727	(\$650,857)	(U)
\$0	\$0	\$0	(F)	Operating Grants	\$0	\$0	\$0	(F)
\$995,738	\$902,860	\$92,878	(F)	Interest Restricted Cash Investments	\$1,573,849	\$1,547,814	\$26,035	(F)
\$1,304	\$1,260	\$44	(F)	Reimbursements	\$2,169	\$2,169	\$0	(F)
\$73,136	\$97,895	(\$24,759)	(U)	Proceeds from Sale of Assets	\$615,626	\$724,614	(\$108,988)	(U)
<b>\$3,865,524</b>	<b>\$4,374,522</b>	<b>(\$508,998)</b>	<b>(U)</b>	<b>Total Other Revenues</b>	<b>\$7,231,514</b>	<b>\$7,965,324</b>	<b>(\$733,810)</b>	<b>(U)</b>

## Other Expenses

\$104,940	\$176,492	\$71,552	(F)	Salary Expenses	\$220,216	\$316,956	\$96,740	(F)
\$278,195	\$437,391	\$159,196	(F)	Contract Expenses	\$834,980	\$754,630	(\$80,350)	(U)
\$3,672	\$8,435	\$4,763	(F)	Material Expenses	\$14,850	\$14,550	(\$300)	(U)
\$1,288	\$1,456	\$168	(F)	Utility Expenses	\$2,500	\$2,500	\$0	(F)
\$858	\$798	(\$60)	(U)	Insurance Expenses	\$1,375	\$1,375	\$0	(F)
\$6,152	\$7,007	\$855	(F)	Depreciation Expenses	\$10,534	\$12,020	\$1,486	(F)
\$11,479	\$34,398	\$22,919	(F)	Miscellaneous Expenses	\$36,413	\$59,113	\$22,700	(F)
\$68,143	\$93,510	\$25,367	(F)	Carrying Amount of Assets Disposed Of	\$346,395	\$450,859	\$104,464	(F)
\$164,579	\$154,232	(\$10,347)	(U)	Costs Allocated	\$266,009	\$264,451	(\$1,558)	(U)
<b>\$639,306</b>	<b>\$913,719</b>	<b>\$274,413</b>	<b>(F)</b>	<b>Total Other Expenses</b>	<b>\$1,733,272</b>	<b>\$1,876,454</b>	<b>\$143,182</b>	<b>(F)</b>

## Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments

\$0	\$0	\$0	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0	(F)
\$0	\$0	\$0	(F)	Realised (Gain)/Loss	\$0	\$0	\$0	(F)
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(F)</b>	<b>Total (Gain)/Loss from change in Fair Value of Investments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(F)</b>

## Revaluation of Assets

\$0	\$0	\$0	(F)	Revaluation of Assets	\$0	\$0	\$0	(F)
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(F)</b>	<b>Total Revaluation of Assets</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(F)</b>

<b>\$3,226,218</b>	<b>\$3,460,803</b>	<b>(\$234,585)</b>	<b>(U)</b>	<b>OPERATING RESULT FROM OTHER ACTIVITIES</b>	<b>\$5,498,242</b>	<b>\$6,088,870</b>	<b>(\$590,628)</b>	<b>(U)</b>
Surplus	Surplus				Surplus	Surplus		

<b>\$6,669,624</b>	<b>\$7,097,406</b>	<b>(\$427,782)</b>	<b>(F)</b>	<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>\$8,602,441</b>	<b>\$11,944,112</b>	<b>(\$3,341,671)</b>	<b>(U)</b>
Surplus	Surplus				Surplus	Surplus		



# CAPITAL EXPENDITURE STATEMENT

## JANUARY 2014

Year to Date						Full Year			
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance	
<b>Governance and Corporate Services</b>									
\$50,235	\$221,914	\$171,679	(F)	\$79,753	<b>Purchase Vehicles - Ascot Place</b> ( 24440/00 )	\$152,915	\$380,429	\$227,514	(F)
\$539	\$17,934	\$17,395	(F)	\$0	<b>Purchase Furniture Fittings &amp; Equipment - Corporate Services</b> ( 24510/01 )	\$30,750	\$30,750	\$0	(F)
\$199,282	\$524,328	\$325,047	(F)	\$3,480	<b>Purchase Information Technology &amp; Communication Equipment</b> ( 24550/00 )	\$584,350	\$898,850	\$314,500	(F)
\$0	\$17,500	\$17,500	(F)	\$0	<b>Purchase Art Works</b> ( 24620/00 )	\$30,000	\$30,000	\$0	(F)
\$0	\$10,206	\$10,206	(F)	\$0	<b>Capital Improvement Administration Building - Ascot Place</b> ( 25240/01 )	\$17,500	\$17,500	\$0	(F)
\$0	\$2,121	\$2,121	(F)	\$1,741	<b>Upgrade Security Equipment - Ascot Place</b> ( 25530/01 )	\$3,639	\$3,639	\$0	(F)
<b>\$250,055</b>	<b>\$794,003</b>	<b>\$543,948</b>	<b>(F)</b>	<b>\$84,973</b>		<b>\$819,154</b>	<b>\$1,361,168</b>	<b>\$542,014</b>	<b>(F)</b>



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2014

Year to Date			On (F) = Favourable variation Order (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance

## Environmental Services

\$0	\$875	\$875 (F)	\$0	Purchase Office Equipment - Environmental Services ( 24510/05 )	\$1,000	\$1,500	\$500 (F)
\$0	\$875	\$875 (F)	\$0	Purchase Office Furniture and Fittings - Environmental Services ( 24610/05 )	\$1,500	\$1,500	\$0 (F)
<b>\$0</b>	<b>\$1,750</b>	<b>\$1,750 (F)</b>	<b>\$0</b>		<b>\$2,500</b>	<b>\$3,000</b>	<b>\$500 (F)</b>

## Regional Development

\$0	\$581	\$581 (F)	\$0	Purchase Office Equipment - Regional Development ( 24510/04 )	\$1,000	\$1,000	\$0 (F)
\$0	\$581	\$581 (F)	\$0	Purchase Office Furniture and Fittings - Regional Development ( 24610/04 )	\$1,000	\$1,000	\$0 (F)
<b>\$0</b>	<b>\$1,162</b>	<b>\$1,162 (F)</b>	<b>\$0</b>		<b>\$2,000</b>	<b>\$2,000</b>	<b>\$0 (F)</b>

## Risk Management

\$0	\$287	\$287 (F)	\$0	Purchase Office Equipment - Risk Management ( 24510/06 )	\$500	\$500	\$0 (F)
\$0	\$287	\$287 (F)	\$0	Purchase Office Furniture and Fittings - Risk Management ( 24610/06 )	\$500	\$500	\$0 (F)
<b>\$0</b>	<b>\$574</b>	<b>\$574 (F)</b>	<b>\$0</b>		<b>\$1,000</b>	<b>\$1,000</b>	<b>\$0 (F)</b>

## Resource Recovery

\$0	\$17,500	\$17,500 (F)	\$0	Resource Recovery Park - Land ( 24150/05 )	\$30,000	\$30,000	\$0 (F)
\$0	\$291,662	\$291,662 (F)	\$0	Construct and Commission Resource Recovery Park - C & I Building ( 24259/04 )	\$50,000	\$500,000	\$450,000 (F)





# CAPITAL EXPENDITURE STATEMENT

JANUARY 2014

Year to Date				Full Year					
Actual	Budget	Variance	Order	On (F) = Favourable variation Order (U) = Unfavourable variation	Forecast	Budget	Variance		
<b>Resource Recovery</b>									
\$0	\$145,831	\$145,831	(F)	\$0	Construct and Commission Resource Recovery Park - Pyrolysis Building ( 24259/05 )	\$0	\$250,000	\$250,000	(F)
\$0	\$5,831	\$5,831	(F)	\$0	Construct and Commission Resource Recovery Park - Community Transfer Station ( 24259/06 )	\$10,000	\$10,000	\$0	(F)
\$5,280	\$29,162	\$23,882	(F)	\$0	Construct and Commission Resource Recovery Park - MRF ( 24259/09 )	\$50,000	\$50,000	\$0	(F)
\$0	\$87,500	\$87,500	(F)	\$0	Construct and Commission Resource Recovery Park - Weighbridges (x2) ( 24392/02 )	\$0	\$150,000	\$150,000	(F)
\$0	\$612,493	\$612,493	(F)	\$0	Construct and Commission Resource Recovery Park - Site Infrastructure ( 24399/01 )	\$300,000	\$1,050,000	\$750,000	(F)
\$165,886	\$583,331	\$417,445	(F)	\$0	Purchase Resource Recovery Park Pyrolysis - Plant & Equipment ( 24410/03 )	\$3,370,378	\$1,000,000	(\$2,370,378)	(U)
\$0	\$58,331	\$58,331	(F)	\$0	Purchase Resource Recovery Park C & I Building - Plant & Equipment ( 24410/04 )	\$0	\$100,000	\$100,000	(F)
\$0	\$581	\$581	(F)	\$0	Purchase Office Equipment - Resource Recovery ( 24510/07 )	\$1,000	\$1,000	\$0	(F)
\$0	\$581	\$581	(F)	\$0	Purchase Other Equipment - Resource Recovery ( 24590/07 )	\$1,000	\$1,000	\$0	(F)
\$0	\$581	\$581	(F)	\$0	Purchase Office Furniture and Fittings - Resource Recovery ( 24610/07 )	\$1,000	\$1,000	\$0	(F)
<b>\$171,166</b>	<b>\$1,833,384</b>	<b>\$1,662,218</b>	<b>(F)</b>	<b>\$0</b>		<b>\$3,813,378</b>	<b>\$3,143,000</b>	<b>(\$670,378)</b>	<b>(U)</b>



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
<b>Waste Management</b>							
\$24,761	\$54,754	\$29,993 (F)	\$136		\$93,886	\$93,886	\$0 (F)
				<b>Construct Waste Management Facility Buildings - Red Hill Landfill Facility ( 24250/01 )</b>			
\$0	\$54,243	\$54,243 (F)	\$0		\$93,000	\$93,000	\$0 (F)
				<b>Construct Waste Management Facility Buildings - Hazelmere ( 24250/02 )</b>			
\$4,100	\$0	(\$4,100) (U)	\$0		\$4,100	\$0	(\$4,100) (U)
				<b>Construct Weighbridge Office - Hazelmere ( 24250/03 )</b>			
\$0	\$15,981	\$15,981 (F)	\$0		\$16,600	\$27,400	\$10,800 (F)
				<b>Construct Storage Shed for Mattresses - Hazelmere ( 24250/05 )</b>			
\$0	\$11,662	\$11,662 (F)	\$0		\$0	\$20,000	\$20,000 (F)
				<b>Construct Lunchroom and Ablution Block - Red Hill Landfill Facility ( 24250/07 )</b>			
\$0	\$29,162	\$29,162 (F)	\$0		\$0	\$50,000	\$50,000 (F)
				<b>Construct Waste Management Facility Buildings - Other - Hazelmere ( 24259/02 )</b>			
\$0	\$0	\$0 (F)	\$0		\$350,000	\$0	(\$350,000) (U)
				<b>Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility ( 24310/11 )</b>			
\$78,134	\$1,875,412	\$1,797,278 (F)	\$18,665		\$1,600,000	\$3,215,000	\$1,615,000 (F)
				<b>Construct Class III Cell Stage 15 - Red Hill Landfill Facility ( 24310/12 )</b>			
\$0	\$0	\$0 (F)	\$0		\$100,000	\$0	(\$100,000) (U)
				<b>Construct Class III Landfill Cell Farm Stage 3 - Red Hill Landfill Facility ( 24310/13 )</b>			
\$0	\$0	\$0 (F)	\$0		\$400,000	\$0	(\$400,000) (U)
				<b>Construct Class III Landfill Cell - Red Hill Farm Stage 1 Batter ( 24310/14 )</b>			
\$0	\$105,000	\$105,000 (F)	\$0		\$0	\$180,000	\$180,000 (F)
				<b>Construct Class III Leachate Pond - Red Hill Landfill Facility ( 24320/01 )</b>			
\$34,452	\$8,750	(\$25,702) (U)	\$0		\$104,500	\$15,000	(\$89,500) (U)
				<b>Leachate Project - Red Hill Landfill Facility ( 24320/02 )</b>			
\$0	\$110,831	\$110,831 (F)	\$0		\$0	\$190,000	\$190,000 (F)
				<b>Construct Siltation Ponds - Red Hill Landfill Facility ( 24350/00 )</b>			



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2014

Year to Date			On (F) = Favourable variation Order (U) = Unfavourable variation	Full Year		
Actual	Budget	Variance		Forecast	Budget	Variance

## Waste Management

\$0	\$58,331	\$58,331	(F)	\$0	Construct Stormwater Control Pond - Red Hill Farm Stage I ( 24350/01 )	\$100,000	\$100,000	\$0	(F)
\$0	\$64,456	\$64,456	(F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility ( 24360/00 )	\$0	\$110,500	\$110,500	(F)
\$0	\$233,324	\$233,324	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility ( 24370/00 )	\$150,000	\$400,000	\$250,000	(F)
\$0	\$218,750	\$218,750	(F)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility ( 24370/02 )	\$0	\$375,000	\$375,000	(F)
\$0	\$58,331	\$58,331	(F)	\$0	Construct Perimeter Fencing - Red Hill Landfill Facility ( 24394/00 )	\$0	\$100,000	\$100,000	(F)
\$27,198	\$29,162	\$1,964	(F)	\$0	Construct Litter Fence - Red Hill Farm ( 24394/04 )	\$50,000	\$50,000	\$0	(F)
\$4,125	\$0	(\$4,125)	(U)	\$0	Construct Greenwaste Processing Area - Red Hill Landfill Facility ( 24395/00 )	\$0	\$0	\$0	(F)
\$0	\$117,922	\$117,922	(F)	\$0	Construct Hardstand and Road - Hazelmere ( 24395/01 )	\$0	\$202,175	\$202,175	(F)
\$0	\$204,162	\$204,162	(F)	\$0	Relocate Greenwaste Processing area - Red Hill Landfill Facility ( 24395/04 )	\$0	\$350,000	\$350,000	(F)
\$0	\$18,564	\$18,564	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility ( 24396/00 )	\$31,827	\$31,827	\$0	(F)
\$827	\$0	(\$827)	(U)	\$0	Construct Perimeter Bunds - Red Hill Landfill Facility ( 24397/00 )	\$744	\$0	(\$744)	(U)
\$0	\$40,831	\$40,831	(F)	\$0	Washdown bay Upgrade - Red Hill Landfill Facility ( 24399/04 )	\$0	\$70,000	\$70,000	(F)
\$0	\$17,500	\$17,500	(F)	\$0	Truck Washdown Bay for Member Councils - Red Hill Landfill Facility ( 24399/05 )	\$0	\$30,000	\$30,000	(F)



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
<b>Waste Management</b>							
\$24,354	\$1,062,740	\$1,038,386 (F)	\$0		\$760,850	\$1,821,850	\$1,061,000 (F)
\$27,138	\$1,249,500	\$1,222,362 (F)	\$19,500		\$1,277,000	\$2,142,000	\$865,000 (F)
\$0	\$43,750	\$43,750 (F)	\$0		\$0	\$75,000	\$75,000 (F)
\$52,247	\$153,412	\$101,165 (F)	\$42,169		\$203,000	\$263,000	\$60,000 (F)
\$13,555	\$49,000	\$35,445 (F)	\$0		\$99,000	\$84,000	(\$15,000) (U)
\$48,023	\$110,789	\$62,766 (F)	\$0		\$199,415	\$189,925	(\$9,490) (U)
\$0	\$315	\$315 (F)	\$0		\$550	\$550	\$0 (F)
\$545	\$22,750	\$22,205 (F)	\$0		\$4,000	\$39,000	\$35,000 (F)
\$0	\$20,412	\$20,412 (F)	\$0		\$85,000	\$35,000	(\$50,000) (U)
\$0	\$581	\$581 (F)	\$0		\$1,000	\$1,000	\$0 (F)
\$19,660	\$84,343	\$64,683 (F)	\$0		\$44,600	\$144,600	\$100,000 (F)
\$990	\$15,743	\$14,753 (F)	\$0		\$27,000	\$27,000	\$0 (F)
\$3,425	\$175,581	\$172,156 (F)	\$950		\$251,000	\$301,000	\$50,000 (F)



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2014

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
<b>Waste Management</b>							
\$3,316	\$13,825	\$10,509 (F)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere ( 24590/02 )	\$8,700	\$23,700	\$15,000 (F)
\$431	\$1,750	\$1,319 (F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management ( 24590/03 )	\$3,000	\$3,000	\$0 (F)
\$441	\$581	\$140 (F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management ( 24610/03 )	\$1,000	\$1,000	\$0 (F)
\$0	\$581	\$581 (F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility ( 24610/08 )	\$1,000	\$1,000	\$0 (F)
\$0	\$875	\$875 (F)	\$0	Purchase Office Furniture and Fittings-Hazelmere ( 24610/10 )	\$1,500	\$1,500	\$0 (F)
\$0	\$581	\$581 (F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme ( 24690/01 )	\$1,000	\$1,000	\$0 (F)
\$3,819	\$1,162	(\$2,657) (U)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility ( 25253/00 )	\$10,000	\$2,000	(\$8,000) (U)
\$0	\$46,662	\$46,662 (F)	\$0	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility ( 25259/01 )	\$0	\$80,000	\$80,000 (F)
\$32,440	\$11,662	(\$20,778) (U)	\$0	Refurbish Plant - Red Hill Landfill Facility ( 25410/00 )	\$36,000	\$20,000	(\$16,000) (U)
<b>\$403,981</b>	<b>\$6,393,723</b>	<b>\$5,989,742 (F)</b>	<b>\$81,421</b>		<b>\$6,109,272</b>	<b>\$10,960,913</b>	<b>\$4,851,641 (F)</b>
<b>\$825,202</b>	<b>\$9,024,596</b>	<b>\$8,199,394 (F)</b>	<b>\$166,394</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>\$10,747,304</b>	<b>\$15,471,081</b>	<b>\$4,723,777 (F)</b>



# STATEMENT OF FINANCIAL POSITION

## JANUARY 2014

Actual June 2013	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
<b>Current Assets</b>					
\$3,021,270	\$3,842,499	Cash and Cash Equivalents	\$3,226,337	\$266,144	\$2,960,193 (F)
\$51,761,343	\$58,538,814	Investments	\$55,506,033	\$57,985,610	(\$2,479,577) (U)
\$3,552,486	\$4,244,387	Trade and Other Receivables	\$3,552,486	\$3,552,486	\$0 (F)
\$86,077	\$61,112	Inventories	\$86,077	\$86,077	\$0 (F)
\$65,007	\$298,739	Other Assets	\$65,007	\$65,007	\$0 (F)
<b>\$58,486,183</b>	<b>\$66,985,551</b>	<b>Total Current Assets</b>	<b>\$62,435,940</b>	<b>\$61,955,324</b>	<b>\$480,616 (F)</b>
<b>Current Liabilities</b>					
\$5,409,053	\$2,749,397	Trade and Other Payables	\$5,409,053	\$5,409,053	\$0 (F)
\$1,229,726	\$1,178,643	Provisions	\$1,230,929	\$1,230,929	\$0 (F)
<b>\$6,638,779</b>	<b>\$3,928,040</b>	<b>Total Current Liabilities</b>	<b>\$6,639,982</b>	<b>\$6,639,982</b>	<b>\$0 (F)</b>
<b>\$51,847,404</b>	<b>\$63,057,511</b>	<b>Net Current Assets</b>	<b>\$55,795,958</b>	<b>\$55,315,342</b>	<b>\$480,616 (F)</b>
<b>Non Current Assets</b>					
\$16,361,457	\$16,361,456	Land	\$16,391,457	\$16,391,457	\$0 (F)
\$4,783,168	\$4,653,474	Buildings	\$4,839,631	\$5,692,789	(\$853,158) (U)
\$9,152,875	\$8,452,436	Structures	\$10,166,910	\$13,068,136	(\$2,901,226) (U)
\$9,825,700	\$7,639,237	Plant	\$12,732,870	\$12,653,725	\$79,145 (F)
\$291,050	\$682,255	Equipment	\$1,000,475	\$1,177,485	(\$177,010) (U)
\$156,333	\$149,731	Furniture and Fittings	\$177,358	\$175,060	\$2,298 (F)
\$5,019,398	\$4,363,798	Work in Progress	\$5,019,398	\$5,019,398	\$0 (F)
<b>\$45,589,981</b>	<b>\$42,302,387</b>	<b>Total Non Current Assets</b>	<b>\$50,328,099</b>	<b>\$54,178,050</b>	<b>(\$3,849,951) (U)</b>
<b>Non Current Liabilities</b>					
\$4,841,163	\$6,094,052	Provisions	\$4,925,394	\$4,953,058	\$27,664 (F)
<b>\$4,841,163</b>	<b>\$6,094,052</b>	<b>Total Non Current Liabilities</b>	<b>\$4,925,394</b>	<b>\$4,953,058</b>	<b>\$27,664 (F)</b>
<b>\$92,596,222</b>	<b>\$99,265,846</b>	<b>Net Assets</b>	<b>\$101,198,663</b>	<b>\$104,540,334</b>	<b>(\$3,341,671) (U)</b>
<b>Equity</b>					
\$49,136,150	\$49,136,150	Accumulated Surplus/Deficit	\$49,136,150	\$49,136,150	\$0 (F)
\$42,319,723	\$42,319,723	Cash Backed Reserves	\$42,319,723	\$42,319,723	\$0 (F)
\$1,140,349	\$1,140,349	Asset Revaluation Reserve	\$1,140,349	\$1,140,349	\$0 (F)
<b>\$0</b>	<b>\$6,669,624</b>	<b>Net change in assets from operations</b>	<b>\$8,602,441</b>	<b>\$11,944,112</b>	<b>(\$3,341,671) (U)</b>
<b>\$92,596,222</b>	<b>\$99,265,846</b>	<b>Total Equity</b>	<b>\$101,198,663</b>	<b>\$104,540,334</b>	<b>(\$3,341,671) (U)</b>



# CASH AND INVESTMENTS

## JANUARY 2014

Actual June 2013	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
<b>Municipal Cash and Investments</b>					
3,018,020	3,839,249	Cash at Bank - Municipal Fund 01001/00	3,223,087	262,894	2,960,193 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
200	200	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	200	200	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
10,040,526	15,822,259	Investments - Municipal Fund 02021/00	7,659,547	11,193,973	(3,534,426) (U)
<b>13,061,796</b>	<b>19,664,759</b>	<b>Total Municipal Cash</b>	<b>10,885,884</b>	<b>11,460,117</b>	<b>(574,233) (U)</b>
<b>Restricted Cash and Investments</b>					
1,029,772	1,049,870	Restricted Investments - Plant and Equipment 02022/01	3,032,282	927,240	2,105,042 (F)
1,664,322	1,696,804	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	1,804,222	1,846,174	(41,952) (U)
234,694	239,275	Restricted Investments - Future Development 02022/03	245,088	15,087	230,000 (F)
550,617	561,363	Restricted Investments - Environmental Monitoring Red Hill 02022/04	591,463	571,040	20,423 (F)
168,280	171,564	Restricted Investments - Environmental Insurance Red Hill 02022/05	134,340	134,340	0 (F)
12,619	12,865	Restricted Investments - Risk Management 02022/06	13,087	13,087	0 (F)
439,250	447,822	Restricted Investments - Class IV Cells Red Hill 02022/07	514,025	514,026	0 (U)
20,193	20,587	Restricted Investments - Regional Development 02022/08	254,848	12,828	242,019 (F)
35,964,254	36,666,157	Restricted Investments - Secondary Waste Processing 02022/09	40,149,499	41,432,016	(1,282,517) (U)
1,473,747	1,502,509	Restricted Investments - Class III Cells 02022/10	922,117	1,140,284	(218,167) (U)
63,714	64,958	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	66,078	66,078	0 (U)
2,579	172,376	Restricted Investments - Accrued Interest 02022/19	2,579	2,579	0 (F)
(601,485)	(601,485)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	(601,485)	(601,485)	0 (F)
698,261	711,888	Restricted Investments - Long Service Leave 02022/90	718,343	718,343	0 (F)
<b>41,720,816</b>	<b>42,716,554</b>	<b>Total Restricted Cash</b>	<b>47,846,486</b>	<b>46,791,636</b>	<b>1,054,849 (F)</b>
<b>54,782,613</b>	<b>62,381,313</b>	<b>TOTAL CASH AND INVESTMENTS</b>	<b>58,732,370</b>	<b>58,251,754</b>	<b>480,616 (F)</b>

The Cash at Bank - Municipal Fund represents the balance on the last day of the relevant month. Any portion of the balance available for investment is transferred into the Investment - Municipal Fund account in the following period. Funds held in the Cash at Bank - Municipal Fund continue to accrue interest as per the Westpac commercial rates.



## 12.2 COMPLIANCE AUDIT RETURN 2013

REFERENCE: D2014/00250

### PURPOSE OF REPORT

The purpose of the report is to present to Council for adoption the Compliance Audit Return (CAR) for the year ending 31 December 2013.

### KEY ISSUES AND RECOMMENDATION(S)

- Each local government is required to complete a compliance audit return at the end of each calendar year.
- The CAR is required to be reviewed by the Audit Committee (AC) before being adopted by Council, certified by the Chairman and Chief Executive Officer (CEO) and submitted to the Acting Director General of Department of Local Government and Communities, by 31 March 2014.

#### Recommendation(s)

That Council adopts the draft Compliance Audit Return 2013, that it be certified by the Chairman and Chief Executive Officer and be submitted to the Director General, Department of Local Government and Communities by 31 March 2014.

### SOURCE OF REPORT

Director Corporate Services  
Manager Administration and Compliance

### BACKGROUND

The audit and applicable return is completed in accordance with the requirements of regulation 14 and 15 of the *Local Government (Audit) Regulations 1996*. It is a compliance audit for the period 1 January to 31 December 2013 against the requirements included in the Compliance Audit Return for that period.

A change to Regulation 14 of the Local Government (Audit) Regulation 1996 in 2011 now requires the Audit Committee to review the CAR and to report the results of the review to Council prior to adoption by Council.

### REPORT

The Compliance Audit Return, as required by the Local Government Act 1995 (the Act) and relevant Regulations, was received from the Acting Director General of the Department of Local Government and Communities with Departmental Circular No 02-2014 (the circular) on 9 January 2014.

The CAR sought advice on the extent of compliance by the EMRC to a range of sections of the Act and the local government regulations.

The 2013 CAR continues in the reduced format introduced in 2011, with the areas of compliance restricted to those considered high risk.

A satisfactory level of compliance was achieved with no items of non compliance reported. The details and explanations applicable to the completion of the return appear in the relevant comment sections of the CAR.

After the Compliance Audit Return has been adopted by Council a certified copy of the Return, along with the relevant section of the minutes and additional information explaining or qualifying the compliance audit, is to be submitted to the Acting Director General of the Department of Local Government and Communities by 31 March 2014.





*Item 12.2 continued*

## **STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 4 – Good Governance

4.3 To provide responsible and accountable governance and management of the EMRC

## **FINANCIAL IMPLICATIONS**

Nil

## **SUSTAINABILITY IMPLICATIONS**

Nil

## **MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## **ATTACHMENT(S)**

Local Government Compliance Audit Return from 1 January 2013 to 31 December 2013.  
(Ref: D2014/02345)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION(S)**

That Council adopts the draft Compliance Audit Return 2013, that it be certified by the Chairman and Chief Executive Officer and be submitted to the Director General, Department of Local Government and Communities by 31 March 2014.

Cr Pule left the meeting at 6:46pm.

## **AUDIT COMMITTEE RECOMMENDATION(S)**

MOVED CR CORNISH

SECONDED CR O'CONNOR

That Council adopts the draft Compliance Audit Return 2013, that it be certified by the Chairman and Chief Executive Officer and be submitted to the Director General, Department of Local Government and Communities by 31 March 2014.

**CARRIED UNANIMOUSLY**



## Eastern Metropolitan Regional Council - Compliance Audit Return Regional Local Government 2013

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

<b>Commercial Enterprises by Local Governments</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s3.59(2)(a)(b)(c) Functions & General Regulation 7,9	Has the local government prepared a business plan for each major trading undertaking in 2013.	N/A		Terri-Ann Ashton	
2	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2013.	N/A		Terri-Ann Ashton	
3	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2013.	N/A		Terri-Ann Ashton	
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2013.	N/A		Terri-Ann Ashton	
5	s3.59(5)	Did the Council, during 2013, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Terri-Ann Ashton	



<b>Delegation of Power / Duty</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		Terri-Ann Ashton	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Terri-Ann Ashton	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Terri-Ann Ashton	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Terri-Ann Ashton	
5	s5.18	Has Council reviewed delegations to its committees in the 2012/2013 financial year.	Yes		Terri-Ann Ashton	
6	s5.42(1),5.43 Administration Regulation 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Terri-Ann Ashton	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Terri-Ann Ashton	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Terri-Ann Ashton	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Terri-Ann Ashton	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Terri-Ann Ashton	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Terri-Ann Ashton	
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2012/2013 financial year.	Yes		Terri-Ann Ashton	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Terri-Ann Ashton	

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



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



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

**Disposal of Property**

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was any property that was not disposed of by public auction or tender, given local public notice prior to disposal (except where excluded by Section 3.58(5)).	N/A		Terri-Ann Ashton
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Terri-Ann Ashton

**Finance**

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Terri-Ann Ashton
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Terri-Ann Ashton
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A		Terri-Ann Ashton
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	N/A		Terri-Ann Ashton
5	S7.3, s7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	N/A		Terri-Ann Ashton
6	s7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Terri-Ann Ashton



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



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



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

<b>Tenders for Providing Goods and Services</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Terri-Ann Ashton	
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Terri-Ann Ashton	
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Terri-Ann Ashton	
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14,15 & 16.	Yes		Terri-Ann Ashton	





No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Terri-Ann Ashton
6	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Terri-Ann Ashton
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Terri-Ann Ashton
8	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Terri-Ann Ashton
9	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Terri-Ann Ashton
10	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Terri-Ann Ashton
11	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Terri-Ann Ashton
12	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Terri-Ann Ashton
13	F&G Reg 24E	Where the local government gave regional price preference in relation to a tender process, did the local government comply with requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council ).	N/A		Terri-Ann Ashton
14	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Terri-Ann Ashton
15	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Terri-Ann Ashton



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

I certify this Compliance Audit return has been adopted by Council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor / President, Eastern Metropolitan  
Regional Council

\_\_\_\_\_  
Signed CEO, Eastern Metropolitan Regional  
Council



## 12.3 EXTERNAL AUDIT CONTRACT QUOTATION

**REFERENCE: D2014/00251**

### PURPOSE OF REPORT

The purpose of this report is to provide Council, via the Audit Committee, with the results of a Request for Quotation (RFQ) for the Provision of External Audit Services and recommend acceptance of the quotation from Macri Partners.

### KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of the Local Government Act 1995 (Part 7, Division 2 - Appointment of auditors) specifically s.7.3 and the Local Government (Audit) Regulations 1996 that a Local Government is to appoint a person, on the recommendation of the audit committee, to be its auditor.
- The previous audit contract expired with the completion of the audit undertaken on the 2012/2013 Annual Financial Statements.
- A RFQ was invited from qualifying persons on the WALGA tender panel for the provision of external audit services in accordance with the requirements of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996, for the Eastern Metropolitan Regional Council (EMRC).
- The RFQ closed on 13 February 2014. Three quotations were received and assessed against a pre-defined selection criterion.

#### Recommendation(s)

That Council, by absolute majority in accordance with s.7.3 of the Local Government Act 1995, appoints Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, as the EMRC's external auditor for the three (3) financial years 2013/2014 - 2015/2016 at an annual fee in accordance with the Attachment to this report with an option of a further two (2) year extension, at the sole discretion of the EMRC, for the two (2) financial years 2016/2017 - 2017/2018.

### SOURCE OF REPORT

Director Corporate Services  
Manager Financial Services

### BACKGROUND

It is a requirement of the Local Government Act 1995 (Part 7, Division 2 - Appointment of auditors) and the Local Government (Audit) Regulations 1996 that a Local Government is to, from time to time whenever such an appointment is necessary or expedient, appoint (by absolute majority) a person, on the recommendation of the audit committee, to be its auditor.

EMRC's audit contract with Anthony Macri of Macri Partners expired with the completion of the audit undertaken on the 2012/2013 Annual Financial Statements.

Macri Partners are currently the external auditors for all of the EMRC's member councils with the exception of the Shire of Kalamunda.

### REPORT

On 6 February 2014 a RFQ was invited from qualified persons on the WALGA tender panel for the provision of external audit services in accordance with the requirements of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996, for the Eastern Metropolitan Regional Council (EMRC).



*Item 12.3 continued*

The RFQ closed on 14 February 2014, and three (3) submissions were received from the following:

- Deloitte Touche Tohmatsu
- Macri Partners
- UHY Haines Norton

Quotations were assessed against the following pre-defined selection criteria:

<b>Criteria</b>	<b>Weighting</b>
• Demonstrated experience in providing similar external audit services, particularly in local government	20%
• Skills and experience of key personnel	20%
• Contractors' resources	10%
• A demonstrated understanding of the required tasks	10%
• Price	40%

Whilst all submissions scored similarly in the pre-selection criteria, Macri Partners had the highest overall weighted score as assessed by the evaluation panel, including the lowest cost quotation.

Macri Partners are the current auditors for 15 metropolitan local governments, 3 country local governments and 3 other metropolitan local government regional councils. The Metropolitan local governments include the Cities of Bayswater, Belmont and Swan, the Shire of Mundaring and the Town of Bassendean.

As the weighted score ranking for Macri Partners was higher than the other quotations, it is recommended that they be appointed as the EMRC's external auditor for the three (3) financial years 2013/2014 - 2015/2016, with an option of a further two (2) year extension, at the sole discretion of the EMRC, for the two (2) financial years 2016/2017 - 2017/2018.

Section 7.6(1) of the Local Government Act 1995 states that an auditor is eligible for reappointment.

## **STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 4 - Good Governance

- 4.3 To provide responsible and accountable governance and management of the EMRC
- 4.4 To continue to improve financial and asset management practices

## **FINANCIAL IMPLICATIONS**

As the contract has a maximum potential period of five years (three years plus a two year extension at the sole discretion of the EMRC), the total contract value is \$105,500 (ex GST).

## **SUSTAINABILITY IMPLICATIONS**

Nil



*Item 12.3 continued*

## **MEMBER COUNCIL IMPLICATIONS**

<b>Member Council</b>	<b>Implication Details</b>
Town of Bassendean	} Nil
City of Bayswater	
City of Belmont	
Shire of Kalamunda	
Shire of Mundaring	
City of Swan	

## **ATTACHMENT(S)**

RFQ Price Schedule - Macri Partners (Ref: D2014/02370)

## **VOTING REQUIREMENT**

Absolute Majority

## **RECOMMENDATION(S)**

That Council, by absolute majority in accordance with s.7.3 of the Local Government Act 1995, appoints Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, as the EMRC's external auditor for the three (3) financial years 2013/2014 - 2015/2016 at an annual fee in accordance with the Attachment to this report with an option of a further two (2) year extension, at the sole discretion of the EMRC, for the two (2) financial years 2016/2017 - 2017/2018.

It was discussed that a future presentation by Macri Partners would be advantageous to new members of the Audit Committee.

The CEO advised he would discuss this with the recommended auditor Macri Partners for the next Audit Committee meeting.

## **AUDIT COMMITTEE RECOMMENDATION(S)**

MOVED CR CORNISH

SECONDED CR PERKS

That Council, by absolute majority in accordance with s.7.3 of the Local Government Act 1995, appoints Anthony Macri, Registered Company Auditor (No. 14034), of Macri Partners, as the EMRC's external auditor for the three (3) financial years 2013/2014 - 2015/2016 at an annual fee in accordance with the Attachment to this report with an option of a further two (2) year extension, at the sole discretion of the EMRC, for the two (2) financial years 2016/2017 - 2017/2018.

**CARRIED UNANIMOUSLY**

**PRICE SCHEDULE AS SUBMITTED BY MACRI PARTNERS AS PART OF  
RFQ – PROVISION OF EXTERNAL AUDIT SERVICES**

**LUMP SUM – EXTERNAL AUDIT SERVICES**

Based on their estimated time to carry out the audit, they envisage the staffing would be as follows:

<b>Staffing</b>	<b>No of Hours</b>	<b>Hourly Cost (ex GST)</b>	<b>Total Cost (ex GST)</b>
Partner	15	\$280	\$ 4,200
Manager	30	\$220	\$ 6,600
Senior	38	\$160	\$ 6,080
Assistant	37	\$120	\$ 4,440
<b>TOTALS</b>	<b>120</b>		<b>\$ 21,320</b>

Macri Partners believe that the above hours would be required to undertake the audit of the Council. However, with their knowledge of the local government systems and with their experienced staff who are familiar with the EMRC's audit, they will be able to discount their fees, without reducing the hours, and perform the audit at the following fees:

<b>Year</b>	<b>Price Quoted (ex GST)</b>	<b>GST</b>	<b>Price Quoted (inc GST)</b>
2008/2009	\$ 18,000	\$ 1,800	\$ 19,800
2009/2010	\$ 19,500	\$ 1,950	\$ 21,450
2010/2011	\$ 21,000	\$ 2,100	\$ 23,100
2011/2012 (Optional)	\$ 23,000	\$ 2,300	\$ 25,300
2012/2013 (Optional)	\$ 24,000	\$ 2,400	\$ 26,400
<b>TOTALS</b>	<b>\$105,500</b>	<b>\$10,550</b>	<b>\$116,050</b>



### **13 REPORTS OF DELEGATES**

Nil

### **14 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING**

Nil

### **15 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**

Nil

### **16 FUTURE MEETINGS OF THE AUDIT COMMITTEE**

Meetings of the Audit Committee are covered under the Audit Committee Terms of Reference as follows.

#### **“2.3 Meetings**

*The Committee meet as required at the discretion of the Chairman of the Committee at least three (3) times per year to coincide with approval of strategic and annual plans, the annual budget and the auditor’s report on the annual financial report.*

*Additional meetings shall be convened at the discretion of the Chairman or at the written request of any member of the Committee or external auditor.”*

#### **Future Meetings 2014**

Thursday	3	April (if required)	at	EMRC Administration Office
Thursday	8	May (if required)	at	EMRC Administration Office
Thursday	5	June	at	EMRC Administration Office
Thursday	10	July (if required)	at	EMRC Administration Office
Thursday	9	August (if required)	at	EMRC Administration Office
Thursday	20	November	at	EMRC Administration Office

### **17 DECLARATION OF CLOSURE OF MEETING**

There being no further business the meeting was closed at 7:10pm.