

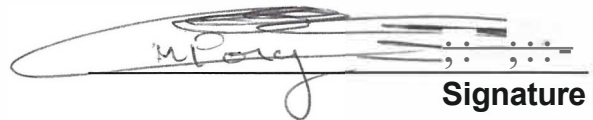


MINUTES

CERTIFICATION OF CONFIRMATION OF AUDIT COMMITTEE MINUTES

3 JUNE 2021

I, Cr Mel Congerton, hereby certify that the minutes from the Audit Committee Meeting held on 4 March 2021 pages (1) to (38) were confirmed at the meeting of the Audit Committee held on 3 June 2021.



Signature

Cr Mel Congerton
Person presiding at Meeting

AUDIT COMMITTEE

MINUTES

4 March 2021

(REF: D2021/02329)

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, ASCOT WA 6104 on **Thursday, 4 March 2021**. The meeting commenced at **6:00pm**.

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6:00pm, welcomed visitors and acknowledged the traditional custodians of the land on which the meeting was held and paid respects to the elders past, present and future.

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

Councillor Attendance

| | | |
|---|-------------|--------------------|
| Cr Mel Congerton (Chairman) | EMRC Member | City of Swan |
| Cr Lesley Boyd (Deputy Chairman) | EMRC Member | City of Kalamunda |
| Cr Kathryn Hamilton | EMRC Member | Town of Bassendean |
| Cr Lorna Clarke (<i>arrived 6:01pm</i>) | EMRC Member | City of Bayswater |
| Cr Doug Jeans | EMRC Member | Shire of Mundaring |

EMRC Apologies

| | | |
|-----------------|-------------|-----------------|
| Cr Janet Powell | EMRC Member | City of Belmont |
|-----------------|-------------|-----------------|

EMRC Officers

| | |
|---------------------|--|
| Mr Marcus Geisler | Chief Executive Officer |
| Mr Hua Jer Liew | Chief Financial Officer |
| Mr Douglas Bruce | Chief Project Officer |
| Mrs Wendy Harris | Chief Sustainability Officer |
| Mr Brad Lacey | Chief Operating Officer |
| Mr David Ameduri | Manager Financial Services |
| Ms Izabella Krzysko | Manager Procurement and Governance |
| Mrs Lee Loughnan | Personal Assistant to Chief Financial Officer (Minutes) |

EMRC Observers

| | |
|---------------------|--|
| Ms Theresa Eckstein | Executive Assistant to the Chief Executive Officer |
|---------------------|--|

3 DISCLOSURE OF INTERESTS

Nil

4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

Nil

5 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil



6 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

6.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 19 NOVEMBER 2020

That the Minutes of the Audit Committee meeting held on 19 November 2020 which have been distributed, be confirmed.

AC RESOLUTION

MOVED CR BOYD

SECONDED CR JEANS

THAT THE MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 19 NOVEMBER 2020 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS BY MEMBERS WITHOUT NOTICE

Nil

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

Nil

10 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



11 REPORTS OF EMPLOYEES

11.1 HALF YEAR BUDGET REVIEW 2020/2021

REFERENCE: D2021/02448

PURPOSE OF REPORT

The purpose of this report is to provide Council, via the Audit Committee, with details of the Eastern Metropolitan Regional Council's (EMRC's) 2020/2021 half year budget review for adoption and subsequent submission to the Department of Local Government, Sport and Cultural Industries.

KEY POINTS 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 the *Local Government (Financial Management) Regulations 1996* r.33A, adopts the review of the 2020/2021 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 30 days.

SOURCE OF REPORT

Chief Financial Officer

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 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.

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 \$20,000, whichever is the greater, within each nature and type category on the Statement of Comprehensive Income 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.

The half year budget review was undertaken during January/February 2021 and is reflected in this report.



Item 11.1 continued

REPORT

Whilst the budget review is a statutory requirement, due to the commercial nature of the EMRC's waste operations, forecasts are conducted throughout the year in order to adjust costs (where possible) in relation to available tonnage throughput.

Format of Budget Review

The format of the statutory review undertaken is based on an examination 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 2021. 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;
- Waste Education Levy Income; and
- Cell usage and depreciation.

All forecasts, which are an actual review of the budgets set against each account, are entered 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. A review 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 2020. The financial report relating to the period ended 31 January 2021 was submitted to Council at its meeting held on 25 February 2021. However, that report did not include the revised forecasts that have result from the half year budget review.

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 include significant costs incurred relating to operating and capital projects, which depend solely on the timing of when the project is undertaken.



Item 11.1 continued

The following is a summary of the forecast changes to operating budget provisions resulting from the half year budget review:

| Changes In | Total |
|--|--------------------|
| Increase / (Decrease) in Operating Income | (\$1,932,548) |
| (Increase) / Decrease in Operating Expenditure | \$1,109,264 |
| Increase / (Decrease) in Net Assets from Operations | (\$823,284) |

Provided below is a summary of changes between the original budget and the forecast for the financial year ending 30 June 2021. Comments are provided for significant variances using Council's adopted criteria of 10% or \$20,000, whichever is the greater, as a guide:

Operating Income

User Charges

- Current Budget: \$35,838,110 Forecast Budget: \$32,417,978 Variance: (\$3,420,132); (9.54%)

Net User Charges (User Charges less Landfill Levy charges)

- Current Budget: \$21,333,717 Forecast Budget: \$19,276,063 Variance: (\$2,057,654); (9.65%)

Special Charges

- Current Budget: \$482,683 Forecast Budget: \$477,568 Variance: (\$5,115); (1.06%)

Secondary Waste Charge (Other Revenues)

- Current Budget: \$4,738,691 Forecast Budget: \$4,803,276 Variance: \$64,585; 1.36%

Contributions

- Current Budget: \$423,955 Forecast Budget: \$391,708 Variance: (\$32,247); (7.61%)

Operating Grants

- Current Budget: \$415,000 Forecast Budget: \$275,437 Variance: (\$139,563); (33.63%)

The full year forecast for Operating Grants is below the annual budget by \$139,563 (33.63%). The variance is due to grants totalling \$288,000 relating to the following projects that were not received (associated costs relating specifically to these grants have not been incurred).

- \$108,000 - Regional Spatial Mapping; and
- \$180,000 - Avon Descent.

This is offset by the following successful grant not previously budgeted for that have been received:

- \$65,775 - Tackling the Troublesome Two Project; and
- \$50,000 - Circular Economy Training and Capacity Building Project.



Item 11.1 continued

Interest Municipal Cash & Investments

- Current Budget: \$170,000 Forecast Budget: \$132,000 Variance: (\$38,000); (22.35%)

The full year forecast for Interest on Municipal Fund Cash and Investment is \$38,000 (22.35%) below the budget of \$170,000. This is attributable to the lower level of funds held in the Municipal Fund and a lower average interest rate expected to be received for the 2020/2021 financial year (1.055% as at 31 January 2021 compared to the budgeted rate of 1.14%).

Interest Restricted Cash Investments

- Current Budget: \$929,975 Forecast Budget: \$940,123 Variance: \$10,148; 1.09%

Reimbursements

- Current Budget: \$1,060,390 Forecast Budget: \$1,617,156 Variance: \$556,766; 52.51%

The variance relates to the reimbursement of repair costs resulting from fire damage to the Hamel Shredder that was used to process mattresses at the Hazelmere Resource Recovery Facility (HRRF) and the resulting business interruption claim (approximately \$250,000), together with additional reimbursements from the management of the Coppin and Mathieson Transfer Stations which is based on a cost-plus basis and is reliant on the level of income generated from the sale of products at the sites.

Other Income

- Current Budget: \$2,440,311 Forecast Budget: \$2,114,025 Variance: (\$326,286); (13.37%)

The full year forecast for Other Income is below the annual budget by \$326,286 (13.37%). The variance is attributable to a \$0 forecast for electricity sales from the WWtE facility (compared to a budget of \$559,650), and the sale of products from the WWtE facility (\$0 forecast compared to a budget of \$112,500) due to the delay in the commissioning of the Wood Waste to Energy (WWtE) facility.

This is offset by additional income from the sale of products from the Class IV Cell (\$175,000 forecast compared to a budget of \$0), additional sales of products from the Woodwaste Project (\$807,716 forecast compared to a budget of \$700,000) and the additional sale of products from the Baywaste Transfer Station (\$60,000 forecast compared to a budget of \$0).

Proceeds from Sale of Assets (Other Revenues)

- Current Budget: \$275,000 Forecast Budget: \$309,818 Variance: 34,818; 12.66%

The full year forecast for Proceeds from Sale of Assets is \$34,818 above the budget of \$275,000. The variance relates specifically to the timing of various items of plant and vehicles not previously budgeted for change over during the 2020/2021 financial year that have now been forecast to be changed over as they will have attained the specified change over criteria.



Item 11.1 continued

Operating Expenditure

Salary Expenses

- Current Budget: \$10,801,281 Forecast Budget: \$10,224,688 Variance: (\$576,593); (5.34%)

Contract Expenses

- Current Budget: \$5,627,716 Forecast Budget: \$6,340,838 Variance: \$713,122; 12.67%

The full year forecast for Contract Expenses is \$713,122 (12.67%) above the budget of \$6,340,838. The variance relates primarily to additional contract labour and material expenses of \$619,079 and additional legal expenses of \$160,190. The additional contract labour expense is primarily as a result of staff vacancies. This is reflected in an end of year forecast that is \$576,593 lower than budget in the salary expenses.

Material Expenses

- Current Budget: \$1,555,489 Forecast Budget: \$1,531,494 Variance: (\$23,995); (1.54%)

Utility Expenses

- Current Budget: \$356,911 Forecast Budget: \$301,380 Variance: (\$55,531); (15.56%)

The full year forecast for Utility Expenses is \$55,531 (15.56%) below the budget of \$356,911. The variance relates primarily to the lower than budgeted electricity usage across the EMRC facilities together with anticipated savings based on renegotiated charges with the electricity supplier.

Fuel Expenses

- Current Budget: \$827,183 Forecast Budget: \$669,409 Variance: (\$157,774); (19.07%)

The full year forecast for Fuel Expenses is \$157,774 below the budget by \$669,409 (19.07%). The variance is attributable to the lower purchase price of distillate compared to budget together with the lower level of commercial tonnages forecast to be received as at year end compared to budget.

Insurance Expenses

- Current Budget: \$318,484 Forecast Budget: \$337,684 Variance: \$19,200; 6.03%

Depreciation Expenses

- Current Budget: \$5,537,697 Forecast Budget: \$4,606,502 Variance: (\$931,195); (16.82%)

The full year forecast for Depreciation Expenses is \$931,195 (16.82%) below the budget of \$5,537,697. The variance is principally due to the lower level of capital expenditure as at 31 January 2021 (\$7,855,070 compared to a full year budget of \$19,616,114).

Miscellaneous Expenses (excluding Landfill Levy expenses)

- Current Budget: \$1,293,452 Forecast Budget: \$1,117,974 Variance: (\$175,478); (13.57%)

The full year forecast for Miscellaneous Expenses (excluding the Landfill Levy expenses) is \$175,478 (13.57%) below the budget of \$1,293,452. This variance is attributable to the lower level of travel and accommodation expenses (\$39,690 compared to a budget of \$66,774), Advertising Expenses associated with the advertising of the Avon Descent (\$0 compared to a budget of \$48,000), other miscellaneous advertising (\$120,375 compared to a budget of \$144,509), lower contribution expenses (\$28,000 compared to a budget of \$55,000), lower internet service provider expenses (\$83,104 compared to a budget of \$104,104) and lower general miscellaneous expenses across all directorates of the EMRC (\$107,428 compared to a budget of \$144,224).



Item 11.1 continued

Provision Expenses

- Current Budget: \$900,658 Forecast Budget: \$813,480 Variance: (\$87,178); (9.68%)

Costs Allocated

- Current Budget: (\$854,401) Forecast Budget: (\$700,658) Variance: \$153,743; 17.99%

The full year forecast for Cost Allocations is \$153,743 (17.99%) below the budget of \$854,401. This variance relates specifically to internal costs allocated to various capital expenditure projects that were budgeted to utilise the EMRC's plant and have subsequently been reduced as part of the half year budget review process.

Carrying Amount of Assets Disposed Of (Other Expenses)

- Current Budget: \$252,738 Forecast Budget: \$265,153 Variance: \$12,415; 4.91%

Capital Expenditure

- Current Budget: \$19,616,114 Forecast Budget: \$18,797,687 Variance: (\$818,427); (4.17%)

The Capital Expenditure budgets as at year end have been reviewed throughout the year and in particular as part of the half year budget review undertaken during January/February 2021 in order to reflect the actual timing of various projects and match expenditure requirements in relation to tonnage forecasts.

Full Year Capital Expenditure has been forecast to be \$818,427 (4.17%) below the budget of \$19,616,114.

Significant reductions to capital budgets where savings have been achieved, or where project expenditure has been deferred due to delays and/or carried forward or not required include the following:

- Liquid Waste Project - Red Hill Landfill Facility (RHLF) - \$1,500,000 (c/fwd);
- Construct Workshop No 3 - RHLF - \$624,811 (c/fwd);
- Construct Class III Cell Stage 16 - RHLF - \$574,285;
- Liquid Waste Project Plant - Red Hill Landfill Facility (RHLF) - \$550,000 (c/fwd);
- Purchase / Replace Minor Plant & Equipment - RHLF - \$260,562;
- Construct Class III Cell Stage 17 - RHLF - \$250,000 (c/fwd);
- Construct Hazelmere Resource Recovery Park (HRRP) - Reuse Store Infrastructure - \$250,000;
- WWtE Plant and Equipment - HRRP - \$234,799;
- Purchase Waste Management Land - RHLF - \$219,093;
- Upgrade Power Supply to Workshop No 2 - RHLF - \$210,000 (c/fwd);
- Construct Drainage Diversion & Infrastructures - RHLF - \$200,000 (c/fwd).
- Construct Waste Management Facility Buildings - RHLF - \$180,000 (\$100,000 c/fwd);
- Woodwaste to Energy Project (WWtE) Utilities / Infrastructure - HRRP - \$170,727;
- Construct Leachate & Stormwater Infrastructure/Siltation Ponds - RHLF - \$115,926 (c/fwd);

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

- Construct Site Workshop (HRRP) - \$1,465,750;
This was subject to a confidential report submitted to Council and approved by Council at its meeting held on 17 September 2020.



Item 11.1 continued

- WWtE Building (HRRP) - \$458,711;
This expenditure relates to the correct allocation of budget provisions for the class of asset relating to the WWtE project. This off-sets the WWtE budgeted provisions for Utilities / Infrastructure and Plant and Equipment which have been reduced by \$405,526.
- Refurbish Plant - HRRP - \$404,984;
This expenditure relates to the refurbishment of plant that was expected to be completed and provided for in the previous financial year (2019/2020). There was no carried forward provision made in the 2020/2021 financial year for this expenditure and the resulting 2019/2020 total expenditure was below the expected forecast.
- Implementation of the FOGO Recovery Strategy - RHLF - \$400,000;
This was subject to a report submitted to Council and approved by Council at its meeting held on 17 September 2020 for the permanent FOGO facility.
- Construct Access Road and Develop Lots 8, 9 & 10 - RHLF - \$372,039;
This expenditure relates to the construction of the access road and development of Lots 8, 9 & 10 at the RHLF that was expected to be completed and provided for in the previous financial year (2019/2020). There was no carried forward provision made in the 2020/2021 financial year for this expenditure and the resulting 2019/2020 total expenditure was below the expected forecast.
- Purchase FOGO Processing Plant - RHLF - \$315,000;
This additional expenditure relates to the purchase of the FOGO Processing Plant at the RHLF that was expected to be purchased in the previous financial year (2019/2020). There was no carried forward provision made in the 2020/2021 financial year for this expenditure and the resulting 2019/2020 total expenditure was below the budgeted provision.
- Air Pollution Control Residue Facility (APCR) - RHLF - \$300,000;
This expenditure relates to the set up and licencing costs for the construction of the APCR facility for the acceptance of fly-ash material at the RHLF. This project will be subject to a Business Plan and authorisation by Council.
- Gas Extraction System Wells - RHLF - \$260,562;
This expenditure is associated with the EMRC's contracted share of the gas extraction wells. Funding is provided from the Purchase / Replace Minor Plant & Equipment provision which has been reduced by the same amount.
- Capital Improvement - Ascot Place Administration Building - \$150,000;
This relates to the increased cost of refurbishment of the Ascot Place Toilets and undercover car parking bays.
- Design and Construct Class IV Cell Stage 3 - RHLF - \$150,000;
This was subject to a report submitted to Council and approved by Council at its meeting held on 17 September 2020.
- Construct FOGO Processing Area - RHLF - \$130,000;
This expenditure relates to the construction of the FOGO Processing Area at the RHLF that was expected to be completed and provided for in the previous financial year (2019/2020). There was no carried forward provision made in the 2020/2021 financial year for this expenditure and the resulting 2019/2020 total expenditure was below the expected forecast.
- Construct Site Infrastructure - HRRP - \$100,000;
This additional expenditure relates to the ongoing construction of the site infrastructure at the HRRP that was expected to be completed and provided for in the previous financial year (2019/2020). There was no carried forward provision made in the 2020/2021 financial year for this expenditure and the resulting 2019/2020 total expenditure was below the budgeted provision.



Item 11.1 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 - Good Governance

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

FINANCIAL IMPLICATIONS

As detailed in the report.

SUSTAINABILITY IMPLICATIONS

Nil

RISK MANAGEMENT

| | | |
|--|-------------------|---------------|
| RISK: Non-compliance with Financial Regulations | | |
| Consequence | Likelihood | Rating |
| Moderate | Unlikely | Moderate |
| Action / Strategy | | |
| <ul style="list-style-type: none"> • The financial report is scrutinised by the EMRC Council to ensure that all statutory requirements are met. • Internal Audit reviews to ensure compliance with Financial Regulations. • External Audit confirms compliance. | | |

MEMBER COUNCIL IMPLICATIONS

| | |
|---|---|
| <p>Member Council</p> <p>Town of Bassendean City of Bayswater City of Belmont City of Kalamunda Shire of Mundaring City of Swan</p> | <p>Implication Details</p> <p>} As outlined in the report.</p> |
|---|---|



Item 11.1 continued

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: D2021/02554)
2. Capital Expenditure Statement (Ref: D2021/02555)
3. Statement of Financial Position (Ref: D2021/02556)
4. Statement of Cash and Investments (Ref: D2021/02557)

VOTING REQUIREMENT

Absolute Majority

RECOMMENDATION(S)

That Council, by an absolute majority in accordance with the provisions of the *Local Government (Financial Management) Regulations 1996* r.33A, adopts the review of the 2020/2021 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 30 days.

AC RECOMMENDATION(S)

MOVED CR HAMILTON

SECONDED CR JEANS

That Council, by an absolute majority in accordance with the provisions of the *Local Government (Financial Management) Regulations 1996* r.33A, adopts the review of the 2020/2021 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 30 days.

CARRIED UNANIMOUSLY



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

JANUARY 2021

Year to Date

Full Year

| Year to Date | | | Full Year | | | | | |
|---|---------------------|--------------------|------------|---|---------------------|---------------------|----------------------|------------|
| Actual | Budget | Variance | | Forecast | Budget | Variance | | |
| Operating Income | | | | | | | | |
| \$18,890,052 | \$21,175,193 | (\$2,285,141) | (U) | User Charges | \$32,417,978 | \$35,838,110 | (\$3,420,132) | (U) |
| (\$7,959,080) | (\$8,460,886) | \$501,806 | (F) | <u>Less</u> Landfill Levy Charges | (\$13,141,915) | (\$14,504,393) | \$1,362,478 | (F) |
| \$10,930,972 | \$12,714,307 | (\$1,783,335) | (U) | Net User Charges | \$19,276,063 | \$21,333,717 | (\$2,057,654) | (U) |
| \$287,816 | \$289,183 | (\$1,367) | (U) | Special Charges | \$477,568 | \$482,683 | (\$5,115) | (U) |
| \$3,124,856 | \$3,059,666 | \$65,190 | (F) | Secondary Waste Charge | \$4,803,276 | \$4,738,691 | \$64,585 | (F) |
| \$398,685 | \$334,725 | \$63,960 | (F) | Contributions | \$391,708 | \$423,955 | (\$32,247) | (U) |
| \$265,437 | \$72,500 | \$192,937 | (F) | Operating Grants | \$275,437 | \$415,000 | (\$139,563) | (U) |
| \$70,905 | \$89,162 | (\$18,257) | (U) | Interest Municipal Cash Investments | \$132,000 | \$170,000 | (\$38,000) | (U) |
| \$475,360 | \$538,451 | (\$63,091) | (U) | Interest Restricted Cash Investments | \$940,123 | \$929,975 | \$10,148 | (F) |
| \$901,177 | \$749,815 | \$151,362 | (F) | Reimbursements | \$1,617,156 | \$1,060,390 | \$556,766 | (F) |
| \$989,572 | \$1,016,246 | (\$26,674) | (U) | Other | \$2,114,025 | \$2,440,311 | (\$326,286) | (U) |
| \$245,727 | \$235,000 | \$10,727 | (F) | Proceeds from Sale of Assets | \$309,818 | \$275,000 | \$34,818 | (F) |
| \$17,690,507 | \$19,099,055 | \$1,408,548 | (U) | Total Operating Income | \$30,337,174 | \$32,269,722 | (\$1,932,548) | (U) |
| Operating Expenditure | | | | | | | | |
| \$5,725,294 | \$6,030,842 | \$305,548 | (F) | Salary Expenses | \$10,224,688 | \$10,801,281 | \$576,593 | (F) |
| \$3,057,225 | \$3,048,230 | (\$8,995) | (U) | Contract Expenses | \$6,340,838 | \$6,627,716 | (\$713,122) | (U) |
| \$753,074 | \$766,341 | \$13,267 | (F) | Material Expenses | \$1,531,494 | \$1,555,489 | \$23,995 | (F) |
| \$190,834 | \$183,477 | (\$7,357) | (U) | Utility Expenses | \$301,380 | \$356,911 | \$55,531 | (F) |
| \$312,200 | \$447,454 | \$135,254 | (F) | Fuel Expenses | \$669,409 | \$827,183 | \$157,774 | (F) |
| \$193,460 | \$185,584 | (\$7,876) | (U) | Insurance Expenses | \$337,684 | \$318,484 | (\$19,200) | (U) |
| \$2,525,493 | \$2,690,156 | \$164,663 | (F) | Depreciation Expenses | \$4,606,502 | \$5,537,697 | \$931,195 | (F) |
| \$564,979 | \$599,319 | \$34,340 | (F) | Miscellaneous Expenses | \$1,117,974 | \$1,293,452 | \$175,478 | (F) |
| \$475,586 | \$525,371 | \$49,785 | (F) | Provision Expenses | \$813,480 | \$900,658 | \$87,178 | (F) |
| (\$420,667) | \$0 | \$420,667 | (F) | Costs Allocated | (\$700,658) | (\$854,401) | (\$153,743) | (U) |
| \$160,242 | \$165,238 | \$4,996 | (F) | Carrying Amount of Assets Disposed Of | \$265,153 | \$252,738 | (\$12,415) | (U) |
| \$13,537,720 | \$14,642,012 | \$1,104,292 | (F) | Total Operating Expenditure | \$25,507,944 | \$26,617,208 | \$1,109,264 | (F) |
| \$4,152,787 | \$4,457,043 | (\$304,256) | (U) | NET RESULT BEFORE OTHER COMPREHENSIVE INCOME | \$4,829,230 | \$5,652,514 | (\$823,284) | (U) |
| Surplus | Surplus | | | | Surplus | Surplus | | |
| 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) |
| \$0 | \$0 | \$0 | (F) | Total (Gain)/Loss from change in Fair Value of Investments | \$0 | \$0 | \$0 | (F) |
| Other Comprehensive Income | | | | | | | | |
| \$0 | \$0 | \$0 | (F) | Revaluation of Assets/Accumulated Depreciation Reversal | \$0 | \$0 | \$0 | (F) |
| \$0 | \$0 | \$0 | (F) | Other Comprehensive Income | \$0 | \$0 | \$0 | (F) |
| \$0 | \$0 | \$0 | (F) | Total Other Comprehensive Income | \$0 | \$0 | \$0 | (F) |
| \$4,152,787 | \$4,457,043 | (\$304,256) | (U) | CHANGE IN NET ASSETS FROM OPERATIONS | \$4,829,230 | \$5,652,514 | (\$823,284) | (U) |
| 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. Other Operating Income - includes income from the sale of products;

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



CAPITAL EXPENDITURE STATEMENT

JANUARY 2021

| Year to Date | | | On Order | | Full Year | | |
|-------------------------|------------------|------------------|-----------------|---|--------------------|------------------|--------------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance |
| Business Support | | | | | | | |
| \$120,741 | \$121,000 | \$259 | \$891 | Purchase Vehicles - Ascot Place (24440/00) | \$200,000 | \$200,000 | \$0 |
| \$0 | \$15,000 | \$15,000 | \$0 | Purchase Furniture Fittings & Equipment - Corporate Services (24510/01) | \$62,000 | \$62,000 | \$0 |
| \$5,725 | \$110,000 | \$104,275 | \$15,999 | Purchase Information Technology & Communication Equipment (24550/00) | \$464,000 | \$405,000 | (\$59,000) |
| \$10,892 | \$138,702 | \$127,810 | \$3,049 | Capital Improvement Administration Building - Ascot Place (25240/01) | \$458,000 | \$308,000 | (\$150,000) |
| \$0 | \$5,000 | \$5,000 | \$0 | Upgrade Security Equipment - Ascot Place (25530/01) | \$5,000 | \$5,000 | \$0 |
| \$137,358 | \$389,702 | \$252,344 | \$19,939 | | \$1,189,000 | \$980,000 | (\$209,000) |



CAPITAL EXPENDITURE STATEMENT

JANUARY 2021

| Year to Date | | | On Order | | Full Year | | |
|----------------------------|--------|----------|----------|--|-----------|--------|------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance |
| Sustainability Team | | | | | | | |
| \$0 | \$0 | \$0 | \$41,799 | Purchase Polystyrene Compactor (Grant allocation) (24410/13) | \$44,990 | \$0 | (\$44,990) |
| \$0 | \$0 | \$0 | \$41,799 | | \$44,990 | \$0 | (\$44,990) |



CAPITAL EXPENDITURE STATEMENT

JANUARY 2021

| Year to Date | | | On Order | Full Year | | |
|------------------------|--------------------|------------------|------------------|--|--------------------|--------------------------------|
| Actual | Budget | Variance | | Forecast | Budget | Variance |
| Operations Team | | | | | | |
| \$0 | \$0 | \$0 | \$0 | Gas Extraction System Wells - Red Hill Landfill Facility (24399/20) | \$260,562 | \$0 (\$260,562) |
| \$246,372 | \$631,372 | \$385,000 | \$0 | Purchase / Replace Plant - Red Hill Landfill Facility (24410/00) | \$1,856,842 | \$1,935,000 \$78,158 |
| \$263,622 | \$265,000 | \$1,378 | \$167,600 | Purchase / Replace Plant - Hazelmere (24410/01) | \$595,000 | \$595,000 \$0 |
| \$10,360 | \$167,860 | \$157,500 | \$61,200 | Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility (24420/00) | \$264,438 | \$525,000 \$260,562 |
| \$0 | \$0 | \$0 | \$0 | Purchase / Replace Minor Plant and Equipment - Hazelmere (24420/02) | \$34,000 | \$34,000 \$0 |
| \$118,832 | \$129,000 | \$10,168 | \$891 | Purchase / Replace Vehicles - Red Hill Landfill Facility (24430/00) | \$129,000 | \$129,000 \$0 |
| \$5,315 | \$0 | (\$5,315) | \$0 | Purchase / Replace Office Equipment - Red Hill Landfill Facility (24510/08) | \$5,315 | \$0 (\$5,315) |
| \$0 | \$10,000 | \$10,000 | \$0 | Purchase Fire Fighting System/Equipment - Hazelmere (24520/07) | \$5,000 | \$10,000 \$5,000 |
| \$6,670 | \$70,000 | \$63,330 | \$21,850 | Purchase / Replace Security System - Red Hill Waste Management Facility (24530/08) | \$170,000 | \$170,000 \$0 |
| \$11,356 | \$41,356 | \$30,000 | \$0 | Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00) | \$74,685 | \$80,000 \$5,315 |
| \$78,158 | \$0 | (\$78,158) | \$0 | Refurbish Plant - Red Hill Landfill Facility (25410/00) | \$78,158 | \$0 (\$78,158) |
| \$404,984 | \$0 | (\$404,984) | \$0 | Refurbish Plant - Hazelmere (25410/01) | \$404,984 | \$0 (\$404,984) |
| \$1,145,669 | \$1,314,588 | \$168,919 | \$251,541 | | \$3,877,984 | \$3,478,000 (\$399,984) |



CAPITAL EXPENDITURE STATEMENT

JANUARY 2021

| Year to Date | | | On Order | | Full Year | | |
|----------------------|-------------|-------------|-------------|---|-------------|-------------|---------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance |
| Projects Team | | | | | | | |
| \$2,015,907 | \$2,015,907 | \$0 | \$0 | Purchase Waste Management Land (24150/02) | \$2,015,907 | \$2,235,000 | \$219,093 |
| \$0 | \$75,000 | \$75,000 | \$0 | Construct Waste Management Facility Buildings - Red Hill Landfill Facility (24250/01) | \$20,000 | \$200,000 | \$180,000 |
| \$32,528 | \$396,666 | \$364,139 | \$78,241 | Construct Workshop No 3 - Red Hill Landfill Facility (24250/08) | \$175,689 | \$800,500 | \$624,811 |
| \$388,461 | \$181,750 | (\$206,711) | \$1,426 | Construct Wood Waste to Energy Building - HRRP (24259/05) | \$640,461 | \$181,750 | (\$458,711) |
| \$57,837 | \$100,000 | \$42,163 | \$0 | Construct Community Recycling Centre (CRC) - HRRP (24259/06) | \$130,000 | \$100,000 | (\$30,000) |
| \$15,553 | \$100,000 | \$84,448 | \$119,415 | Construct Commercial Transfer Station - HRRP (24259/10) | \$135,000 | \$100,000 | (\$35,000) |
| \$60,654 | \$0 | (\$60,654) | \$1,296,569 | Construct Site Workshop - HRRP (24259/13) | \$1,465,750 | \$0 | (\$1,465,750) |
| \$0 | \$50,000 | \$50,000 | \$0 | Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility (24259/15) | \$40,000 | \$250,000 | \$210,000 |
| \$3,240 | \$0 | (\$3,240) | \$0 | Construct Class III Cell Stage 14 - Red Hill Landfill Facility (24310/12) | \$3,240 | \$0 | (\$3,240) |
| \$654,578 | \$1,361,607 | \$707,029 | \$1,729,618 | Construct Class III Cell Stage 16 - Red Hill Landfill Facility (24310/19) | \$3,171,717 | \$3,746,002 | \$574,285 |
| \$0 | \$0 | \$0 | \$0 | Construct Class III Cell Stage 17 - Red Hill Landfill Facility (24310/21) | \$0 | \$250,000 | \$250,000 |
| \$0 | \$0 | \$0 | \$0 | Design and Construct Class IV Cell Stage 3 - Red Hill Landfill Facility (24330/05) | \$150,000 | \$0 | (\$150,000) |
| \$254,668 | \$284,074 | \$29,406 | \$29,205 | Construct Leachate and Stormwaste Infrastructure and Siltation Ponds - Red Hill Landfill Facility (24350/01) | \$284,074 | \$400,000 | \$115,926 |



CAPITAL EXPENDITURE STATEMENT

JANUARY 2021

| Year to Date | | | On Order | | Full Year | | |
|----------------------|-----------|-------------|----------|---|-----------|-----------|-------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance |
| Projects Team | | | | | | | |
| \$0 | \$60,000 | \$60,000 | \$24,998 | Construct Roads / Carparks - Red Hill Landfill Facility (24370/00) | \$124,401 | \$124,401 | \$0 |
| \$122,858 | \$50,000 | (\$72,858) | \$0 | Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02) | \$250,000 | \$50,000 | (\$200,000) |
| \$0 | \$100,000 | \$100,000 | \$0 | Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility (24380/00) | \$50,000 | \$250,000 | \$200,000 |
| \$0 | \$0 | \$0 | \$0 | Construct Litter Fence - Redhill Landfill Facility (24394/05) | \$0 | \$50,000 | \$50,000 |
| \$0 | \$50,000 | \$50,000 | \$0 | Resource Recovery Park - Noise Control Fencing (24394/06) | \$150,000 | \$150,000 | \$0 |
| \$0 | \$0 | \$0 | \$0 | Construct Hardstand and Road - Hazelmere (24395/01) | \$0 | \$55,000 | \$55,000 |
| \$125,332 | \$0 | (\$125,332) | \$0 | Construct FOGO Processing Area - Red Hill Landfill Facility (24395/05) | \$130,000 | \$0 | (\$130,000) |
| \$0 | \$0 | \$0 | \$0 | Undertake FOGO Reference Site Tours (24395/06) | \$0 | \$62,500 | \$62,500 |
| \$100,609 | \$0 | (\$100,609) | \$0 | Implementation of the FOGO Recovery Strategy (24395/07) | \$400,000 | \$0 | (\$400,000) |
| \$22,000 | \$20,000 | (\$2,000) | \$0 | Construct Monitoring Bores - Red Hill Landfill Facility (24396/00) | \$50,000 | \$20,000 | (\$30,000) |
| \$0 | \$0 | \$0 | \$0 | Construct Monitoring Bores - Hazelmere (24396/02) | \$35,000 | \$0 | (\$35,000) |
| \$214,565 | \$291,677 | \$77,112 | \$24,095 | Construct Site Infrastructure - HRRP (24399/01) | \$400,000 | \$300,000 | (\$100,000) |
| \$0 | \$0 | \$0 | \$0 | Construct Reuse Store Infrastructure (Car Park) - HRRP (24399/07) | \$0 | \$250,000 | \$250,000 |
| \$0 | \$25,000 | \$25,000 | \$0 | Air Supply lines - Waste Management Structures - Red Hill Landfill Facility (24399/10) | \$25,000 | \$75,000 | \$50,000 |



CAPITAL EXPENDITURE STATEMENT

JANUARY 2021

| Year to Date | | | On Order | | Full Year | | |
|----------------------|--------------------|--------------------|--------------------|--|---------------------|---------------------|--------------------|
| Actual | Budget | Variance | | | Forecast | Budget | Variance |
| Projects Team | | | | | | | |
| \$6,031 | \$336,976 | \$330,945 | \$11,604 | Wood Waste to Energy Utilities/Infrastructure - HRRP (24399/11) | \$344,273 | \$515,000 | \$170,727 |
| \$0 | \$0 | \$0 | \$0 | Liquid Waste Project - Red Hill Landfill Facility (24399/16) | \$150,000 | \$1,650,000 | \$1,500,000 |
| \$1,727,275 | \$1,787,961 | \$60,686 | \$360,842 | Develop Lots 8 9 & 10 For Future Waste Activities - Red Hill Landfill Facility (24399/19) | \$1,960,000 | \$1,787,961 | (\$172,039) |
| \$0 | \$0 | \$0 | \$0 | Air Pollution Control Residue Facility (APCR) - Red Hill Landfill Facility (24399/21) | \$300,000 | \$0 | (\$300,000) |
| \$313,072 | \$855,000 | \$541,928 | \$278,397 | Purchase Wood Waste to Energy Plant & Equipment - HRRP (24410/03) | \$620,201 | \$855,000 | \$234,799 |
| \$456,877 | \$150,000 | (\$306,877) | \$1,500 | Purchase FOGO Processing Plant - Red Hill Landfill Facility (24410/10) | \$465,000 | \$150,000 | (\$315,000) |
| \$0 | \$0 | \$0 | \$0 | Liquid Waste Project Plant - Red Hill Landfill Facility (24410/11) | \$0 | \$550,000 | \$550,000 |
| \$6,572,043 | \$8,291,618 | \$1,719,575 | \$3,955,909 | | \$13,685,713 | \$15,158,114 | \$1,472,401 |
| \$7,855,070 | \$9,995,908 | \$2,140,838 | \$4,269,188 | TOTAL CAPITAL EXPENDITURE | \$18,797,687 | \$19,616,114 | \$818,427 |



STATEMENT OF FINANCIAL POSITION

JANUARY 2021

| Actual June 2020 | Actual Year to Date | (F) = Favourable variation (U) = Unfavourable variation | Full Year | | |
|--------------------------------|------------------------|--|----------------------|----------------------|------------------------|
| | | | Forecast | Budget | Variance |
| Current Assets | | | | | |
| \$1,102,124 | \$3,393,062 | Cash and Cash Equivalents | \$1,109,530 | \$1,109,530 | \$0 (F) |
| \$85,324,608 | \$78,366,346 | Investments | \$70,246,502 | \$71,082,961 | (\$836,459) (U) |
| \$2,987,058 | \$3,951,938 | Trade and Other Receivables | \$2,716,470 | \$2,716,470 | \$0 (F) |
| \$39,035 | \$25,062 | Inventories | \$54,739 | \$54,739 | \$0 (F) |
| \$67,382 | \$465,000 | Other Assets | \$42,555 | \$42,555 | \$0 (F) |
| \$89,520,206 | \$86,201,408 | Total Current Assets | \$74,169,796 | \$75,006,255 | (\$836,459) (U) |
| Current Liabilities | | | | | |
| \$6,160,299 | \$3,382,463 | Trade and Other Payables | \$5,541,725 | \$5,541,725 | \$0 (F) |
| \$1,835,255 | \$1,835,255 | Provisions | \$1,676,448 | \$1,676,448 | \$0 (F) |
| \$7,995,554 | \$5,217,718 | Total Current Liabilities | \$7,218,173 | \$7,218,173 | \$0 (F) |
| \$81,524,652 | \$80,983,690 | Net Current Assets | \$66,951,623 | \$67,788,082 | (\$836,459) (U) |
| Non Current Assets | | | | | |
| \$50,570,000 | \$52,585,907 | Land | \$52,805,000 | \$52,805,000 | \$0 (F) |
| \$7,292,678 | \$7,226,095 | Buildings | \$11,087,739 | \$11,071,240 | \$16,499 (F) |
| \$21,123,020 | \$19,829,219 | Structures | \$31,013,251 | \$30,764,213 | \$249,038 (F) |
| \$12,895,549 | \$13,622,040 | Plant | \$19,376,941 | \$18,788,644 | \$588,297 (F) |
| \$606,150 | \$547,965 | Equipment | \$1,147,719 | \$1,080,598 | \$67,121 (F) |
| \$135,079 | \$129,995 | Furniture and Fittings | \$156,124 | \$158,299 | (\$2,175) (U) |
| \$17,736,763 | \$21,587,353 | Work in Progress | \$12,592,903 | \$13,411,330 | (\$818,427) (U) |
| \$110,359,239 | \$115,528,574 | Total Non Current Assets | \$128,179,677 | \$128,079,324 | \$100,353 (F) |
| Non Current Liabilities | | | | | |
| \$7,432,011 | \$7,907,597 | Provisions | \$5,721,209 | \$5,634,031 | (\$87,178) (U) |
| \$7,432,011 | \$7,907,597 | Total Non Current Liabilities | \$5,721,209 | \$5,634,031 | (\$87,178) (U) |
| \$184,451,880 | \$188,604,667 | Net Assets | \$189,410,091 | \$190,233,375 | (\$823,284) (U) |
| Equity | | | | | |
| \$58,106,903 | \$66,352,626 | Accumulated Surplus/Deficit | \$75,379,157 | \$75,379,157 | \$0 (F) |
| \$75,968,089 | \$75,968,089 | Cash Backed Reserves | \$67,070,539 | \$67,070,539 | \$0 (F) |
| \$42,131,165 | \$42,131,165 | Asset Revaluation Reserve | \$42,131,165 | \$42,131,165 | \$0 (F) |
| \$8,245,723 | \$4,152,787 | Net change in assets from operations | \$4,829,230 | \$5,652,514 | (\$823,284) (U) |
| \$184,451,880 | \$188,604,667 | Total Equity | \$189,410,091 | \$190,233,375 | (\$823,284) (U) |

CASH AND INVESTMENTS JANUARY 2021

| Actual June 2020 | Actual Year to Date | | Full Year | | |
|--|------------------------|---|-------------------|-------------------|----------------------|
| | | | Forecast | Budget | Variance |
| Municipal Cash and Investments | | | | | |
| 1,098,174 | 3,389,012 | Cash at Bank - Municipal Fund 01001/00 | 1,105,580 | 1,105,580 | 0 (F) |
| 3,950 | 4,050 | Cash on Hand 01019/00 - 02 | 3,450 | 3,450 | 0 (F) |
| 9,031,911 | 1,598,289 | Investments - Municipal Fund 02021/00 | 2,175,425 | 2,988,240 | (812,815) (U) |
| 10,134,035 | 4,991,351 | Total Municipal Cash | 3,284,455 | 4,097,270 | (812,815) (U) |
| Restricted Cash and Investments | | | | | |
| 141,856 | 142,665 | Restricted Investments - Plant and Equipment 02022/01 | 267,120 | 267,120 | 0 (F) |
| 4,986,647 | 5,015,110 | Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02 | 3,525,256 | 3,525,256 | 0 (F) |
| 18,263,389 | 18,367,636 | Restricted Investments - Future Development 02022/03 | 15,072,575 | 15,072,575 | 0 (F) |
| 2,350,987 | 2,364,407 | Restricted Investments - Environmental Monitoring Red Hill 02022/04 | 1,545,172 | 1,545,172 | 0 (F) |
| 46,892 | 47,160 | Restricted Investments - Environmental Insurance Red Hill 02022/05 | 57,268 | 57,268 | 0 (F) |
| 15,631 | 15,720 | Restricted Investments - Risk Management 02022/06 | 15,699 | 15,699 | 0 (F) |
| 649,866 | 653,576 | Restricted Investments - Class IV Cells Red Hill 02022/07 | 710,295 | 710,295 | 0 (F) |
| 321,607 | 323,443 | Restricted Investments - Regional Development 02022/08 | 322,511 | 322,511 | 0 (F) |
| 45,240,494 | 45,498,725 | Restricted Investments - Secondary Waste Processing 02022/09 | 44,803,335 | 44,803,335 | 0 (F) |
| 2,873,244 | 2,889,645 | Restricted Investments - Class III Cells 02022/10 | 482,686 | 482,686 | 0 (F) |
| 78,920 | 79,370 | Restricted Investments - Building Refurbishment (Ascot Place) 02022/11 | 79,259 | 79,259 | 0 (F) |
| 324,608 | 366,346 | Restricted Investments - Accrued Interest 02022/19 | 189,362 | 189,362 | 0 (F) |
| 0 | 0 | Restricted Investments - Unrealised Loss/Gain on Investments 02022/20 | 0 | 0 | 0 (F) |
| 998,556 | 1,004,255 | Restricted Investments - Long Service Leave 02022/90 | 1,024,683 | 1,024,683 | 0 (F) |
| 76,292,697 | 76,768,058 | Total Restricted Cash | 68,095,221 | 68,095,221 | 0 (F) |
| 86,426,732 | 81,759,409 | TOTAL CASH AND INVESTMENTS | 71,379,676 | 72,192,491 | (812,815) (U) |

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.



11.2 COMPLIANCE AUDIT RETURN 2020

REFERENCE: D2021/02421

PURPOSE OF REPORT

The purpose of this report is to present to Council for adoption the Compliance Audit Return (CAR) for the year ending 31 December 2020.

KEY POINTS AND RECOMMENDATION(S)

- Each local government is required to complete a CAR 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 uploaded to the Department of Local Government, Sport and Cultural Industries Smart Hub portal by 31 March 2021.

Recommendation(s)

That Council adopts the draft Compliance Audit Return 2020, forming an attachment to this report, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

SOURCE OF REPORT

Chief Financial Officer

BACKGROUND

The audit and applicable return are completed in accordance with the requirements of Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*. It is a compliance audit for the period 1 January to 31 December 2020 against the requirements included in the Compliance Audit Return for that period.

Regulation 14 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 CAR, as required by the *Local Government Act 1995* (the Act) and relevant Regulations, is now completed and submitted via the Department of Local Government, Sport and Cultural Industries Smart Hub portal.

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 review process includes a rigorous assessment being undertaken by responsible officers for each section. It is then input by the Manager Financial Services and Manager Procurement & Governance which is why their names appear on the "respondent" column of the CAR document.

A high level of compliance was achieved. Where applicable, the details and explanations relating to the completion of the return appear in the relevant comment sections of the CAR.

After the CAR 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 uploaded to the Department of Local Government, Sport and Cultural Industries Smart Hub portal by 31 March 2021.



Item 11.2 continued

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 3 – Good Governance

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

FINANCIAL IMPLICATIONS

Nil

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

| | | |
|--|-------------------|---------------|
| RISK: Non-compliance with the <i>Local Government Act 1995</i> and EMRC's responsibility to maintain responsible and accountable governance and management of the organisation. | | |
| Consequence | Likelihood | Rating |
| Moderate | Unlikely | Moderate |
| Action/Strategy | | |
| Council to adopt the draft Compliance Audit Return 2020, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2021. | | |

MEMBER COUNCIL IMPLICATIONS

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

ATTACHMENT(S)

EMRC - Compliance Audit Return Regional Local Government 2020 (Ref: D2021/02421)

VOTING REQUIREMENT

Simple Majority



Item 11.2 continued

RECOMMENDATION(S)

That Council adopts the draft Compliance Audit Return 2020, forming an attachment to this report, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

AC RECOMMENDATION(S)

MOVED CR HAMILTON

SECONDED CR BOYD

That Council adopts the draft Compliance Audit Return 2020, forming an attachment to this report, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2021.

CARRIED UNANIMOUSLY

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



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

Eastern Metropolitan Regional Council - Compliance Audit Return Regional Local Government 2020

Certified Copy of Return

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



| Commercial Enterprises by Local Governments | | | | | |
|--|--------------------------------|---|-----------------|---|-------------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s3.59(2)(a) F&G Regs 7,9,10 | Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2020? | N/A | In relation to the proposed FOGO processing facility, legal advice was obtained by the EMRC which advises that given that the preferred FOGO processing model will not be known until after the tender process has been completed, it would appear that there would be a significantly reduced utility in attempting to publish a business plan for public comment at this stage. I.e. it is difficult to publish a business plan for public comment when the model is not yet known. | Izabella Krzysko |
| 2 | s3.59(2)(b) F&G Regs 7,8,10 | Has the local government prepared a business plan for each major land transaction that was not exempt in 2020? | No | | Izabella Krzysko |
| 3 | s3.59(2)(c) F&G Regs 7,8,10 | Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2020? | N/A | | Izabella Krzysko |
| 4 | s3.59(4) | Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2020? | N/A | In relation to the proposed FOGO processing facility, legal advice was obtained by the EMRC which advises that given that the preferred FOGO processing model will not be known until after the tender process has been completed, it would appear that there would be a significantly reduced utility in attempting to publish a business plan for public comment at this stage. I.e. it is difficult to publish a business plan for public comment when the model is not yet known. | Izabella Krzysko |
| 5 | s3.59(5) | During 2020, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? | No | | Izabella Krzysko |



| Delegation of Power/Duty | | | | | |
|---------------------------------|--------------------------------|---|-----------------|-----------------|-------------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s5.16 | Were all delegations to committees resolved by absolute majority? | Yes | | Izabella Krzysko |
| 2 | s5.16 | Were all delegations to committees in writing? | Yes | | Izabella Krzysko |
| 3 | s5.17 | Were all delegations to committees within the limits specified in section 5.17? | Yes | | Izabella Krzysko |
| 4 | s5.18 | Were all delegations to committees recorded in a register of delegations? | Yes | | Izabella Krzysko |
| 5 | s5.18 | Has council reviewed delegations to its committees in the 2019/2020 financial year? | Yes | | Izabella Krzysko |
| 6 | s5.42(1) & s5.43 Admin Reg 18G | Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act and in sections 214(2), (3) or (5) of the Planning and Development Act 2005? | Yes | | Izabella Krzysko |
| 7 | s5.42(1) | Were all delegations to the CEO resolved by an absolute majority? | Yes | | Izabella Krzysko |
| 8 | s5.42(2) | Were all delegations to the CEO in writing? | Yes | | Izabella Krzysko |
| 9 | s5.44(2) | Were all delegations by the CEO to any employee in writing? | Yes | | Izabella Krzysko |
| 10 | s5.16(3)(b) & s5.45(1)(b) | Were all decisions by the council to amend or revoke a delegation made by absolute majority? | N/A | | Izabella Krzysko |
| 11 | s5.46(1) | Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees? | Yes | | Izabella Krzysko |
| 12 | s5.46(2) | Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2019/2020 financial year? | Yes | | Izabella Krzysko |
| 13 | s5.46(3) Admin Reg 19 | Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19? | Yes | | Izabella Krzysko |

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



| No | Reference | Question | Response | Comments | Respondent |
|----|------------------------------------|--|----------|----------|------------------|
| 2 | s5.68(2) & s5.69 (5) Admin Reg 21A | Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting? | Yes | | Izabella Krzysko |
| 3 | s5.73 | Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made? | Yes | | Izabella Krzysko |
| 4 | s5.75 Admin Reg 22, Form 2 | Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? | Yes | | Izabella Krzysko |
| 5 | s5.76 Admin Reg 23, Form 3 | Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2020? | Yes | | Izabella Krzysko |
| 6 | s5.77 | On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return? | Yes | | Izabella Krzysko |
| 7 | s5.88(1) & (2)(a) | Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76? | Yes | | Izabella Krzysko |
| 8 | s5.88(1) & (2)(b) Admin Reg 28 | Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28? | Yes | | Izabella Krzysko |
| 9 | s5.88(3) | When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person? | Yes | | Izabella Krzysko |
| 10 | s5.88(4) | Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? | Yes | | Izabella Krzysko |
| 11 | s5.89A(1), (2) & (3) Admin Reg 28A | Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A? | Yes | | Izabella Krzysko |
| 12 | s5.89A(5) & (5A) | Did the CEO publish an up-to-date version of the gift register on the local government's website? | Yes | | Izabella Krzysko |
| 13 | s5.89A(6) | When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person? | Yes | | Izabella Krzysko |



Department of
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| No | Reference | Question | Response | Comments | Respondent |
|----|---------------------------------------|---|----------|--|------------------|
| 14 | s5.89A(7) | Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure? | Yes | | Izabella Krzysko |
| 15 | Rules of Conduct Reg 11(1), (2) & (4) | Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)? | Yes | | Izabella Krzysko |
| 16 | Rules of Conduct Reg 11(6) | Where a council member disclosed an interest under Rules of Conduct Reg 11 (2) was the nature of the interest recorded in the minutes? | Yes | | Izabella Krzysko |
| 17 | s5.70(2) & (3) | Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? | Yes | | Izabella Krzysko |
| 18 | s5.71A & s5.71B (5) | Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? | N/A | | Izabella Krzysko |
| 19 | s5.71B(6) & s5.71B(7) | Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered? | N/A | | Izabella Krzysko |
| 20 | s5.103 Admin Regs 34B & 34C | Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees? | N/A | The current EMRC code of conduct applicable to council members, committee members and employees was adopted by Council in December 2007. | Izabella Krzysko |
| 21 | Admin Reg 34B(5) | Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)? | Yes | | Izabella Krzysko |



| Disposal of Property | | | | | |
|-----------------------------|------------------|---|-----------------|-----------------|-------------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s3.58(3) | Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)? | N/A | | Izabella Krzysko |
| 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 | | Izabella Krzysko |

| 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 | The audit committee was last established on 4 November 2019. | Izabella Krzysko |
| 2 | s7.1B | Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority? | N/A | | Izabella Krzysko |
| 3 | s7.3(1) & 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 | Audit was undertaken by the OAG. | Izabella Krzysko |
| 4 | s7.3(3) | Was the person(s) appointed by the local government under s7.3(1) to be its auditor a registered company auditor or an approved auditor? | N/A | Audit was undertaken by the OAG. | Izabella Krzysko |
| 5 | s7.9(1) | Was the auditor's report for the financial year ended 30 June 2020 received by the local government by 31 December 2020? | Yes | | Izabella Krzysko |
| 6 | s7.12A(3) | Where the local government determined that matters raised in the auditor's report prepared under s7.9(1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? | N/A | No matters were raised in the 2020 Audit Report. | Izabella Krzysko |
| 7 | s7.12A(4)(a) | Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? | N/A | No matters were raised as significant in the 2020 Audit Report. | Izabella Krzysko |



| No | Reference | Question | Response | Comments | Respondent |
|----|-----------------|--|----------|---|------------------|
| 8 | s7.12A(4)(b) | Where the local government was required to prepare a report under s.7.12A(4)(a), was a copy of the report given to the Minister within three months of the audit report being received by the local government? | N/A | | Izabella Krzysko |
| 9 | s7.12A(5) | Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website? | N/A | | Izabella Krzysko |
| 10 | Audit Reg 7 | Did the agreement between the local government and its auditor include the objectives and scope of the audit, a plan for the audit, details of the remuneration and expenses paid to the auditor, and the method to be used by the local government to communicate with the auditor? | Yes | | Izabella Krzysko |
| 11 | Audit Reg 10(1) | Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit? | Yes | The Auditors report was issued on 25 November 2020 and the report was reviewed by Council on 3 December 2020. | Izabella Krzysko |

Integrated Planning and Reporting

| No | Reference | Question | Response | Comments | Respondent |
|----|--------------------------|--|----------|--|------------------|
| 1 | Admin Reg 19C | Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section? | Yes | Council adopted the 10 year Strategic Plan 2017 - 2027 on 18 August 2016 for implementation. | Izabella Krzysko |
| 2 | Admin Reg 19DA (1) & (4) | Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section? | Yes | The Corporate Business Plan was adopted on 18 June 2020. | Izabella Krzysko |
| 3 | Admin Reg 19DA (2) & (3) | Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)? | Yes | | Izabella Krzysko |



| Local Government Employees | | | | | |
|-----------------------------------|------------------------------------|--|-----------------|---|-------------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | Admin Reg 18C | Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised? | N/A | There was no recruitment for the role of CEO in 2020. | Izabella Krzysko |
| 2 | s5.36(4) & s5.37 (3) Admin Reg 18A | Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A? | N/A | | Izabella Krzysko |
| 3 | Admin Reg 18E | Was all information provided in applications for the position of CEO true and accurate? | N/A | | Izabella Krzysko |
| 4 | Admin Reg 18F | Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)? | N/A | | Izabella Krzysko |
| 5 | s5.37(2) | Did the CEO inform council of each proposal to employ or dismiss senior employee? | No | | Izabella Krzysko |
| 6 | s5.37(2) | Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? | N/A | | Izabella Krzysko |

| Official Conduct | | | | | |
|-------------------------|------------------|--|-----------------|-----------------|-------------------|
| No | Reference | Question | Response | Comments | Respondent |
| 1 | s5.120 | Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer? | No | | Izabella Krzysko |
| 2 | s5.121(1) | Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? | Yes | | Izabella Krzysko |
| 3 | s5.121(2) | Does the complaints register include all information required by section 5.121 (2)? | Yes | | Izabella Krzysko |
| 4 | s5.121(3) | Has the CEO published an up-to-date version of the register of the complaints on the local government's official website? | Yes | | Izabella Krzysko |

| Optional Questions | | | | | |
|---------------------------|------------------|-----------------|-----------------|-----------------|-------------------|
| No | Reference | Question | Response | Comments | Respondent |



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

| No | Reference | Question | Response | Comments | Respondent |
|----|-----------------------------------|--|----------|--|------------------|
| 1 | Financial Management Reg 5 (2)(c) | Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2020? If yes, please provide the date of council's resolution to accept the report. | Yes | The review was tabled to Council at its meeting held on 20 June 2019. | Izabella Krzysko |
| 2 | Audit Reg 17 | Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2020? If yes, please provide date of council's resolution to accept the report. | Yes | The review was tabled to Council at its meeting on 3 December 2020. | Izabella Krzysko |
| 3 | s5.87C(2) | Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? | Yes | | Izabella Krzysko |
| 4 | s5.87C | Where a disclosure was made under sections 5.87A or 5.87B, did the disclosure include the information required by section 5.87C? | Yes | | Izabella Krzysko |
| 5 | s5.90A(2) | Did the local government prepare and adopt by absolute majority a policy dealing with the attendance of council members and the CEO at events? | N/A | Member Conference, Seminar & Study Tour Attendance Policy was last reviewed and adopted by Council on 6 December 2018. The next policy review is to include the requirement for the policy to apply to the EMRC CEO and include other provisions i.e. ticketed events. | Izabella Krzysko |
| 6 | s.5.90A(5) | Did the CEO publish an up-to-date version of the attendance at events policy on the local government's official website? | Yes | | Izabella Krzysko |
| 7 | s5.96A(1), (2), (3) & (4) | Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)? | Yes | | Izabella Krzysko |
| 8 | s5.128(1) | Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members? | No | Advice sought from the Department of Local Government in 2020 was that Regional Local Governments were not required to prepare and adopt a policy in relation to the continuing professional development of council members. | Izabella Krzysko |



| No | Reference | Question | Response | Comments | Respondent |
|----|-----------|---|----------|----------|------------------|
| 9 | s5.127 | Did the local government prepare a report on the training completed by council members in the 2019/2020 financial year and publish it on the local government's official website by 31 July 2020? | N/A | | Izabella Krzysko |
| 10 | s6.4(3) | By 30 September 2020, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2020? | Yes | | Izabella Krzysko |

Tenders for Providing Goods and Services

| No | Reference | Question | Response | Comments | Respondent |
|----|--|--|----------|----------|------------------|
| 1 | F&G Reg 11A(1) & (3) | Does the local government have a current purchasing policy that complies with F&G Reg 11A(3) in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$250,000 or less or worth \$250,000 or less? | Yes | | Izabella Krzysko |
| 2 | F&G Reg 11A(1) | Did the local government comply with its current purchasing policy in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? | Yes | | Izabella Krzysko |
| 3 | s3.57 F&G Reg 11 | Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)? | Yes | | Izabella Krzysko |
| 4 | F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4) | When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)? | Yes | | Izabella Krzysko |
| 5 | F&G Reg 12 | Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract? | Yes | | Izabella Krzysko |
| 6 | 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 | | Izabella Krzysko |
| 7 | F&G Regs 15 & 16 | Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16? | Yes | | Izabella Krzysko |



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



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| No | Reference | Question | Response | Comments | Respondent |
|----|--------------------|---|----------|----------|------------------|
| 19 | F&G Reg 24AF | Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? | N/A | | Izabella Krzysko |
| 20 | F&G Reg 24AG | Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG? | N/A | | Izabella Krzysko |
| 21 | F&G Reg 24AH(1) | Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? | N/A | | Izabella Krzysko |
| 22 | F&G Reg 24AH(3) | Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? | N/A | | Izabella Krzysko |
| 23 | F&G Reg 24AI | Did the CEO send each applicant written notice advising them of the outcome of their application? | N/A | | Izabella Krzysko |
| 24 | F&G Regs 24E & 24F | Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F? | N/A | | Izabella Krzysko |

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 REPORTS OF DELEGATES

Nil

13 NEW BUSINESS OF AN URGENT NATURE APPROVED BY THE CHAIRMAN OR PRESIDING MEMBER OR BY DECISION OF MEETING

Nil

14 CONFIDENTIAL MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

Nil

15 FUTURE MEETINGS OF THE AUDIT COMMITTEE

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

“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.”*

Future Meetings 2021

| | | | | |
|----------|-------------|---------------|----|----------------------------|
| Thursday | 1 April | (if required) | at | EMRC Administration Office |
| Thursday | 6 May | (if required) | at | EMRC Administration Office |
| Thursday | 3 June | | at | EMRC Administration Office |
| Thursday | 5 August | (if required) | at | EMRC Administration Office |
| Thursday | 2 September | (if required) | at | EMRC Administration Office |
| Thursday | 7 October | (if required) | at | EMRC Administration Office |
| Thursday | 4 November | (if required) | at | EMRC Administration Office |

16 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 6:09pm.