




MINUTES

CERTIFICATION OF CONFIRMATION OF COUNCIL MEETING MINUTES

24 March 2016

I, Cr Terry Kenyon, hereby certify that the minutes from the Council Meeting held on 24 March 2016 pages (1) to (124) were confirmed at a meeting of Council held on 19 May 2016.



Signature

Cr Terry Kenyon
Person presiding at Meeting

ORDINARY MEETING OF COUNCIL

MINUTES

24 March 2016

(REF: D2016/01544)

An Ordinary Meeting of Council was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 24 March 2016**. 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 and welcomed visitors.

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

Councillor Attendance

Cr David Färdig (Chairman)	EMRC Member	City of Swan
Cr Paul Bridges	EMRC Member	Town of Bassendean
Cr Michael Lewis	EMRC Member	Town of Bassendean
Cr Catherine Ehrhardt (Deputising for Cr Sutherland)	EMRC Deputy Member	City of Bayswater
Cr Janet Powell	EMRC Member	City of Belmont
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Dylan O'Connor	EMRC Member	Shire of Kalamunda
Cr Geoff Stallard	EMRC Member	Shire of Kalamunda
Cr John Daw	EMRC Member	Shire of Mundaring
Cr Bob Perks	EMRC Member	Shire of Mundaring
Cr David McDonnell	EMRC Member	City of Swan

Apologies

Cr Michelle Sutherland	EMRC Member	City of Bayswater
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EMRC Officers

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr Steve Fitzpatrick	Director Waste Services
Mrs Wendy Harris	Acting Director Regional Services
Ms Theresa Eckstein	Executive Assistant to Chief Executive Officer
Mrs Annie Hughes-d'Aeth	Personal Assistant to Director Corporate Services (Minutes)

EMRC Observers

Mr David Ameduri	Manager Financial Services
Ms Giulia Bono	Administration Officer Waste Services
Ms Melinda Berwick	Administration Officer/Functions

Observers

Mr Stuart Cole	Chief Executive Officer	City of Belmont
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Visitors

Mr Lee Bell
Ms Jane Bremmer

3 DISCLOSURE OF INTERESTS

Nil



4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

4.1 COMMITTEE ELECTION

Cr Steve Wolff was declared Chairman and Cr Bob Perks was declared Deputy Chairman of the Audit Committee at the meeting held on 10 March 2016. The Chairman congratulated both Councillors.

4.2 STEAMING TO SUCCESS

The EMRC was successful in receiving \$10,000 from the State Natural Resource Management Office to run a steam weeding trial and other alternative weed control methods on the Railway Heritage Trail in the Shire of Mundaring. A workshop for local government and the community will be provided on conclusion of the trial on the viability of alternative weed control methods.

4.3 GREEN ARMY ROUND FOUR

The EMRC has been successful in securing two Green Army teams in round four. The two teams will commence in July 2016. One team is working with the City of Bayswater and includes funding of \$10,000 for seedlings. The second team will be working across the Town of Bassendean, City of Belmont and City of Swan and includes funding for project consumables of \$7,164.

5 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6 PUBLIC QUESTION TIME

6.1 QUESTIONS FROM MS JANE BREMMER

Question 1: Has the EMRC members or staff or contractors, engaged in or participated in any discussions, meetings or any communication with the WAEPA, State Government or waste industry or Perth Domestic Airport or representatives in relation to establishing a waste to energy project or any waste project on airport land or land neighbouring or adjoining the airport (both international and domestic)?

If yes, please provide details. If no, will the EMRC rule out siting a waste facility on WA airport land?

Question 2: What are the full costs to date for the RRF project including travel expenses (for Councillors and staff), contract and tender costs, advertising, waste management, public engagement any costs associated with this project?

6.2 QUESTIONS FROM MR LEE BELL

Question 1: Which competent authorities, be they Ministers or other State Government officers, have the power and authority to dismiss the current Executive Officers of the EMRC and begin the process to seek their replacement?

The CEO advised that all questions would be taken on notice.



The Chairman made the following statement after question time:

- The wood waste to energy project will utilise pyrolysis technology.
- Pyrolysis is not incineration and the feedstock is heated in the absence of oxygen.
- The plant will process untreated wood waste and convert it to renewable electricity and biochar.
- It is a small 3 megawatt facility – equivalent to 6 Transperth buses on the road.
- The health and wellbeing of the community and environment of Perth's Eastern Region are of the utmost priority to the EMRC.
- The project was subject to a Public Environmental Review process and the EMRC conducted a community engagement process throughout the Region.
- The Peer Reviews are part of the EPA and Ministerial processes and public access to them would be up to them to determine.
- As part of the EPA approval process we conducted independent peer review processes for the proveness of the technology, the air quality modelling and the trial to prove the performance of the reformer using consultants agreed by the EPA.
- This is part of an integrated waste management solution consistent with the State Government's "Towards Zero Waste" vision.
- The Hazelmere Resource Recovery Park will include:
 - A commercial and industrial waste sorting facility;
 - A community reuse store;
 - Mattress processing; and
 - Greenwaste processing.

7 APPLICATIONS FOR LEAVE OF ABSENCE

7.1 CR DAVID FÄRDIG - LEAVE OF ABSENCE

COUNCIL RESOLUTION(S)

MOVED CR MCDONNELL SECONDED CR PERKS

THAT COUNCIL APPROVE APPLICATION FOR LEAVE OF ABSENCE FOR CR FÄRDIG FROM 3 MAY 2016 TO 13 JUNE 2016 INCLUSIVE.

CARRIED UNANIMOUSLY

It was resolved at the meeting during item 20 for the applications for leave of absence for Cr Bridges and Cr Daw and noted here for record.

8 PETITIONS, DEPUTATIONS AND PRESENTATIONS

Nil



9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

9.1 MINUTES OF ORDINARY MEETING OF COUNCIL HELD ON 18 FEBRUARY 2016

That the minutes of the Ordinary Meeting of Council held on 18 February 2016 which have been distributed, be confirmed.

COUNCIL RESOLUTION

MOVED CR PERKS

SECONDED CR STALLARD

THAT THE MINUTES OF THE ORDINARY MEETING OF COUNCIL HELD ON 18 FEBRUARY 2016 WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

CARRIED UNANIMOUSLY

10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Cr Wolff advised he would forward an email that Councillors had received from Ms Jane Bremmer to the CEO as the CEO advised he had not received it.

11 QUESTIONS BY MEMBERS WITHOUT NOTICE

Nil

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

Nil

13 BUSINESS NOT DEALT WITH FROM A PREVIOUS MEETING

Nil



14 REPORTS OF EMPLOYEES

QUESTIONS

The Chairman invited questions from members on the reports of employees.

RECOMMENDATION(S)

That with the exception of items, which are to be withdrawn and dealt with separately, Council adopts the recommendations in the Reports of Employees (Section 14).

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR O'CONNOR

THAT WITH THE EXCEPTION OF ITEM 14.4, WHICH IS TO BE WITHDRAWN AND DEALT WITH SEPARATELY, COUNCIL ADOPTS THE RECOMMENDATIONS IN THE REPORTS OF EMPLOYEES (SECTION 14).

CARRIED UNANIMOUSLY



14.1 LIST OF ACCOUNTS PAID DURING THE MONTH OF FEBRUARY 2016

REFERENCE: D2016/03264

PURPOSE OF REPORT

The purpose of this report is to present to Council a list of accounts paid under the Chief Executive Officer's delegated authority during the month of February 2016 for noting.

KEY ISSUES AND RECOMMENDATION(S)

- As per the requirements of regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, the list of accounts paid during the month of February 2016 is provided for noting.

Recommendation(s)

That Council notes the CEO's list of accounts for February 2016 paid under delegated power in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, as attached to this report totalling \$9,058,758.12.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

Council has delegated to the Chief Executive Officer (CEO) the exercise of its power to make payments from the Municipal Fund and Trust Fund. In accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid by the CEO is to be provided to Council, where such delegation is made.



Item 14.1 continued

REPORT

The table below summarises the payments drawn on the funds during the month of February 2016. A list detailing the payments made is appended as an attachment to this report.

Municipal Fund	EFT Payments	EFT34414 – EFT34578	
	Cheque Payments	220144 – 220149	
	Payroll EFT	PAY 2016-16 & PAY 2016-17	
	Direct Debits		
	- Superannuation	DD15054.1 – DD15054.20 DD15055.1 – DD15055.20 DD15117.1 – DD15117.20 DD15118.1 – DD15118.19	
	- Bank Charges	1*FEB16	
	- Other	1038 - 1048	\$9,058,758.12
	Less		
	Cancelled EFTs & Cheques		Nil
Trust Fund	Not Applicable		Nil
Total			\$9,058,758.12

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 contained within the report.

SUSTAINABILITY IMPLICATIONS

Nil



Item 14.1 continued

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)

CEO's Delegated Payments List for the month of February 2016 (Ref: D2016/03640)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the CEO's list of accounts for February 2016 paid under delegated power in accordance with regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*, as attached to this report totalling \$9,058,758.12.

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR O'CONNOR

THAT COUNCIL NOTES THE CEO'S LIST OF ACCOUNTS FOR FEBRUARY 2016 PAID UNDER DELEGATED POWER IN ACCORDANCE WITH REGULATION 13(1) OF THE *LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*, AS ATTACHED TO THIS REPORT TOTALLING \$9,058,758.12.

CARRIED UNANIMOUSLY

Eastern Metropolitan Regional Council

CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF FEBRUARY 2016

Cheque /EFT No	Date	Payee	Description	Amount
EFT34414	01/02/2016	AALAN LINE MARKING SERVICES	LINE MARKING AT RED HILL WEIGHBRIDGE	528.00
EFT34415	01/02/2016	ACCESS INDUSTRIAL TYRES PTY LTD	TYRE PURCHASES & REPAIRS	7,397.50
EFT34416	01/02/2016	ADT SECURITY	SECURITY MONITORING & PATROL	3,202.67
EFT34417	01/02/2016	ADVANCED NATIONAL SERVICES PTY LTD	CLEANING SERVICES - ASCOT PLACE	4,742.19
EFT34418	01/02/2016	AIR FILTER DRY CLEAN SYSTEMS WA PTY LTD ATF AFDCS TRADING TRUST	PLANT PARTS & SERVICE	1,657.93
EFT34419	01/02/2016	ANALYTICAL REFERENCE LABORATORY (ARL)	LABORATORY TESTING & REPORTING	5,115.00
EFT34420	01/02/2016	AUSCORP IT	PRINTER REPAIR & PURCHASE OF TONER	1,730.21
EFT34421	01/02/2016	AUSTRACLEAR LIMITED (ASX)	FINANCIAL SERVICES FEE - MONTHLY FEE	26.13
EFT34422	01/02/2016	AUSTRALIA POST - ASCOT PLACE	POSTAL SERVICES	1,945.68
EFT34423	01/02/2016	AUSTRALIA POST - RED HILL	POSTAL SERVICES	246.56
EFT34424	01/02/2016	AUSTRALIAN HVAC SERVICES	AIRCONDITIONING MAINTENANCE & REPAIRS	2,002.00
EFT34425	01/02/2016	AUSTRALIAN INSTITUTE OF MANAGEMENT - AIM	STAFF TRAINING	640.00
EFT34426	01/02/2016	AUSTRALIAN TAX COLLEGE	STAFF TRAINING	396.00
EFT34427	01/02/2016	BCE SURVEYING PTY LTD	SURVEY SERVICES - RRP	550.00
EFT34428	01/02/2016	BLACKWOODS ATKINS	HARDWARE SUPPLIES	566.15
EFT34429	01/02/2016	BOFFINS BOOKSHOP	BOOKS & PUBLICATIONS	97.34
EFT34430	01/02/2016	BP GIDGEGANNUP	NEWSPAPER PURCHASES	50.00
EFT34431	01/02/2016	BRING COURIERS	COURIER SERVICE	628.24
EFT34432	01/02/2016	BRONWYN LEE	STAFF REIMBURSEMENT	146.75
EFT34433	01/02/2016	BUDGET ELECTRICS	BUILDING MAINTENANCE & REPAIRS	312.40
EFT34434	01/02/2016	BUNNINGS GROUP LTD	HARDWARE SUPPLIES	162.25
EFT34435	01/02/2016	CAPITAL TRANSPORT SERVICES (WA) PTY LTD	COURIER SERVICE	236.89
EFT34436	01/02/2016	CHAMBERLAIN AUTO ELECTRICS	AUTO ELECTRICAL REPAIRS	557.34
EFT34437	01/02/2016	CHANDLER MACLEOD GROUP	LABOUR HIRE	2,136.11
EFT34438	01/02/2016	CHEMCENTRE	LABORATORY SAMPLE TESTING	73,313.80
EFT34439	01/02/2016	CHIDLAW WATER CARRIERS	WATER SUPPLIES RED HILL	440.00
EFT34440	01/02/2016	CIRRENA PTY LTD T/A UNISON INTERACTIVE PTY LTD	WEBSITE MAINTENANCE	1,540.00
EFT34441	01/02/2016	CITY OF SWAN	SITE SWEEPING AT HAZELMERE	1,980.00
EFT34442	01/02/2016	CJD EQUIPMENT PTY LTD	PLANT MAINTENANCE, PARTS & SERVICE	18,829.62
EFT34443	01/02/2016	COLONIAL PRINT & PROMOTIONS	COUNCILLOR NAME PLATES	544.50
EFT34444	01/02/2016	COMPU-STOR	IT BACKUP DATA STORAGE SERVICES	591.98
EFT34445	01/02/2016	COVS PARTS PTY LTD	PURCHASE OF PLANT PARTS	263.74
EFT34446	01/02/2016	CRISALIS INTERNATIONAL PTY LTD	ENVIRONMENTAL CONSULTING	13,200.00
EFT34447	01/02/2016	CROSSLAND & HARDY PTY LTD	SURVEY SERVICES	506.00
EFT34448	01/02/2016	CSE-COMSOURCE PTY LTD	EQUIPMENT PURCHASES & INSTALLATION - 2 WAY RADIO	3,243.24
EFT34449	01/02/2016	CVP ELECTRICAL	BUILDING MAINTENANCE & REPAIRS	286.00
EFT34450	01/02/2016	DATA 3 PERTH	SOFTWARE LICENCE RENEWAL	2,116.13
EFT34451	01/02/2016	DEERING AUTRONICS	PLANT REPAIRS & MAINTENANCE	2,129.49
EFT34452	01/02/2016	DELRON CLEANING PTY LTD	CLEANING SERVICES - RED HILL	3,476.22
EFT34453	01/02/2016	DENSFORD CIVIL PTY LTD	RELOCATING FIRE WATER TANK AT HAZELMERE	50,187.83
EFT34454	01/02/2016	DR JOHN HARLOCK	MEDICAL CHECK - STAFF	564.00
EFT34455	01/02/2016	DUN & BRADSTREET PTY LTD	CREDIT REFERENCE CHECKS	9.90
EFT34456	01/02/2016	E & MJ ROSHER	PLANT PARTS	1,432.65
EFT34457	01/02/2016	ECHO NEWSPAPERS	NEWSPAPER SUBSCRIPTION RENEWAL	102.00
EFT34458	01/02/2016	ELEMENT HYDROGRAPHIC SOLUTIONS	EQUIPMENT MAINTENANCE & SERVICE	2,868.80
EFT34459	01/02/2016	FILTERS PLUS	PLANT PARTS	256.58
EFT34460	01/02/2016	FLICK ANTICIMEX PTY LTD	HYGIENE SERVICES	1,470.34
EFT34461	01/02/2016	FRESH BOOST PTY LTD ATF BANDITS TRUST	STAFF AMENITIES	518.00
EFT34462	01/02/2016	FUJI XEROX AUSTRALIA PTY LTD	PHOTOCOPIER MAINTENANCE & SUPPLIES	1,959.46
EFT34463	01/02/2016	FULCHER'S TREE SERVICE	HAZELMERE SITE WORKS	880.00
EFT34464	01/02/2016	GALLERIA TOYOTA	VEHICLE SERVICE	542.80
EFT34465	01/02/2016	GOODCHILD ENTERPRISES	BATTERY PURCHASE	157.30
EFT34466	01/02/2016	HEALTHSCOPE MEDICAL CENTRES T/A ST ANDREWS MEDICAL GROUP	MEDICAL CHECK - STAFF	157.30
EFT34467	01/02/2016	HECS FIRE	FIRE EQUIPMENT SERVICE	385.00
EFT34468	01/02/2016	HERBERT SMITH FREEHILLS	LEGAL ADVICE	2,190.99
EFT34469	01/02/2016	HILLS FRESH	STAFF AMENITIES	106.59
EFT34470	01/02/2016	HIND'S TRANSPORT SERVICES	PRODUCT TRANSPORTATION COSTS	569.45
EFT34471	01/02/2016	IPING PTY LTD	INTERNET SERVICE AGREEMENT	1,128.80
EFT34472	01/02/2016	IT VISION AUSTRALIA PTY LTD	SOFTWARE DEVELOPMENT COST	785.40
EFT34473	01/02/2016	JADE D'ANDRILLI	REFUND OF DISPOSAL FEE OVERPAYMENT	207.99
EFT34474	01/02/2016	BARFIELD EARTHMOVING (JAYCOURT NOMINEES P/L)	PRODUCT TRANSPORTATION COST	526.62
EFT34475	01/02/2016	BARFIELD MECHANICAL SERVICES (JAYCOURT NOMINEES)	PLANT REPAIRS & MAINTENANCE	5,819.00
EFT34476	01/02/2016	JIMS MOWING (ASCOT) WA - ANTHONY BILSTON	MOWING SERVICES	330.00
EFT34477	01/02/2016	JOHN HUGHES (ROHANNA PTY LTD)	VEHICLE SERVICE	642.00
EFT34478	01/02/2016	KENNARDS HIRE	PLANT HIRE	1,474.25
EFT34479	01/02/2016	KLB SYSTEMS	IT EQUIPMENT PURCHASES	1,512.50
EFT34480	01/02/2016	KONICA MINOLTA BUSINESS SOLUTIONS AUSTRALIA P/L	PHOTOCOPIER CHARGES	1,535.70
EFT34481	01/02/2016	KOOL KREATIVE	DESIGN AND SUPPLY OF CHRISTMAS E-CARD	462.00
EFT34482	01/02/2016	LANDFILL GAS & POWER PTY LTD	ELECTRICITY USAGE	27,370.46
EFT34483	01/02/2016	LIEBHERR AUSTRALIA PTY LTD	PLANT PARTS PURCHASE, REPAIR & SERVICE	6,357.37
EFT34484	01/02/2016	ARMAGUARD (LINFOX ARMAGUARD PTY LTD)	COURIER SERVICE	300.90
EFT34485	01/02/2016	LO-GO APPOINTMENTS	LABOUR HIRE	7,164.30
EFT34486	01/02/2016	MACRI PARTNERS	AUDIT FEE - GRANT ACQUITTAL	3,080.00
EFT34487	01/02/2016	MAIL PLUS PERTH	MAIL EXPENSES	369.60
EFT34488	01/02/2016	MAJOR MOTORS PTY LTD	PURCHASE OF A SERVICE KIT	119.10
EFT34489	01/02/2016	MARSMEN PLUMBING	BUILDING MAINTENANCE & REPAIRS	557.94
EFT34490	01/02/2016	MCINTOSH & SON	PURCHASE OF PLANT PARTS	366.47
EFT34491	01/02/2016	MIDALIA STEEL (ONESTEEL)	HARDWARE SUPPLIES	2,811.78
EFT34492	01/02/2016	MIDLAND TOYOTA (DVG)	VEHICLE SERVICE	2,201.96
EFT34493	01/02/2016	MIDWAY FORD (WA)	VEHICLE SERVICE	455.00
EFT34494	01/02/2016	MINI-TANKERS AUSTRALIA PTY LTD	DIESEL FUEL PURCHASE	129.91
EFT34495	01/02/2016	MOBILE MASTERS (DUIDALE PTY LTD)	PURCHASE OF 2-WAY RADIOS	887.10
EFT34496	01/02/2016	MS GROUNDWATER MANAGEMENT	GROUNDWATER INVESTIGATION & REPORTING	12,920.16
EFT34497	01/02/2016	MUNDARING GLASS & SECURITY	DOOR REPAIRS	513.00
EFT34498	01/02/2016	MUNDARING TYRE CENTRE	TYRE PURCHASE	571.50



CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF FEBRUARY 2016

Cheque /EFT No	Date	Payee	Description	Amount
EFT34499	01/02/2016	MURPHY'S TYRE POWER	TYRE REPAIR	45.00
EFT34500	01/02/2016	NEOPOST AUSTRALIA PTY LTD	OFFICE EQUIPMENT PURCHASE	7,300.70
EFT34501	01/02/2016	NEVERFAIL SPRINGWATER	BOTTLED WATER	774.37
EFT34502	01/02/2016	NEVILLE REFRIGERATION	DEGASSING OF FRIDGES & AIRCONDITIONERS	1,331.00
EFT34503	01/02/2016	OEM GROUP 2006 PTY LTD	PLANT MAINTENANCE	106.70
EFT34504	01/02/2016	ONSITE RENTALS PTY LTD	EQUIPMENT RENTAL	439.03
EFT34505	01/02/2016	OPUS INTERNATIONAL CONSULTANTS (AUSTRALIA) PTY LTD	ENGINEERING DESIGN HAZELMERE	1,485.00
EFT34506	01/02/2016	PALMER EARTHMOVING AUSTRALIA PTY LTD	FERRICRETE PRODUCTION COST	114,136.50
EFT34507	01/02/2016	PERTH SECURITY SERVICES - MCW CORPORATION PTY LTD	SECURITY MONITORING	10,401.93
EFT34508	01/02/2016	PIRTEK MIDLAND (M & B HYDRAULICS PTY LTD)	HYDRAULIC HOSE SUPPLIES & REPAIRS	1,470.86
EFT34509	01/02/2016	PJ & DM GODFREY FENCING CONTRACTORS	FENCE REPAIR	440.00
EFT34510	01/02/2016	PORTNER PRESS PTY LTD	BOOKS & PUBLICATIONS	77.00
EFT34511	01/02/2016	PRECISION PANEL & PAINT	REPAIRS TO VEHICLES	4,205.97
EFT34512	01/02/2016	PRESTIGE ALARMS	SUPPLY & INSTALLATION OF SECURITY SYSTEM - RRP	7,051.00
EFT34513	01/02/2016	PROTECTOR FIRE SERVICES	FIRE FIGHTING EQUIPMENT SERVICE & INSPECTION FEE	4,841.87
EFT34514	01/02/2016	PRUDENTIAL INVESTMENT SERVICES CORP P/L	INVESTMENT ADVISORY SERVICES	2,475.00
EFT34515	01/02/2016	RAMBOLL ENVIRON AUSTRALIA PTY LTD	CONSULTING FEE - WWTE	6,484.50
EFT34516	01/02/2016	RECRUITWEST	LABOUR HIRE	6,292.51
EFT34517	01/02/2016	RENTOKIL INITIAL PTY LTD	PEST CONTROL	716.88
EFT34518	01/02/2016	RUDD INDUSTRIAL AND FARM SUPPLIES	HARDWARE SUPPLIES	491.49
EFT34519	01/02/2016	SAFETY SIGNS SERVICE	SIGNAGE SUPPLIES	191.65
EFT34520	01/02/2016	SAFETY WORLD	PROTECTIVE CLOTHING	218.68
EFT34521	01/02/2016	SEEK LIMITED	ADVERTISING - JOB VACANCY	2,255.00
EFT34522	01/02/2016	SHOWCASE CATERING	CATERING COSTS	7,785.30
EFT34523	01/02/2016	SHUGS ELECTRICAL	BUILDING MAINTENANCE & REPAIRS	762.30
EFT34524	01/02/2016	SNAP BELMONT (BELSNAP PTY LTD)	PRINTING OF BROCHURE & BUSINESS CARDS	404.75
EFT34525	01/02/2016	SONIC HEALTHPLUS PTY LTD	PRE-EMPLOYMENT MEDICAL	148.50
EFT34526	01/02/2016	SPUDS GARDENING SERVICES	GROUND & GARDEN MAINTENANCE	6,581.00
EFT34527	01/02/2016	ST JOHN AMBULANCE ASSOCIATION	STAFF TRAINING	160.00
EFT34528	01/02/2016	STAPLES AUSTRALIA LTD	STATIONERY & CONSUMABLES	1,863.96
EFT34529	01/02/2016	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	6,659.40
EFT34530	01/02/2016	TENDERLINK.COM. PTY LTD	TENDERS ADVERTISING	165.00
EFT34531	01/02/2016	THE FARM SHOP (WA) 1999 PTY LTD	PLANT PARTS	118.05
EFT34532	01/02/2016	THERMO FISHER SCIENTIFIC AUSTRALIA PTY LTD	EQUIPMENT HIRE	951.28
EFT34533	01/02/2016	TIM DAVIES LANDSCAPING PTY LTD	GROUND & GARDEN MAINTENANCE	965.80
EFT34534	01/02/2016	TJ DEPIAZZI & SONS	PRODUCT TRANSPORTATION COST	1,987.15
EFT34535	01/02/2016	TOOLMART AUSTRALIA PTY LTD	EQUIPMENT PURCHASE	696.00
EFT34536	01/02/2016	TOTALLY WORKWEAR MIDLAND	PROTECTIVE CLOTHING	491.13
EFT34537	01/02/2016	TRACS	PLANT REPAIRS & SERVICE	84.93
EFT34538	01/02/2016	TRANSPACIFIC CLEANAWAY LTD	HIRE & COLLECTION COSTS OF RECYCLING BINS	158.62
EFT34539	01/02/2016	TREBLEX INDUSTRIAL	CLEANING SUPPLY	73.92
EFT34540	01/02/2016	TURNKEY INSTRUMENTS PTY LTD	EQUIPMENT SERVICE	2,524.50
EFT34541	01/02/2016	TUTT BRYANT EQUIPMENT (BT EQUIPMENT PTY LTD)	PURCHASE OF PLANT PARTS	4,273.20
EFT34542	01/02/2016	TWEET PERTH	ADVERTISING COST	790.00
EFT34543	01/02/2016	VISY RECYCLING	RECYCLING BIN HIRE	28.18
EFT34544	01/02/2016	VOLICH WASTE CONTRACTORS PTY LTD	BULK BIN HIRE	44.00
EFT34545	01/02/2016	WALGA - WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	TENDER ADVERTISING COSTS	643.50
EFT34546	01/02/2016	WATERLOGIC AUSTRALIA PTY LTD	EQUIPMENT RENTAL	321.20
EFT34547	01/02/2016	WESTERN MAZE T/A WESTERN EDUCTING SERVICE	PLANT MAINTENANCE	1,271.88
EFT34548	01/02/2016	WESTERN TREE RECYCLERS	GREENWASTE SHREDDING	25,215.96
EFT34549	01/02/2016	WESTRAC EQUIPMENT PTY LTD	PLANT PARTS	355.19
EFT34550	01/02/2016	WH LOCATION SERVICES T/ AS ABAXA	LOCATION OF UNDERGROUND SERVICES	701.25
EFT34551	01/02/2016	WINDOW WIPERS	WINDOW CLEANING	2,530.00
EFT34552	01/02/2016	WORK CLOBBER	PROTECTIVE CLOTHING	656.45
EFT34553	01/02/2016	WORKFORCE INTERNATIONAL	LABOUR HIRE	11,435.78
EFT34554	01/02/2016	WORKPAC PTY LTD	LABOUR HIRE	25,605.06
EFT34555	01/02/2016	WURTH AUSTRALIA PTY LTD	PLANT PARTS	608.45
EFT34556	03/02/2016	LIVEPOWER CONSTRUCTION & PLANT	LOCATING SERVICES FOR GAS MAIN HAZELMERE	726.00
EFT34557	03/02/2016	PAYG PAYMENTS	TAXATION PAYMENT	61,130.00
EFT34558	03/02/2016	WA BROILER GROWERS ASSOCIATION (INC)	GUARANTEE PAYMENT FOR OCT DEC '15 QUARTER	10,918.60
EFT34559	12/02/2016	CARDNO (WA) PTY LTD	CONSULTING FEE - REGIONAL INTEGRATED TRANSPORT RESEARCH	2,200.00
EFT34560	12/02/2016	COMSYNC CONSULTING PTY LTD	IT CONSULTING	2,722.50
EFT34561	12/02/2016	ICMI SPEAKERS AND ENTERTAINERS	GUEST SPEAKER FEE	4,400.00
EFT34562	12/02/2016	MOTORCHARGE PTY LTD	FLEET FUEL PURCHASES	2,587.55
EFT34563	12/02/2016	SCOPEONE BUSINESS SOLUTIONS	STAFF TRAINING	2,000.00
EFT34564	16/02/2016	ASCOT QUAYS APARTMENT HOTEL PTY LTD (ASSURED)	EQUIPMENT HIRE	600.00
EFT34565	16/02/2016	FLASHBAY PTY LTD	MARKETING MATERIAL	863.50
EFT34566	16/02/2016	PAYG PAYMENTS	TAXATION PAYMENT	58,970.00
EFT34567	16/02/2016	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	624.14
EFT34568	19/02/2016	DEPUTY COMMISSIONER OF TAXATION	GST PAYMENT	189,149.00
EFT34569	19/02/2016	BP AUSTRALIA PTY LTD	FUEL PURCHASES	35,737.08
EFT34570	19/02/2016	BP AUSTRALIA PTY LTD	OIL PURCHASES	5,620.65
EFT34571	19/02/2016	GOURMET INDULGENCE	CATERING COST	332.60
EFT34572	19/02/2016	IAN DUNNE	REFUND OF DISPOSAL FEE OVERPAYMENT	61.05
EFT34573	19/02/2016	PITNEY BOWES CREDIT AUSTRALIA LTD	POSTAGE EXPENSE	333.63
EFT34574	19/02/2016	WESTANKS AUSTRALIA PTY LTD	PURCHASE OF A MOBILE FUEL TRAILER	23,650.00
EFT34575	26/02/2016	BRIAN NAUGHTON (BG'S CAR CLEANING SERVICE)	FLEET CAR CLEANING & BUILDING MAINTENANCE	300.00
EFT34576	26/02/2016	CABCHARGE	ADMINISTRATION CHARGE	6.00
EFT34577	26/02/2016	COMSYNC CONSULTING PTY LTD	IT CONSULTING	2,805.00
EFT34578	26/02/2016	TELSTRA CORPORATION LTD	TELEPHONE CHARGES	5,532.70
220144	03/02/2016	EMRC PETTY CASH - BELMONT	PETTY CASH RECOUP	337.40
220145	03/02/2016	EMRC PETTY CASH - COPPIN ROAD	PETTY CASH RECOUP	47.20
220146	03/02/2016	EMRC PETTY CASH - MATHIESON ROAD	PETTY CASH RECOUP	37.55
220147	03/02/2016	EMRC PETTY CASH - REDHILL	PETTY CASH RECOUP	48.50
220148	09/02/2016	EMRC PETTY CASH - REDHILL	PETTY CASH RECOUP	283.55
220149	23/02/2016	WATER CORPORATION	WATER RATES & USAGE	780.83
PAY 2016-16	09/02/2016	PAYROLL FE 9/2/16	PAYROLL	188,536.15



**CEO's DELEGATED PAYMENTS LIST
FOR THE MONTH OF FEBRUARY 2016**

Cheque /EFT No	Date	Payee	Description	Amount
PAY 2016-17	23/02/2016	PAYROLL FE 23/2/16	PAYROLL	184,522.37
1*FEB16	01/02/2016	BANK CHARGES 1654 - 1659	BANK FEES & CHARGES	1,484.61
DD15054.1	02/02/2016	WALGS PLAN	SUPERANNUATION PAYMENT	34,213.53
DD15054.2	02/02/2016	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION PAYMENT	194.33
DD15054.3	02/02/2016	KINETIC SUPERANNUATION	SUPERANNUATION PAYMENT	149.81
DD15054.4	02/02/2016	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION PAYMENT	352.52
DD15054.5	02/02/2016	FUTURE SUPER	SUPERANNUATION PAYMENT	169.58
DD15054.6	02/02/2016	IOOF EMPLOYER SUPER	SUPERANNUATION PAYMENT	188.11
DD15054.7	02/02/2016	MULVAY AND BEERS SUPER FUND	SUPERANNUATION PAYMENT	153.92
DD15054.8	02/02/2016	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION PAYMENT	436.30
DD15054.9	02/02/2016	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION PAYMENT	253.02
DD15054.10	02/02/2016	CBUS INDUSTRY SUPER	SUPERANNUATION PAYMENT	296.24
DD15054.11	02/02/2016	MTAA SUPERANNUATION FUND	SUPERANNUATION PAYMENT	209.75
DD15054.12	02/02/2016	BT BUSINESS SUPER	SUPERANNUATION PAYMENT	488.78
DD15054.13	02/02/2016	FIRST STATE SUPER	SUPERANNUATION PAYMENT	256.90
DD15054.14	02/02/2016	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION PAYMENT	724.74
DD15054.15	02/02/2016	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION PAYMENT	415.29
DD15054.16	02/02/2016	AUSTRALIAN SUPER	SUPERANNUATION PAYMENT	1,226.17
DD15054.17	02/02/2016	LEGALSUPER	SUPERANNUATION PAYMENT	290.21
DD15054.18	02/02/2016	ONEPATH MASTERFUND	SUPERANNUATION PAYMENT	93.97
DD15054.19	02/02/2016	TELSTRA SUPERANNUATION SCHEME	SUPERANNUATION PAYMENT	173.95
DD15054.20	02/02/2016	COLONIAL FIRST STATE FIRSTCHOICE	SUPERANNUATION PAYMENT	250.99
DD15055.1	02/02/2016	WALGS PLAN	SUPERANNUATION PAYMENT	33,264.03
DD15055.2	02/02/2016	KINETIC SUPERANNUATION	SUPERANNUATION PAYMENT	149.81
DD15055.3	02/02/2016	AUSTRALIAN SUPER	SUPERANNUATION PAYMENT	961.36
DD15055.4	02/02/2016	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION PAYMENT	201.12
DD15055.5	02/02/2016	FUTURE SUPER	SUPERANNUATION PAYMENT	169.58
DD15055.6	02/02/2016	IOOF EMPLOYER SUPER	SUPERANNUATION PAYMENT	188.11
DD15055.7	02/02/2016	MULVAY AND BEERS SUPER FUND	SUPERANNUATION PAYMENT	192.40
DD15055.8	02/02/2016	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION PAYMENT	535.54
DD15055.9	02/02/2016	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION PAYMENT	252.88
DD15055.10	02/02/2016	CBUS INDUSTRY SUPER	SUPERANNUATION PAYMENT	332.51
DD15055.11	02/02/2016	MTAA SUPERANNUATION FUND	SUPERANNUATION PAYMENT	210.33
DD15055.12	02/02/2016	BT BUSINESS SUPER	SUPERANNUATION PAYMENT	488.78
DD15055.13	02/02/2016	FIRST STATE SUPER	SUPERANNUATION PAYMENT	294.27
DD15055.14	02/02/2016	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION PAYMENT	724.93
DD15055.15	02/02/2016	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION PAYMENT	477.59
DD15055.16	02/02/2016	LEGALSUPER	SUPERANNUATION PAYMENT	290.21
DD15055.17	02/02/2016	ONEPATH MASTERFUND	SUPERANNUATION PAYMENT	56.38
DD15055.18	02/02/2016	TELSTRA SUPERANNUATION SCHEME	SUPERANNUATION PAYMENT	173.95
DD15055.19	02/02/2016	COLONIAL FIRST STATE FIRSTCHOICE	SUPERANNUATION PAYMENT	250.99
DD15055.20	02/02/2016	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION PAYMENT	194.33
DD15117.1	09/02/2016	WALGS PLAN	SUPERANNUATION PAYMENT	33,319.03
DD15117.2	09/02/2016	KINETIC SUPERANNUATION	SUPERANNUATION PAYMENT	149.81
DD15117.3	09/02/2016	AUSTRALIAN SUPER	SUPERANNUATION PAYMENT	938.51
DD15117.4	09/02/2016	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION PAYMENT	201.12
DD15117.5	09/02/2016	FUTURE SUPER	SUPERANNUATION PAYMENT	169.58
DD15117.6	09/02/2016	IOOF EMPLOYER SUPER	SUPERANNUATION PAYMENT	188.11
DD15117.7	09/02/2016	MULVAY AND BEERS SUPER FUND	SUPERANNUATION PAYMENT	68.86
DD15117.8	09/02/2016	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION PAYMENT	497.24
DD15117.9	09/02/2016	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION PAYMENT	240.27
DD15117.10	09/02/2016	CBUS INDUSTRY SUPER	SUPERANNUATION PAYMENT	283.63
DD15117.11	09/02/2016	MTAA SUPERANNUATION FUND	SUPERANNUATION PAYMENT	210.11
DD15117.12	09/02/2016	BT BUSINESS SUPER	SUPERANNUATION PAYMENT	500.57
DD15117.13	09/02/2016	FIRST STATE SUPER	SUPERANNUATION PAYMENT	259.31
DD15117.14	09/02/2016	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION PAYMENT	724.93
DD15117.15	09/02/2016	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION PAYMENT	426.69
DD15117.16	09/02/2016	LEGALSUPER	SUPERANNUATION PAYMENT	290.21
DD15117.17	09/02/2016	ONEPATH MASTERFUND	SUPERANNUATION PAYMENT	93.97
DD15117.18	09/02/2016	TELSTRA SUPERANNUATION SCHEME	SUPERANNUATION PAYMENT	173.95
DD15117.19	09/02/2016	COLONIAL FIRST STATE FIRSTCHOICE	SUPERANNUATION PAYMENT	250.99
DD15117.20	09/02/2016	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION PAYMENT	194.33
DD15118.1	23/02/2016	WALGS PLAN	SUPERANNUATION PAYMENT	33,351.45
DD15118.2	23/02/2016	KINETIC SUPERANNUATION	SUPERANNUATION PAYMENT	149.81
DD15118.3	23/02/2016	AUSTRALIAN SUPER	SUPERANNUATION PAYMENT	936.86
DD15118.4	23/02/2016	RETAIL EMPLOYEES SUPERANNUATION TRUST	SUPERANNUATION PAYMENT	201.12
DD15118.5	23/02/2016	FUTURE SUPER	SUPERANNUATION PAYMENT	169.58
DD15118.6	23/02/2016	IOOF EMPLOYER SUPER	SUPERANNUATION PAYMENT	188.11
DD15118.7	23/02/2016	NORTH PERSONAL SUPERANNUATION	SUPERANNUATION PAYMENT	499.09
DD15118.8	23/02/2016	BT LIFETIME SUPER - EMPLOYER PLAN	SUPERANNUATION PAYMENT	239.31
DD15118.9	23/02/2016	CBUS INDUSTRY SUPER	SUPERANNUATION PAYMENT	291.70
DD15118.10	23/02/2016	MTAA SUPERANNUATION FUND	SUPERANNUATION PAYMENT	210.70
DD15118.11	23/02/2016	FIRST STATE SUPER	SUPERANNUATION PAYMENT	257.00
DD15118.12	23/02/2016	BT BUSINESS SUPER	SUPERANNUATION PAYMENT	498.21
DD15118.13	23/02/2016	AMP FLEXIBLE LIFETIME SUPER	SUPERANNUATION PAYMENT	724.36
DD15118.14	23/02/2016	HOSTPLUS SUPERANNUATION FUND	SUPERANNUATION PAYMENT	468.87
DD15118.15	23/02/2016	LEGALSUPER	SUPERANNUATION PAYMENT	290.21
DD15118.16	23/02/2016	ONEPATH MASTERFUND	SUPERANNUATION PAYMENT	107.70
DD15118.17	23/02/2016	TELSTRA SUPERANNUATION SCHEME	SUPERANNUATION PAYMENT	173.95
DD15118.18	23/02/2016	COLONIAL FIRST STATE FIRSTCHOICE	SUPERANNUATION PAYMENT	250.99
DD15118.19	23/02/2016	AUSTRALIAN ETHICAL SUPER	SUPERANNUATION PAYMENT	194.33
1038	16/02/2016	NATIONAL AUSTRALIA BANK	TERM DEPOSIT INVESTMENT	3,500,000.00
1039	22/02/2016	BANKWEST	TERM DEPOSIT INVESTMENT	2,000,000.00
1040	22/02/2016	BANKWEST	TERM DEPOSIT INVESTMENT	2,000,000.00
1041	23/02/2016	HAAS HOLZZERKLEINERUNGS - UND FORDERTECHNIK GMBH	PARTS FOR GRINDER	2,822.15
1042	23/02/2016	HAAS HOLZZERKLEINERUNGS - UND FORDERTECHNIK GMBH	PARTS FOR GRINDER	24,757.11
1043	29/02/2016	WBC - CORPORATE MASTERCARD - D AMEDURI	CREDIT CARD PURCHASES	303.65
1044	29/02/2016	WBC - CORPORATE MASTERCARD - D CANHAM	CREDIT CARD PURCHASES	796.52



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 Eastern Metropolitan Regional Council
**CEO's DELEGATED PAYMENTS LIST
 FOR THE MONTH OF FEBRUARY 2016**

Cheque /EFT No	Date	Payee	Description	Amount
1045	29/02/2016	WBC - CORPORATE MASTERCARD - P SCHNEIDER	CREDIT CARD PURCHASES	7.68
1046	29/02/2016	WBC - CORPORATE MASTERCARD - S FITZPATRICK	CREDIT CARD PURCHASES	194.13
1047	29/02/2016	WBC - CORPORATE MASTERCARD - T ECKSTEIN	CREDIT CARD PURCHASES	1,020.95
1048	29/02/2016	WBC - CORPORATE MASTERCARD - WENDY HARRIS	CREDIT CARD PURCHASES	387.80
SUB TOTAL				<u>9,058,758.12</u>
LESS CANCELLED EFTs & CHEQUES				<u>Nil</u>
TOTAL				<u>9,058,758.12</u>

REPORT

TOTAL

Bank Code

Bank

EMRC - Municipal Fund

9,058,758.12
9,058,758.12



14.2 FINANCIAL REPORT FOR PERIOD ENDED 31 JANUARY 2016

REFERENCE: D2016/01910

PURPOSE OF REPORT

The purpose of this report is to provide Council with an overview of the EMRC's financial performance for the period ended 31 January 2016.

KEY ISSUES AND RECOMMENDATION(S)

- Significant year to date budget variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Financial Activity as at 31 January 2016 have been identified and are reported on in the body of the report.

Recommendation(s)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 31 January 2016.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

It is a requirement of the *Local Government (Financial Management) Regulations 1996 (r.34)* that a Local Government is to prepare and present to Council financial reports in such a form as the Local Government considers to be appropriate.

The 2015/2016 Budget was presented in a format that separated 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 \$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 2016 and is reflected in this report.

REPORT

Outlined below are financial statements for the period ended 31 January 2016. Where possible the year to date monthly budget allocations have been reviewed in order to match the appropriate timing for the various projects budgeted to be undertaken. This will provide a better comparison between the year to date actual and year to date budget figures.



Item 14.2 continued

Statement of Comprehensive Income - Nature and Type (refer Attachment 1)

The year to date operating result from normal activities as at 31 January 2016 is a favourable variance of \$2,235,874 (326.46%) against budget. The following information is provided on key aspects of Council's end of year financial performance:

<u>Operating Income</u>	<i>Actuals for the Year</i>	An unfavourable variance of \$2,009,441 (9.08%).
	<i>End of Year Forecast</i>	An unfavourable variance of \$3,049,440 (8.16%).

Operating Income variances previously reported to Council:

1. Year to date User Charges of \$16,276,767 is \$2,960,121 (15.39%) below the budget of \$19,236,888. This is due to the lower than budget tonnages received to date from commercial operators. The full year forecast for User Charges of \$28,464,088 is expected to be below the annual budget by \$4,216,845 (12.90%).
2. Year to date Interest Municipal Cash Investments of \$258,904 is \$144,986 (127.27%) above the budget of \$113,918. This is attributable to the higher level of funds available as at 30 June 2015 compared to budget together with a higher average interest rate received (3.15%) compared to the budgeted rate (2.79%). The full year forecast for Interest on Municipal Funds is expected to be above the annual budget by \$377,417 (193.25%).
3. Year to date Other Income of \$1,935,219 is \$765,250 (65.41%) above the budget of \$1,169,969. This is attributable to a higher level of sales of ferricrete (\$247,365 compared to a budget of \$172,375), a higher level of mulch sales (\$320,514 compared to a budget of \$134,729) and an unbudgeted payment of \$525,206 received from the Administrators of Lehman Brothers Australia as a 1st dividend.

Full year forecast sales of ferricrete is expected to outperform budget (\$400,000 compared to a budget of \$295,000), which along with a higher level of mulch sales (\$350,000 compared to a budget of \$230,074), additional royalty income relating to the extraction of gas from the Red Hill landfill facility (\$400,000 compared to a budget of \$120,000) and an unbudgeted payment of \$525,206 received from the Administrators of Lehman Brothers Australia will result in a full year forecast of \$2,893,299. This represents \$870,437 (43.03%) above the full year budget of \$2,022,862.

Operating Income variances not previously reported to Council:

1. The full year forecast for Operating Grants is below the annual budget by \$141,710 (22.73%). This is due to unsuccessful grants or reduced grants received in the Environmental Services, Regional Services and Waste Services business units.

There were no further significant Operating Income variances as at 31 January 2016.

<u>Operating Expenditure</u>	<i>Actuals for the Year</i>	A favourable variance of \$4,245,314 (19.80%).
	<i>End of Year Forecast</i>	A favourable variance of \$1,753,716 (4.93%).

Operating Expenditure variances previously reported to Council:

1. Year to date Salary Expenses of \$4,542,160 is \$728,782 (13.83%) lower than the budget of \$5,270,942. This variance is attributable to vacant positions and budgeted positions yet to be filled.
-



Item 14.2 continued

2. Year to date Contract Expenses of \$2,101,051 is \$1,639,881 (43.84%) below the budget of \$3,740,932 due to the timing of various projects from different business units. Major variances from the Waste Services directorate include:
- Operate and Maintain Class IV Cell - Leachate Removal - \$291,662;
 - Remove and Crush Lateritic Caprock - \$212,716;
 - Monitor Environmental Impacts - \$202,889;
 - Rehabilitate Class III Landfill Cells (Red Hill) - \$123,439; and
 - Undertake Geotechnical and Materials Investigations - \$64,862.

Other projects where the expenditures are lower than budget for various directorates/business units include: Corporate Services (\$443,182), Environmental Services (\$180,092) and Regional Development (\$129,413).

3. Year to date Material Expenses of \$418,389 is \$83,511 (16.64%) below the year to date budget provision of \$501,900 due to the timing of various projects from different business units. Directorates/business units where the expenditure is lower than budget include: Corporate Services (\$66,472), Environmental Services (\$11,210) and Regional Development (\$8,109).
4. Year to date Fuel Expenses of \$353,733 is \$115,792 (24.66%) below the budget of \$469,525. The variance is primarily attributable to the lower level of diesel fuel used by plant as a result of lower tonnages received to date as well as lower than budgeted prices paid for the purchase of diesel fuel. The full year forecast for Fuel Expenses of \$659,770 is expected to be below the annual budget by \$145,262 (18.04%).
5. Year to date Insurance Expenses of \$153,341 is \$52,851 (25.63%) below the budget of \$206,192. The variance is attributable to lower insurance premiums obtained compared to budget. The full year forecast for Insurance Expenses of \$267,720 is expected to be below the annual budget by \$86,104 (24.34%).
6. Year to date Depreciation Expenses of \$3,012,545 is \$674,719 (18.30%) below the year to date budget provision of \$3,687,264. The variance is attributable to the lower level of commercial tonnages received to date resulting in lower Class III cell air space consumed (\$1,429,462 compared to a year to date budget of \$1,704,990), the lower level of capital expenditure to date and changes to the asset life of the EMRC's infrastructure class of assets in accordance with accounting standards.

Full year forecast for Depreciation Expenses is \$663,154 (10.49%) below the budget of \$6,321,375. This is attributable to the lower level of commercial tonnages forecast to be received by year end resulting in lower Class III cell air space consumption (full year forecast of \$2,636,954 compared to a budget of \$2,922,852), the lower level of capital expenditure (full year forecast of \$17,305,912 compared to a budget of \$34,487,814) and changes to the asset life of EMRC's infrastructure class of assets in accordance with accounting standards.

7. Year to date Miscellaneous Expenses of \$6,495,283 is \$1,027,466 (13.66%) below the budget of \$7,522,749. The variance is attributable to a lower than budgeted landfill levy payable (\$834,400) as a result of the reduced tonnages from commercial operators. The full year forecast for Miscellaneous Expenses of \$11,627,185 is expected to be below the annual budget by \$1,292,816 (10.01%).
8. Year to date Provision Expenses of \$123,918 is \$81,792 (194.16%) above the year to date budget provision of \$42,126. The full year forecast for Provision Expenses of \$216,401 is expected to be above the annual budget by \$144,174 (199.61%). The variance is attributable to higher than budgeted provisions following an independent review of Post Closure Management Reserves undertaken in June 2015. This was subject to a report submitted to Council at its meeting held on 18 June 2015.



Item 14.2 continued

It was established that the funds held in the Site Rehabilitation Reserve and the Environmental Monitoring Reserve were below the costs identified by the independent review. Provisions are now being calculated on a revised methodology which is based on the usage of the remaining air space indexed annually in order to provide for the costs of the post closure management of the site. This has resulted in a higher than budgeted cost.

Operating Expenditure variances not previously reported to Council:

1. The full year forecast for Costs Allocated is \$1,541,646 (82.12%) below the budget of \$1,877,290. This variance relates specifically to the timing of internal costs allocated between the Resource Recovery C & I Project and the Red Hill Landfill Facility Class III cell. This variance is predominantly offset against Costs Allocated (Other Expenses).

There were no further significant Operating Expenditure variances as at 31 January 2016.

*Other Revenues and Expenses (Net)	<i>Actuals for the Year</i>	A favourable variance of \$604,288 (20.50%).
	<i>End of Year Forecast</i>	An unfavourable variance of \$81,524 (1.33%).

Other Revenues and Expenses variances previously reported to Council:

1. Full year User Charges have been forecast to be \$0 compared to the budget of \$2,600,000. The variance is due to the timing of the Resource Recovery C & I Project which is now expected to be operational post 30 June 2016.
2. Interest on Restricted Cash Investments of \$1,135,050 is \$273,273 (31.71%) above the budget of \$861,777. This is attributable to the higher level of funds available during this period compared to budget together with a higher average interest rate received (3.15%) compared to the budgeted rate (2.79%). The full year forecast for Restricted Cash Investments is expected to be above the annual budget by \$566,566 (38.35%).
3. Full year Other Revenues have been forecast to be \$0 compared to the budget of \$1,327,500. The variance is due to the timing of the Resource Recovery C & I Project which is now expected to be operational post 30 June 2016.
4. Full year Salary Expenses of \$259,259 has been forecast to be \$379,176 (59.39%) below the budget of \$638,435. The variance is due to the timing of the Resource Recovery - Wood Waste to Energy project.
5. Contract Expenses of \$195,320 is \$299,371 (60.52%) below the budget of \$494,691. The full year Contract Expenses of \$470,207 is forecast to be \$543,693 (53.62%) below the budget of \$1,013,900.

The variance is due to the timing of the various Resource Recovery projects and the associated consultancy expenditure.

6. Full year Utility Expenses of \$2,500 has been forecast to be \$40,000 (94.12%) below the budget of \$42,500. The variance is due to the timing of the various Resource Recovery projects.
7. Full year Fuel Expenses have been forecast to be \$0 compared to the budget of \$80,000. The variance is due to the timing of the Resource Recovery C & I Project.
8. Miscellaneous Expenses of \$12,582 is \$54,105 (81.13%) below the budget of \$66,687. The full year Miscellaneous Expenses of \$37,111 is forecast to be \$123,350 (76.87%) below the budget of \$160,461.

The variance is due to the timing of the various Resource Recovery projects and the associated consultancy expenditure.



Item 14.2 continued

9. Carrying Amount of Assets Disposed Of is \$37,695 (29.82%) below the budget of \$126,407. The full year forecast for Carrying Amount of Assets Disposed Of is \$182,427 (60.66%) below the budget of \$300,727.

The variance relates specifically to the timing of plant and vehicles budgeted for change over during the 2015/2016 financial year that have not as yet attained or have been forecast not to attained the specified criteria for change over or had a lower than budgeted written down value at time of disposal.

10. Costs Allocated of \$167,807 is \$29,261 (21.12%) above the budget provision of \$138,546.

Full year forecast for Cost Allocations is \$1,554,146 (85.05%) below the budget of \$1,827,290. This variance relates specifically to the timing of internal costs allocated between the Resource Recovery C & I Project and the Red Hill Landfill Facility Class III cell. This provision is predominantly offset against Costs Allocated in the general Operating Expenditure section.

Other Revenues and Expenses variances previously reported to Council:

1. Full year Material Expenses of \$8,750 has been forecast to be \$22,300 (71.82%) below the budget of \$31,050. The variance is due to the timing of the Resource Recovery Park projects.
2. Full year Insurance Expenses of \$1,480 has been forecast to be \$22,173 (93.74%) below the budget of \$23,653. The variance is due to the timing of the Resource Recovery Park projects.
3. Full year Depreciation Expenses of \$1,703 has been forecast to be \$261,552 (99.35%) below the budget of \$263,255. The variance is due to the timing of capital expenditure associated with the Resource Recovery Park projects.

There were no further significant Other Revenues and Expenses variances as at 31 January 2016.

Capital Expenditure Statement (refer Attachment 2)

<u>Capital Expenditure</u>	<i>Actuals for the Year</i>	A favourable variance of \$10,298,069.
	<i>End of Year Forecast</i>	A favourable variance of \$17,181,902.

Capital Expenditure variances:

A favourable variance of \$10,298,069 existed as at 31 January 2016 when compared to the budget of \$11,614,310. The year to date budget provisions are used as a guide only as expenditure of a capital nature is undertaken as and when required.

Major capital expenditures to 31 January 2016 include:

- Purchase/Replace Plant - Hazelmere - \$405,899;
- Purchase/Replace Plant - Red Hill Landfill Facility - \$404,848;
- Purchase Vehicles - Ascot Place - \$129,352;
- Construct & Commission Resource Recovery Park - Site Infrastructure - \$125,117;
- Construct Class III Cell Stage 15 - Red Hill Landfill Facility - \$70,241;
- Wood Waste to Energy Utilities/Infrastructure - Resource Recovery Park - \$41,577; and
- Leachate Project - Red Hill Landfill Facility - \$30,205 (net).

The Capital Expenditure budgets as at year end were reviewed in order to reflect the actual timing of various projects and match expenditure requirements in relation to tonnage forecasts.



Item 14.2 continued

Full Year Capital Expenditure has been forecast to be \$17,181,902 (49.82%) below the budget of \$34,487,814.

Full Year significant reductions to capital budgets that have been reduced or deferred include the following:

Full Year significant reductions to capital budgets that have been reduced, deferred or carried forward include the following:

- Leachate Project - Red Hill Landfill Facility - \$3,300,000;
- Purchase Resource Recovery Park C & I Building Plant & Equipment - \$2,985,000;
- Construct Class III Cell - Stage 15 - Red Hill Landfill Facility - \$1,700,000;
- Purchase Resource Recovery Park Wood Waste to Energy Plant & Equipment - \$1,642,000;
- Construct Class III Cell - Farm Stage 3 - Red Hill Landfill Facility - \$1,240,000;
- Construct and Commission Resource Recovery Park Site Infrastructure - \$1,217,000;
- Construct and Commission Resource Recovery Park C & I Building - \$1,050,000;
- Resource Recovery Park Wood Waste to Energy Utilities/Infrastructure - \$1,000,000;
- Construct Class III Leachate Pond - Red Hill Landfill Facility - \$600,000;
- Design & Construct Class IV Cell - Stage 2 - Red Hill Landfill Facility - \$500,000;
- Construct Access Road to Lots 8, 9 & 10 - Red Hill Landfill Facility - \$475,000;
- Construct Roads / Carparks - Red Hill Landfill Facility - \$370,000;
- Purchase Plant & Equipment - Resource Recovery Park MRF - \$300,000;
- Relocate Greenwaste Processing Area - Red Hill Landfill Facility - \$200,000;
- Construct Class III Cell - Stage 14 - Red Hill Landfill Facility - \$160,000;
- Construct and Commission Resource Recovery Park Weighbridges (x2) - \$150,000;
- Purchase/Replace Security System - Red Hill Landfill Facility - \$130,000; and
- Purchase Vehicles - Ascot Place - \$99,941.

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

- Purchase / Replace Plant - Hazelmere - \$406,000.

Statement of Financial Position (refer Attachment 3)

The Statement of Financial Position shows the overall impact of actual balances compared with budget provisions and end of year forecasts for operating and capital works activities.

Total Equity as at 31 January 2016 totals \$154,089,681. This is an increase of \$6,473,350 from the 30 June 2015 equity of \$147,616,331.

It has been forecast that Total Equity as at 30 June 2016 will be below the original budget of \$155,538,990 by \$1,377,248.

Statement of Cash and Investments (refer Attachment 4)

The level of cash and investments in the Municipal Fund as at 31 January 2016 is \$21,271,268 and Restricted Cash amount to \$60,076,819.

The net movement for the month is a decrease of \$607,954.

It has been forecast that total cash and investments as at 30 June 2016 will be above the original budget of \$56,064,824 by \$14,856,121.



Item 14.2 continued

Investment Report (refer Attachment 5)

Term deposits valued at \$9,500,000 matured during January 2016. These were reinvested into further term deposits together with additional surplus funds.

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 outlined within the report and attachments.

SUSTAINABILITY IMPLICATIONS

Nil

ATTACHMENT(S)

1. Statement of Comprehensive Income by Nature and Type (Ref: D2016/02166)
2. Capital Expenditure Statement (Ref: D2016/02170)
3. Statement of Financial Position (Ref: D2016/02171)
4. Statement of Cash and Investments (Ref: D2016/02172)
5. Investment Report (Ref: D2016/02173)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council receives the Statement of Comprehensive Income, Capital Expenditure Statement, Statement of Financial Position, Statement of Cash and Investments and the Investment Report for the period ended 31 January 2016.

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR O'CONNOR

THAT COUNCIL RECEIVES THE STATEMENT OF COMPREHENSIVE INCOME, CAPITAL EXPENDITURE STATEMENT, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CASH AND INVESTMENTS AND THE INVESTMENT REPORT FOR THE PERIOD ENDED 31 JANUARY 2016.

CARRIED UNANIMOUSLY



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date				JANUARY 2016				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance		Forecast	Budget	Variance	
Operating Income											
\$16,276,767	\$19,236,888	(\$2,960,121)	(U)	User Charges	\$28,464,088	\$32,680,933	(\$4,216,845)	(U)			
\$263,059	\$258,023	\$5,036	(F)	Special Charges	\$450,800	\$430,789	\$20,011	(F)			
\$588,549	\$574,706	\$13,843	(F)	Contributions	\$661,770	\$683,725	(\$21,955)	(U)			
\$334,700	\$348,831	(\$14,131)	(U)	Operating Grants	\$481,790	\$623,500	(\$141,710)	(U)			
\$258,904	\$113,918	\$144,986	(F)	Interest Municipal Cash Investments	\$572,717	\$195,300	\$377,417	(F)			
\$455,885	\$420,189	\$35,696	(F)	Reimbursements	\$783,589	\$720,384	\$63,205	(F)			
\$1,935,219	\$1,169,969	\$765,250	(F)	Other	\$2,893,299	\$2,022,862	\$870,437	(F)			
\$20,113,084	\$22,122,524	(\$2,009,441)	(U)	Total Operating Income	\$34,308,053	\$37,357,493	(\$3,049,440)	(U)			
Operating Expenditure											
\$4,542,160	\$5,270,942	\$728,782	(F)	Salary Expenses	\$8,515,484	\$9,277,385	\$761,901	(F)			
\$2,101,051	\$3,740,932	\$1,639,881	(F)	Contract Expenses	\$5,979,966	\$6,429,957	\$449,991	(F)			
\$418,389	\$501,900	\$83,511	(F)	Material Expenses	\$944,158	\$962,379	\$18,221	(F)			
\$177,074	\$170,035	(\$7,039)	(U)	Utility Expenses	\$275,186	\$300,206	\$25,020	(F)			
\$353,733	\$469,525	\$115,792	(F)	Fuel Expenses	\$659,770	\$805,032	\$145,262	(F)			
\$14,133	\$12,866	(\$1,267)	(U)	Finance Fees and Interest Expenses	\$25,000	\$22,068	(\$2,932)	(U)			
\$153,341	\$206,192	\$52,851	(F)	Insurance Expenses	\$267,720	\$353,824	\$86,104	(F)			
\$3,012,545	\$3,687,264	\$674,719	(F)	Depreciation Expenses	\$5,658,221	\$6,321,375	\$663,154	(F)			
\$6,495,283	\$7,522,749	\$1,027,466	(F)	Miscellaneous Expenses	\$11,627,185	\$12,920,001	\$1,292,816	(F)			
\$123,918	\$42,126	(\$81,792)	(U)	Provision Expenses	\$216,401	\$72,227	(\$144,174)	(U)			
(\$199,292)	(\$186,882)	\$12,410	(F)	Costs Allocated	(\$335,644)	(\$1,877,290)	(\$1,541,646)	(U)			
\$17,192,335	\$21,437,649	\$4,245,314	(F)	Total Operating Expenditure	\$33,833,447	\$35,587,163	\$1,753,716	(F)			
\$2,920,749	\$684,875	\$2,235,874	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES	\$474,606	\$1,770,330	(\$1,295,724)	(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;
5. Other Operating Income - includes income from the sale of products; and
6. Miscellaneous Expenses - includes the landfill levy expense of \$6,058,710 as at 31 January 2016.

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 2016

Year to Date							Full Year		
Actual	Budget	Variance					Forecast	Budget	Variance
Other Revenues									
\$0	\$0	\$0	(F)	User Charges	\$0	\$2,600,000	(\$2,600,000)	(U)	
\$2,844,002	\$2,874,606	(\$30,604)	(U)	Secondary Waste Charge	\$4,897,900	\$4,822,149	\$75,751	(F)	
\$1,135,050	\$861,777	\$273,273	(F)	Interest Restricted Cash Investments	\$2,043,969	\$1,477,403	\$566,566	(F)	
\$0	\$28	(\$28)	(U)	Reimbursements	\$50	\$50	\$0	(F)	
\$198,091	\$214,650	(\$16,559)	(U)	Proceeds from Sale of Assets	\$301,341	\$306,500	(\$5,159)	(U)	
\$0	\$0	\$0	(F)	Other	\$0	\$1,327,500	(\$1,327,500)	(U)	
\$4,177,143	\$3,951,061	\$226,082	(F)	Total Other Revenues	\$7,243,260	\$10,533,602	(\$3,290,342)	(U)	
Other Expenses									
\$154,700	\$166,245	\$11,545	(F)	Salary Expenses	\$259,259	\$638,435	\$379,176	(F)	
\$195,320	\$494,691	\$299,371	(F)	Contract Expenses	\$470,207	\$1,013,900	\$543,693	(F)	
\$2,236	\$6,405	\$4,169	(F)	Material Expenses	\$8,750	\$31,050	\$22,300	(F)	
\$1,333	\$1,456	\$123	(F)	Utility Expenses	\$2,500	\$42,500	\$40,000	(F)	
\$0	\$0	\$0	(F)	Fuel Expenses	\$0	\$80,000	\$80,000	(F)	
\$862	\$959	\$97	(F)	Insurance Expenses	\$1,480	\$23,653	\$22,173	(F)	
\$989	\$1,351	\$362	(F)	Depreciation Expenses	\$1,703	\$263,255	\$261,552	(F)	
\$12,582	\$66,687	\$54,105	(F)	Miscellaneous Expenses	\$37,111	\$160,461	\$123,350	(F)	
\$88,712	\$126,407	\$37,695	(F)	Carrying Amount of Assets Disposed Of	\$118,300	\$300,727	\$182,427	(F)	
\$167,807	\$138,546	(\$29,261)	(U)	Costs Allocated	\$273,144	\$1,827,290	\$1,554,146	(F)	
\$624,541	\$1,002,747	\$378,206	(F)	Total Other Expenses	\$1,172,454	\$4,381,272	\$3,208,818	(F)	
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)	
Revaluation of Assets									
\$0	\$0	\$0	(F)	Revaluation of Assets	\$0	\$0	\$0	(F)	
\$0	\$0	\$0	(F)	Total Revaluation of Assets	\$0	\$0	\$0	(F)	
\$3,552,602	\$2,948,314	\$604,288	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	\$6,070,806	\$6,152,330	(\$81,524)	(U)	
Surplus	Surplus				Surplus	Surplus			
\$6,473,350	\$3,633,189	\$2,840,161	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	\$6,545,412	\$7,922,660	(\$1,377,248)	(U)	
Surplus	Surplus				Surplus	Surplus			



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date						Full Year			
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance	
Governance and Corporate Services									
\$129,352	\$163,002	\$33,650	(F)	\$44,818	Purchase Vehicles - Ascot Place (24440/00)	\$179,494	\$279,435	\$99,941	(F)
\$6,637	\$16,478	\$9,841	(F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$28,250	\$28,250	\$0	(F)
\$9,645	\$423,870	\$414,225	(F)	\$3,331	Purchase Information Technology & Communication Equipment (24550/00)	\$588,250	\$632,250	\$44,000	(F)
\$0	\$17,500	\$17,500	(F)	\$0	Purchase Art Works (24620/00)	\$30,000	\$30,000	\$0	(F)
\$0	\$151,662	\$151,662	(F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$260,000	\$260,000	\$0	(F)
\$0	\$2,128	\$2,128	(F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$3,650	\$3,650	\$0	(F)
\$145,634	\$774,640	\$629,006	(F)	\$48,149		\$1,089,644	\$1,233,585	\$143,941	(F)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Environmental Services

\$5,909	\$0	(\$5,909) (U)	\$0	Purchase / Replace Minor Plant and Equipment - Environmental Services (24420/05)	\$5,909	\$0	(\$5,909) (U)
\$0	\$581	\$581 (F)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$1,000	\$1,000	\$0 (F)
\$3,935	\$0	(\$3,935) (U)	\$0	Purchase Other Equipment - Environmental Services (24590/05)	\$3,935	\$0	(\$3,935) (U)
\$0	\$581	\$581 (F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$0	\$1,000	\$1,000 (F)
\$9,844	\$1,162	(\$8,682) (U)	\$0		\$10,844	\$2,000	(\$8,844) (U)

Regional Development

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

Risk Management

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

Resource Recovery



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date						Full Year			
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance	
Resource Recovery									
\$0	\$100,000	\$100,000	(F)	\$38,995		\$43,000	\$100,000	\$57,000	(F)
\$19,405	\$1,050,000	\$1,030,595	(F)	\$1,432,078		\$2,000,000	\$3,050,000	\$1,050,000	(F)
\$900	\$0	(\$900)	(U)	\$0		\$625,000	\$625,000	\$0	(F)
\$0	\$25,000	\$25,000	(F)	\$0		\$30,000	\$55,000	\$25,000	(F)
\$0	\$0	\$0	(F)	\$0		\$0	\$150,000	\$150,000	(F)
\$0	\$100,000	\$100,000	(F)	\$0		\$20,000	\$100,000	\$80,000	(F)
\$125,117	\$850,000	\$724,883	(F)	\$50,419		\$603,000	\$1,820,000	\$1,217,000	(F)
\$41,577	\$350,000	\$308,423	(F)	\$6,106		\$900,000	\$1,900,000	\$1,000,000	(F)
\$0	\$1,467,543	\$1,467,543	(F)	\$0		\$1,143,000	\$2,785,000	\$1,642,000	(F)
\$0	\$400,000	\$400,000	(F)	\$1,438,050		\$440,000	\$3,425,000	\$2,985,000	(F)
\$0	\$100,000	\$100,000	(F)	\$0		\$0	\$300,000	\$300,000	(F)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Resource Recovery

\$0	\$2,000	\$2,000 (F)	\$0	Purchase Other Equipment - Resource Recovery (24590/07)	\$2,000	\$2,000	\$0 (F)
\$186,999	\$4,444,543	\$4,257,544 (F)	\$2,965,649		\$5,806,000	\$14,312,000	\$8,506,000 (F)

Waste Management

\$1,263	\$0	(\$1,263) (U)	\$0	Construct Waste Management Facility Buildings - Hazelmere (24250/02)	\$1,263	\$0	(\$1,263) (U)
\$0	\$63,000	\$63,000 (F)	\$0	Construct Storage Shed for Mattresses - Hazelmere (24250/05)	\$63,000	\$63,000	\$0 (F)
\$0	\$40,000	\$40,000 (F)	\$0	Refurbish Workshops - Red Hill Landfill Facility (24259/11)	\$40,000	\$40,000	\$0 (F)
\$1,176	\$0	(\$1,176) (U)	\$0	Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility (24310/11)	\$1,176	\$0	(\$1,176) (U)
\$0	\$0	\$0 (F)	\$0	Construct Class III Cell Stage 14 - Red Hill Landfill Facility (24310/12)	\$0	\$160,000	\$160,000 (F)
\$10,248	\$100,000	\$89,752 (F)	\$0	Construct Class III Landfill Cell Farm Stage 3 - Red Hill Landfill Facility (24310/13)	\$760,000	\$2,000,000	\$1,240,000 (F)
\$70,241	\$100,000	\$29,759 (F)	\$8,572	Construct Class III Cell Stage 15 - Red Hill Landfill Facility (24310/16)	\$100,000	\$1,800,000	\$1,700,000 (F)
\$0	\$600,000	\$600,000 (F)	\$0	Construct Class III Leachate Pond - Red Hill Landfill Facility (24320/01)	\$0	\$600,000	\$600,000 (F)
(\$235,509)	\$110,000	\$345,509 (F)	\$12,410	Leachate Project - Red Hill Landfill Facility (24320/02)	\$200,000	\$3,500,000	\$3,300,000 (F)
\$0	\$0	\$0 (F)	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility (24330/04)	\$0	\$500,000	\$500,000 (F)
\$0	\$0	\$0 (F)	\$0	Construct Stormwater and Siltation Ponds - Red Hill Landfill Facility (24350/01)	\$200,000	\$200,000	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Waste Management

\$0	\$100,000	\$100,000	(F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00)	\$186,000	\$186,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$120,000	\$490,000	\$370,000	(F)
\$0	\$0	\$0	(F)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02)	\$0	\$475,000	\$475,000	(F)
\$0	\$0	\$0	(F)	\$55,534	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility (24380/00)	\$500,000	\$500,000	\$0	(F)
\$0	\$50,000	\$50,000	(F)	\$0	Construct Litter Fence - Redhill Landfill Facility (24394/05)	\$50,000	\$50,000	\$0	(F)
\$0	\$60,000	\$60,000	(F)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$124,000	\$124,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Relocate Greenwaste Processing area - Red Hill Landfill Facility (24395/04)	\$0	\$200,000	\$200,000	(F)
\$0	\$0	\$0	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$34,000	\$34,000	\$0	(F)
\$0	\$70,000	\$70,000	(F)	\$0	Washdown bay Upgrade - Red Hill Landfill Facility (24399/04)	\$70,000	\$70,000	\$0	(F)
\$0	\$30,000	\$30,000	(F)	\$0	Truck Washdown Bay for Member Councils - Red Hill Landfill Facility (24399/05)	\$30,000	\$30,000	\$0	(F)
\$9,977	\$40,000	\$30,023	(F)	\$0	Plant Washdown Bay - Hazelmere (24399/08)	\$20,000	\$40,000	\$20,000	(F)
\$13,979	\$20,000	\$6,021	(F)	\$0	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility (24399/10)	\$70,000	\$150,000	\$80,000	(F)
\$5,886	\$0	(\$5,886)	(U)	\$0	Construct Brick Structure around Diesel Tank area - Red Hill Landfill Facility (24399/12)	\$5,886	\$0	(\$5,886)	(U)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Waste Management							
\$404,848	\$2,353,000	\$1,948,152 (F)	\$1,189,728		\$4,220,000	\$4,220,000	\$0 (F)
\$405,899	\$2,200,000	\$1,794,101 (F)	\$383,000		\$3,036,000	\$2,630,000	(\$406,000) (U)
\$261,622	\$0	(\$261,622) (U)	\$0		\$0	\$0	\$0 (F)
\$955	\$111,000	\$110,045 (F)	\$0		\$145,000	\$220,000	\$75,000 (F)
\$1,868	\$12,000	\$10,132 (F)	\$4,258		\$15,000	\$15,000	\$0 (F)
\$4,092	\$0	(\$4,092) (U)	\$0		\$0	\$0	\$0 (F)
\$0	\$39,179	\$39,179 (F)	\$0		\$39,179	\$39,179	\$0 (F)
\$0	\$550	\$550 (F)	\$0		\$550	\$550	\$0 (F)
\$0	\$20,000	\$20,000 (F)	\$0		\$4,000	\$24,000	\$20,000 (F)
\$0	\$6,000	\$6,000 (F)	\$3,693		\$10,000	\$10,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0		\$1,000	\$1,000	\$0 (F)
\$0	\$53,000	\$53,000 (F)	\$4,085		\$29,000	\$159,000	\$130,000 (F)
\$6,270	\$6,000	(\$270) (U)	\$0		\$6,270	\$6,000	(\$270) (U)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date						Full Year				
Actual	Budget	Variance		On (F) = Favourable variation Order (U) = Unfavourable variation		Forecast	Budget	Variance		
Waste Management										
\$4,912	\$107,500	\$102,588 (F)	\$53,138		Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$120,000	\$146,000	\$26,000 (F)		
\$4,100	\$2,500	(\$1,600) (U)	\$0		Purchase / Replace Miscellaneous Equipment - Hazelmere (24590/02)	\$4,100	\$2,500	(\$1,600) (U)		
\$0	\$0	\$0 (F)	\$0		Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$3,000	\$3,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0		Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$1,000	\$1,000	\$0 (F)		
\$0	\$2,000	\$2,000 (F)	\$0		Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$3,000	\$3,000	\$0 (F)		
\$0	\$1,500	\$1,500 (F)	\$0		Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$2,000	\$2,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0		Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$0	\$3,000	\$3,000 (F)		
\$0	\$5,000	\$5,000 (F)	\$0		Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$0	\$10,000	\$10,000 (F)		
\$0	\$70,000	\$70,000 (F)	\$0		Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)	\$140,000	\$140,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0		Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$20,000	\$20,000	\$0 (F)		
\$1,936	\$20,000	\$18,064 (F)	\$0		Refurbish Plant - Hazelmere (25410/01)	\$25,000	\$70,000	\$45,000 (F)		
\$973,764	\$6,392,229	\$5,418,465 (F)	\$1,714,417			\$10,399,424	\$18,937,229	\$8,537,805 (F)		
\$1,316,241	\$11,614,310	\$10,298,069 (F)	\$4,728,215		TOTAL CAPITAL EXPENDITURE	\$17,305,912	\$34,487,814	\$17,181,902 (F)		



STATEMENT OF FINANCIAL POSITION

JANUARY 2016

Actual June 2015	Actual Year to Date		Full Year		
			Forecast	Budget	Variance
		(F) = Favourable variation (U) = Unfavourable variation			
Current Assets					
\$2,887,347	\$3,328,157	Cash and Cash Equivalents	\$17,110,582	\$3,252,094	\$13,858,488 (F)
\$72,757,677	\$78,019,929	Investments	\$53,810,363	\$52,812,730	\$997,633 (F)
\$2,765,944	\$3,020,354	Trade and Other Receivables	\$2,765,944	\$2,765,944	\$0 (F)
\$67,598	\$72,584	Inventories	\$67,598	\$67,598	\$0 (F)
\$41,930	\$288,402	Other Assets	\$41,930	\$41,930	\$0 (F)
\$78,520,496	\$84,729,426	Total Current Assets	\$73,796,417	\$58,940,296	\$14,856,121 (F)
Current Liabilities					
\$4,021,539	\$1,847,196	Trade and Other Payables	\$4,021,539	\$4,021,539	\$0 (F)
\$1,334,359	\$1,334,359	Provisions	\$1,376,156	\$1,361,729	(\$14,427) (U)
\$5,355,898	\$3,181,555	Total Current Liabilities	\$5,397,695	\$5,383,268	(\$14,427) (U)
\$73,164,598	\$81,547,871	Net Current Assets	\$68,398,722	\$53,557,028	\$14,841,694 (F)
Non Current Assets					
\$48,469,462	\$48,469,462	Land	\$48,512,462	\$48,569,462	(\$57,000) (U)
\$5,634,921	\$5,563,440	Buildings	\$8,670,135	\$9,717,524	(\$1,047,389) (U)
\$13,649,499	\$12,084,428	Structures	\$14,747,879	\$25,347,585	(\$10,599,706) (U)
\$5,544,891	\$5,500,427	Plant	\$12,392,845	\$16,685,308	(\$4,292,463) (U)
\$594,769	\$474,359	Equipment	\$1,073,040	\$1,142,186	(\$69,146) (U)
\$162,201	\$155,486	Furniture and Fittings	\$192,070	\$196,134	(\$4,064) (U)
\$7,449,639	\$7,471,775	Work in Progress	\$7,444,639	\$7,449,639	(\$5,000) (U)
\$81,505,382	\$79,719,377	Total Non Current Assets	\$93,033,070	\$109,107,838	(\$16,074,768) (U)
Non Current Liabilities					
\$7,053,649	\$7,177,567	Provisions	\$7,270,050	\$7,125,876	(\$144,174) (U)
\$7,053,649	\$7,177,567	Total Non Current Liabilities	\$7,270,050	\$7,125,876	(\$144,174) (U)
\$147,616,331	\$154,089,681	Net Assets	\$154,161,742	\$155,538,990	(\$1,377,248) (U)
Equity					
\$52,975,934	\$52,975,934	Accumulated Surplus/Deficit	\$52,975,933	\$52,975,933	\$0 (F)
\$58,606,878	\$58,606,878	Cash Backed Reserves	\$58,606,878	\$58,606,878	\$0 (F)
\$36,033,519	\$36,033,519	Asset Revaluation Reserve	\$36,033,519	\$36,033,519	\$0 (F)
\$0	\$6,473,350	Net change in assets from operations	\$6,545,412	\$7,922,660	(\$1,377,248) (U)
\$147,616,331	\$154,089,681	Total Equity	\$154,161,742	\$155,538,990	(\$1,377,248) (U)



30 CASH AND INVESTMENTS

JANUARY 2016

Actual June 2015	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
2,883,897	3,324,707	Cash at Bank - Municipal Fund 01001/00	17,107,132	3,248,644	13,858,488 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
400	400	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	400	400	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
13,815,909	17,943,111	Investments - Municipal Fund 02021/00	4,008,482	3,577,415	431,067 (F)
16,703,255	21,271,268	Total Municipal Cash	21,119,063	6,829,508	14,289,555 (F)
Restricted Cash and Investments					
3,635,347	3,714,392	Restricted Investments - Plant and Equipment 02022/01	1,997,091	1,916,042	81,049 (F)
1,930,073	1,972,039	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	1,997,385	1,980,229	17,156 (F)
3,648,218	3,727,543	Restricted Investments - Future Development 02022/03	2,414,453	2,370,712	43,741 (F)
680,965	695,771	Restricted Investments - Environmental Monitoring Red Hill 02022/04	704,714	697,558	7,156 (F)
89,410	91,354	Restricted Investments - Environmental Insurance Red Hill 02022/05	40,549	39,204	1,345 (F)
13,507	13,801	Restricted Investments - Risk Management 02022/06	13,977	13,887	90 (F)
19,475	19,898	Restricted Investments - Class IV Cells Red Hill 02022/07	55,211	55,552	(341) (U)
99,650	101,817	Restricted Investments - Regional Development 02022/08	19,740	17,894	1,846 (F)
44,950,540	45,927,920	Restricted Investments - Secondary Waste Processing 02022/09	36,862,585	36,447,847	414,738 (F)
2,710,350	2,769,282	Restricted Investments - Class III Cells 02022/10	4,482,672	4,488,170	(5,498) (U)
68,200	69,683	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	70,578	70,120	458 (F)
334,891	195,625	Restricted Investments - Accrued Interest 02022/19	334,891	334,891	0 (F)
0	0	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	0	0	0 (F)
761,142	777,692	Restricted Investments - Long Service Leave 02022/90	808,035	803,209	4,826 (F)
58,941,769	60,076,819	Total Restricted Cash	49,801,882	49,235,316	566,566 (F)
75,645,024	81,348,087	TOTAL CASH AND INVESTMENTS	70,920,945	56,064,824	14,856,121 (F)

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.

EMRC Investment Report

January 2016

<p>I. Overall Portfolio Limits</p> <table border="1"> <thead> <tr> <th>S&P Long Term Rating</th> <th>S&P Short Term Rating</th> <th>% Portfolio</th> <th>Investment Maximum %</th> </tr> </thead> <tbody> <tr> <td>AAA</td> <td>A-1+</td> <td>100.00%</td> <td>100%</td> </tr> <tr> <td>AA</td> <td>A-1</td> <td>0.00%</td> <td>100%</td> </tr> <tr> <td colspan="2"></td> <td>100.00%</td> <td></td> </tr> </tbody> </table>		S&P Long Term Rating	S&P Short Term Rating	% Portfolio	Investment Maximum %	AAA	A-1+	100.00%	100%	AA	A-1	0.00%	100%			100.00%		<p>II. Single Entity Exposure</p> <table border="1"> <thead> <tr> <th></th> <th>% Portfolio</th> </tr> </thead> <tbody> <tr> <td>ANZ Banking Group</td> <td>11.69%</td> </tr> <tr> <td>NAB</td> <td>35.06%</td> </tr> <tr> <td>Westpac / St. George Bank</td> <td>37.01%</td> </tr> <tr> <td>Bankwest</td> <td>16.23%</td> </tr> <tr> <td colspan="2">100.00%</td> </tr> </tbody> </table>			% Portfolio	ANZ Banking Group	11.69%	NAB	35.06%	Westpac / St. George Bank	37.01%	Bankwest	16.23%	100.00%	
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NB: This report is consistent with the reporting requirements of the Policy 3.3 - Management of Investments Policy



14.3 RFQ 2015-110 SUPPLY AND DELIVERY OF A LANDFILL COMPACTOR FOR RED HILL WASTE MANAGEMENT FACILITY

REFERENCE: D2016/02698

PURPOSE OF REPORT

The purpose of this report is to advise Council of the results of RFQ 2015-110 Supply and Delivery of a 45 tonne Landfill Compactor for Red Hill Waste Management Facility and recommend a preferred supplier.

KEY ISSUES AND RECOMMENDATION(S)

- One of the Bomag BC1172RB-2 Landfill Compactors is due for replacement under the Plant Replacement Program for Red Hill Waste Management Facility.
- A RFQ for the Supply and Delivery of a 45 tonne Landfill Compactor for the Red Hill Waste Management Facility was advertised via WALGA's eQuote system on 13 January 2016.
- Quotations closed on 27 January 2016 with three (3) submissions being received.

Recommendation(s)

That Council:

1. Award RFQ 2015-110 for a Bomag BC1172RB landfill compactor incorporating the Deutz TCD 2015 engine at a purchase price of \$1,345,967.29 (ex. GST) to BT Equipment T/A Tutt Bryant Equipment.
2. Authorise the CEO to enter into a contract with BT Equipment T/A Tutt Bryant Equipment in accordance with their submitted quotation, subject to any minor variations that may be agreed on between the CEO and BT Equipment T/A Tutt Bryant Equipment.
3. Authorise the CEO to negotiate a maintenance and repair agreement with BT Equipment T/A Tutt Bryant Equipment to undertake servicing of the Bomag BC1172RB at a price of \$12.45 per machine hour (ex. GST).

SOURCE OF REPORT

Director Waste Services

BACKGROUND

The landfill compactor is a critical piece of equipment at the Red Hill Waste Management Facility. By achieving sustained high levels of compaction, the airspace consumption for each tonne of waste received is reduced, thus reducing the cost of operations.

The two compactors currently in use at Red Hill Waste Management Facility are both Bomag BC1172RB-2 machines with Deutz engines. One of these machines (Asset 1942) is due for replacement under the Plant Replacement Program for Red Hill Waste Management Facility.



Item 14.3 continued

At its meeting of 23 June 2011, Council resolved (DMDOC/148126):

“THAT:

- 1. COUNCIL BY AN ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 6.8 (1)(B) OF THE LOCAL GOVERNMENT ACT 1995 AUTHORISE THE PURCHASE OF A NEW BOMAG BC1172RB-2 REFUSE COMPACTOR FROM BT EQUIPMENT WITH AN OPTIONAL FIRE SUPPRESSION SYSTEM AND 5 YEAR/10,000 HOURS EXTENDED WARRANTY FOR THE SUM OF \$1,215,000 (EX. GST) TO BE FUNDED FROM 2010/2011 OPERATING SURPLUSES.*
- 2. COUNCIL AUTHORISE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH BT EQUIPMENT IN ACCORDANCE WITH THE SUBMITTED QUOTATION SUBJECT TO MINOR VARIATIONS THAT MAY BE AGREED BETWEEN THE CHIEF EXECUTIVE OFFICER AND BT EQUIPMENT.”*

REPORT

Request for Quotation 2015-110 for the Supply and Delivery of a 45 tonne Landfill Compactor for the Red Hill Waste Management Facility was advertised via WALGA's eQuote system on 13 January 2016.

Quotations closed on 27 January 2016 with three (3) submissions being received.

Submissions were received from:

- a) GCM Enviro Pty Ltd (Tana E450 and Tana E520 machines);
- b) Westrac Pty Ltd (CAT 836K machine); and
- c) BT Equipment Pty Ltd T/A Tutt Bryant Equipment (Bomag BC1172RB Deutz engine and Bomag BC1172RB Mercedes engine machines).

The evaluation panel assessed the submissions on the following criteria:

Assessment Criteria	Weighting
(a) Compliance to Specifications	40%
(b) Price	30%
(c) Provision of Extended Warranty for five (5) Years/10,000 hours	10%
(d) Provision of Extended Warranty for Teeth/Wheels for Five (5) Years/10,000 hours	10%
(e) Timing of delivery	10%

Specific criteria were weighted according to their importance as perceived and agreed by the evaluation panel.

The result of the evaluation was that BT Equipment T/A Tutt Bryant Equipment's offer for the Bomag BC1172RB incorporating the Deutz TCD 2015 engine at a purchase price of \$1,345,967.29 (ex. GST) presents the best value for money RFQ and is the recommended supplier.



Item 14.3 continued

BT Equipment T/A Tutt Bryant Equipment offered a maintenance and repair agreement to undertake servicing of the machine at a price of \$12.45 per machine hour (ex. GST).

This report has been reviewed by the TAC "out of session" and has the Committees unanimous support.

STRATEGIC/POLICY IMPLICATIONS

Key Result Area 1 – Environmental Sustainability

- 1.1 To provide sustainable waste disposal operations
- 1.2 To improve regional waste management

FINANCIAL IMPLICATIONS

Replacement of the landfill compactor (Asset 1942) is provided for in the approved 2015/2016 Budget.

SUSTAINABILITY IMPLICATIONS

The deployment of an appropriate compactor has economic and environmental benefits.

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)

Nil

VOTING REQUIREMENT

Simple Majority



Item 14.3 continued

RECOMMENDATION(S)

That Council:

1. Award RFQ 2015-110 for a Bomag BC1172RB landfill compactor incorporating the Deutz TCD 2015 engine at a purchase price of \$1,345,967.29 (ex. GST) to BT Equipment T/A Tutt Bryant Equipment.
2. Authorise the CEO to enter into a contract with BT Equipment T/A Tutt Bryant Equipment in accordance with their submitted quotation, subject to any minor variations that may be agreed on between the CEO and BT Equipment T/A Tutt Bryant Equipment.
3. Authorise the CEO to negotiate a maintenance and repair agreement with BT Equipment T/A Tutt Bryant Equipment to undertake servicing of the Bomag BC1172RB at a price of \$12.45 per machine hour (ex. GST).

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR O'CONNOR

THAT COUNCIL:

1. AWARD RFQ 2015-110 FOR A BOMAG BC1172RB LANDFILL COMPACTOR INCORPORATING THE DEUTZ TCD 2015 ENGINE AT A PURCHASE PRICE OF \$1,345,967.29 (EX. GST) TO BT EQUIPMENT T/A TUTT BRYANT EQUIPMENT.
2. AUTHORISE THE CEO TO ENTER INTO A CONTRACT WITH BT EQUIPMENT T/A TUTT BRYANT EQUIPMENT IN ACCORDANCE WITH THEIR SUBMITTED QUOTATION, SUBJECT TO ANY MINOR VARIATIONS THAT MAY BE AGREED ON BETWEEN THE CEO AND BT EQUIPMENT T/A TUTT BRYANT EQUIPMENT.
3. AUTHORISE THE CEO TO NEGOTIATE A MAINTENANCE AND REPAIR AGREEMENT WITH BT EQUIPMENT T/A TUTT BRYANT EQUIPMENT TO UNDERTAKE SERVICING OF THE BOMAG BC1172RB AT A PRICE OF \$12.45 PER MACHINE HOUR (EX. GST).

CARRIED UNANIMOUSLY



14.4 REVIEW OF DELEGATED POWERS AND DUTIES

REFERENCE: D2016/03708

PURPOSE OF REPORT

The purpose of this report is to complete the annual statutory review of the exercise of powers and discharge of duties as delegated by Council, to amend a previously approved delegation and to propose an additional delegation.

KEY ISSUES AND RECOMMENDATION(S)

- It is a requirement of section 5.18 of the *Local Government Act 1995* (the Act) that the delegations made by the Council to Committees are reviewed in every financial year.
- It is a requirement of section 5.46 of the Act that the delegations made by the Council to the Chief Executive Officer (CEO) are reviewed in every financial year.
- The delegation of powers and duties remaining current are recommended for review and to be re-affirmed by Council.
- As a result of the change in tender thresholds in the *Local Government (Functions and General) Regulations 1996* (the Regulations), it is proposed that an increase in the CEO delegated authority limit for accepting tenders from \$350,000 to \$400,000 excluding GST be approved.
- To promote efficient administration of Council matters, it is proposed to formalise the CEO's authority to exercise the option to extend any contract awarded under a tender for further extension periods, subject to satisfactory performance.

Recommendation(s)

That Council:

1. Re-affirms the delegated powers and duties as listed in the report.
2. By absolute majority in accordance with section 5.45 of the *Local Government Act 1995*, amends delegation C1/2014 increasing the authority limit of the Chief Executive Officer to accept tenders to \$400,000 excluding GST.
3. By absolute majority in accordance with section 5.42 of the *Local Government Act 1995*, delegates authority to the Chief Executive Officer to exercise the option to extend any contract awarded under a tender with further extension periods following the initial contract period, subject to satisfactory performance.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

It is a requirement of section 5.18 of the Act that the delegations made by the Council to Committees are reviewed at least once in every financial year.

It is a requirement of section 5.46 of the Act that the delegations made by the Council to the CEO are reviewed at least once in every financial year.



Item 14.4 continued

REPORT

The list of Council decisions to delegate its powers or duties to a Committee or to the CEO are listed below. Only the decisions which are still current are being recommended to Council for review and to be re-affirmed.

The following is the list of current delegations required to be re-affirmed by Council:

Delegation Number	Date of Original Delegation	Description of Delegation	Delegated to	Comments
C2/97	29/8/1996	Power to pay accounts between meetings	CEO	Current
C11/2014	04/12/2014	That Council pursuant to Section 5.42 of the <i>Local Government Act 1995</i> , amends the delegation to the Chief Executive Officer with respect to payments from the municipal or trust funds, to include a condition that the Chief Executive Officer is to provide a brief description outlining the nature of each transaction and payment made from municipal or trust funds on a monthly basis.	CEO	(Council) D2014/12979 17.2 Notice of Motion
C7/2001	22/02/2001	Authority to approve legal services to the value of \$5000 in accordance with Council Policy Legal Representation Costs Indemnity Policy.	CEO	Current
C1/2005	19/05/2005	Finalise the sale of the land, within Lot 12, required for the Hills Spine Road and Perth – Adelaide Highway, to the Western Australian Planning Commission.	CEO	Current (TAC Report) DMDOC/34306 (Council) DMDOC/32855
C1/2006	20/07/2006	The CEO, in consultation with the Chairman, is delegated authority to approve interstate and local travel related expenditure associated with pursuing lobbying and advocacy issues of an urgent nature, in accordance with Council Policy 1.8 – Lobbying and Advocacy Policy.	CEO	Current (CEOAC Report) DMDOC/107688 (Council) DMDOC/52370
C2/2006	24/08/2006	That the CEO make appointments to the position of Acting Chief Executive Officer based on the EMRC employee holding the substantive position of Director and appointments being for a period of not longer than six (6) weeks.	CEO	Current (Report) DMDOC/55573 (Council) DMDOC/54252



Item 14.4 continued

Delegation Number	Date of Original Delegation	Description of Delegation	Delegated to	Comments
C1/2008	21/02/2008	<p>The Investment Committee has only those delegated powers and duties of Council associated with the EMRC Investment Portfolio, that have not been delegated to the CEO inclusive of, but not limited to:</p> <ul style="list-style-type: none"> (a) the acceptance of tenders for the provision of advice and services; and (b) to deal with any legal proceedings that may need to be initiated. 	Investment Committee	<p>Current Investment Committee Terms of Reference DMDOC/118164 (Report) DMDOC/78490 (Council) DMDOC/77280</p>
C1/2010	18/02/2010	<p>That Council, by an absolute majority in accordance with section 5.42 of the <i>Local Government Act 1995</i>, delegate authority to the Chief Executive Officer to enter into contracts for the sale of EMRC generated products to a maximum contract value of \$3,000,000 (ex GST)</p>	CEO	<p>Current (Report) DMDOC/126570 (Council) DMDOC/123820</p>
C1/2014	20/02/2014	<p>That Council:</p> <ol style="list-style-type: none"> 1. By absolute majority acting pursuant to section 5.42 of the <i>Local Government Act 1995</i>, delegates authority to the Chief Executive Officer to accept tenders conditional upon: <ul style="list-style-type: none"> (a) Provision having been made in the current budget for the purchase of the particular item or as authorised by Council in advance; and (b) This authority not applying to any tender for an amount exceeding \$350,000 excluding GST. <p>By absolute majority in accordance with section 5.45 of the <i>Local Government Act 1995</i>, amends delegation C1/2014 increasing the authority limit of the Chief Executive Officer to accept tenders to \$400,000 excluding GST</p>	CEO	<p>Current D2014/00706 (Report)</p> <p>To be amended per officer recommendation 2 of this report</p>



Item 14.4 continued

Delegation Number	Date of Original Delegation	Description of Delegation	Delegated to	Comments
C5/2014	19/06/2014	That: 1. Council by absolute majority, pursuant to section 5.42 of the <i>Local Government Act 1995</i> , delegates authority to the CEO to finalise and execute a Wholesale Electricity Agreement. 2. The Report and attachments remain confidential and be certified by the Chairman and CEO.	CEO	Current D2014/06931 - (RRC Report) D2014/05562 - (Council)
C1/2015	19/02/2015	By absolute majority in accordance with section 5.42 of the <i>Local Government Act 1995</i> , delegates authority to the Chief Executive Officer to donate EMRC product to the value of \$10,000 p.a.	CEO	Current D2015/02243 - (Report) D2015/00181 - (Council)
C4/2015	20/08/2015	That Council, by absolute majority, in accordance with Section 5.42(1) of the <i>Local Government Act 1995</i> , delegate authority, to the CEO, to invite tenders on its behalf.	CEO	Current D2015/13575 (Report) D2015/10208 (Council)

At the Council meeting held on 18 February 2016, Council resolved to withdraw the report of employees (D2015/20180) to allow Councillors to provide their feedback.

At the time of this report no feedback from Councillors was received.

Two matters were raised at the meeting, specifically:

- (a) C1/2006 relating to the delegation to approve interstate and local travel related expenditure associated with pursuing lobbying and advocacy issues of an urgent nature, in accordance with Council Policy 1.8 – Lobbying and Advocacy Policy.
- (b) The request to amend the delegation C1/2014 increasing the authority limit of the Chief Executive Officer to accept tenders to \$400,000 excluding GST



Item 14.4 continued

Authority to approve travel for urgent advocacy issues

The delegation C1/2006 was provided such that the CEO, in consultation with the Chairman, are able to approve interstate and local travel related expenditure associated with pursuing lobbying and advocacy issues of an urgent nature, in accordance with Council Policy 1.8 – Lobbying and Advocacy Policy.

There are three conditions of this delegation:

- (i) For the purpose of pursuing lobbying and advocacy issues per Council Policy 1.8 - Government Relations and Advocacy Policy (Attachment);
- (ii) Of an urgent nature; and
- (iii) Authority is delegated to the CEO in consultation with the Chairman.

Council Policy 1.8 reinforces this delegation that:

“Notwithstanding Council Policies 6.1 and 6.2 where urgent interstate or other travel related expenses are required to pursue urgent government relations and advocacy issues, authority for approval is delegated to the Chief Executive Officer in consultation with the Chairman.”

The time element with urgent advocacy issues is a critical one. It would not be practical to call a meeting of Council to approve the travel if the authority is not in place.

In relation to travel and accommodation expenditure, Council Policies 6.1 and 6.2 determine the class of airfares, hotel ratings, meal allowance values, cash advance values etc.

Increasing the authority limit of the CEO to accept tenders

Council has currently delegated authority for the CEO to accept tenders up to \$350,000 excluding GST. This was increased at the meeting of Council two years ago in February 2014 (D2014/00706) to reflect the increasing cost in all areas of business and in particular day to day waste operations and has not been adjusted since.

Council resolved:

“By absolute majority acting pursuant to section 5.42 of the Local Government Act 1995, delegates authority to the Chief Executive Officer to accept tenders conditional upon:

- (c) Provision having been made in the current budget for the purchase of the particular item or as authorised by Council in advance; and*
- (d) This authority not applying to any tender for an amount exceeding \$350,000 excluding GST.”*

On 1 October 2015, the *Local Government (Functions and General) Regulations 1996* (the Regulations) were amended increasing the public tender threshold from \$100,000 to \$150,000.

As a result of the \$50,000 increase to the tender threshold, it is proposed that the condition for the authority for the CEO to accept tenders up to \$350,000 excluding GST be increased by the similar \$50,000 for parity and operational efficiency purposes.

Based on an analysis of the tenders awarded over the past five years, the procurement contracts awarded within the proposed threshold of \$400,000 represent half of the individual contracts awarded but only 15% by value. The remaining half of the individual contracts awarded represent 85% by value and these will continue to be dealt with by Council.

The proposal will assist and support Council having to not deal with lower value tenders, allowing Council to focus on the more strategic and higher value procurement decisions.

As with the current delegation of authority, this delegation would be subject to the tender being for a budgeted purpose, as approved by Council in the annual budget setting process.



Item 14.4 continued

Authority to exercise the option to extend contract awarded under a tender

From time to time the EMRC will enter into a contract with a preferred supplier or a panel of preferred suppliers following a tender. The contract may provide for an option to extend the initial period for a further period at the discretion of the EMRC. As the initial contract period may be over three years, combined with multiple contracts over various tenders, and the requirement for each of the delegations requiring to be renewed each year, it is considered prudent and administratively more efficient, on what is essentially an operational matter, that Council provides an overarching delegation to the CEO to exercise the option to extend any contract period subject to satisfactory performance of the contract.

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

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)

Council Policy 1.8 - Government Relations and Advocacy Policy (Ref: D2016/03717)

VOTING REQUIREMENT

Absolute Majority



Item 14.4 continued

RECOMMENDATION(S)

That Council:

1. Re-affirms the delegated powers and duties as listed in the report.
2. By absolute majority in accordance with section 5.45 of the *Local Government Act 1995*, amends delegation C/2014 increasing the authority limit of the Chief Executive Officer to accept tenders to \$400,000 excluding GST.
3. By absolute majority in accordance with section 5.42 of the *Local Government Act 1995*, delegates authority to the Chief Executive Officer to exercise the option to extend any contract awarded under a tender with further extension periods following the initial contract period, subject to satisfactory performance.

Following discussion on this item Cr Perks moved an amendment to the recommendation to include two (2) new resolutions being:

- "2. By absolute majority in accordance with section 5.45 of the Local Government Act 1995, amends delegation C1/2006, such that the authority is also in accordance to Council approved budget."*
- "5. Receives a report detailing the list of items approved under delegated authority as they arise at the next ordinary meeting of council."*

A vote was conducted and the amendment carried unanimously.

COUNCIL RESOLUTION(S)

MOVED CR PERKS

SECONDED CR EHRHARDT

THAT COUNCIL:

1. RE-AFFIRMS THE DELEGATED POWERS AND DUTIES AS LISTED IN THE REPORT.
2. BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.45 OF THE *LOCAL GOVERNMENT ACT 1995*, AMENDS DELEGATION C1/2006, SUCH THAT THE AUTHORITY IS ALSO IN ACCORDANCE TO COUNCIL APPROVED BUDGET.
3. BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.45 OF THE *LOCAL GOVERNMENT ACT 1995*, AMENDS DELEGATION C1/2014 INCREASING THE AUTHORITY LIMIT OF THE CHIEF EXECUTIVE OFFICER TO ACCEPT TENDERS TO \$400,000 EXCLUDING GST.
4. BY ABSOLUTE MAJORITY IN ACCORDANCE WITH SECTION 5.42 OF THE *LOCAL GOVERNMENT ACT 1995*, DELEGATES AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO EXERCISE THE OPTION TO EXTEND ANY CONTRACT AWARDED UNDER A TENDER WITH FURTHER EXTENSION PERIODS FOLLOWING THE INITIAL CONTRACT PERIOD, SUBJECT TO SATISFACTORY PERFORMANCE.
5. RECEIVES A REPORT DETAILING THE LIST OF ITEMS APPROVED UNDER DELEGATED AUTHORITY AS THEY ARISE AT THE NEXT ORDINARY MEETING OF COUNCIL.

CARRIED BY AN ABSOLUTE MAJORITY 11/0

Ms Bremmer and Mr Bell vacated the meeting at 6:26pm.



1.8 Government Relations and Advocacy Policy

STRATEGIC PLAN OBJECTIVES

- 4.1 To provide advice and advocacy on issues affecting Perth's Eastern Region.
- 4.2 To manage partnerships and relationships with stakeholders.

PURPOSE

To provide policy support for the implementation of the Regional Advocacy Strategy and Council-approved recommendations on advocacy campaigns.

LEGISLATION

Nil

POLICY STATEMENT

Definitions:

For the purposes of this policy:

Government relations is the transparent, legally valid and ethically sound engagement with government employees and ministers to secure, for residents and Councils of Perth's Eastern Region, the highest quality of government services that they are entitled to expect.

Advocacy is the activity aimed at correcting and influencing the political, social, economic and environmental perceptions and opinions of government, non-government organisations and community leaders to align them with the EMRC and member Councils' views.

REGIONAL ADVOCACY STRATEGY

The Regional Advocacy Strategy is the guiding document for government relations and advocacy activities of the EMRC. The Strategy seeks to attract an increased share of investment in Perth's Eastern Region by implementation of a framework that facilitates consistent, professional and effective advocacy.



GOVERNMENT RELATIONS AND ADVOCACY OUTCOMES

Regional advocacy is undertaken for the benefit of the Region as a whole and requires activity across a range of issues and priorities of regional significance designed to create positive benefits and long term sustainability for Perth's Eastern Region.

An annual review of the regional advocacy issues will be undertaken and the results of this, together with revised actions for each year, will be presented to Council.

IMPLEMENTATION OF COUNCIL-ENDORSED GOVERNMENT RELATIONS AND ADVOCACY MEASURES

1. The Chief Executive Officer of the EMRC, in consultation with the Chairman of the EMRC when required, will sanction the implementation and related activities being pursued.
2. At the appropriate time, the Chief Executive Officer will propose, and the EMRC Council may endorse additions to this policy to guide the implementation of the government relations and advocacy measures in specific areas such as, protocol, ceremonial and correspondence matters etc.

Notwithstanding Council Policies 6.1 and 6.2 where urgent interstate or other travel related expenses are required to pursue urgent government relations and advocacy issues, authority for approval is delegated to the Chief Executive Officer in consultation with the Chairman.

FINANCIAL CONSIDERATIONS

An amount will be provided in each annual budget to meet costs associated with pursuing government relations and advocacy initiatives.

Adopted/Reviewed by Council

1. 20 July 2006
2. 18 September 2008
3. 23 September 2010
4. 18 September 2014

Next Review

Following the Ordinary Elections in 2017

Responsible Unit

Regional Services



15 REPORTS OF COMMITTEES

15.1 AUDIT COMMITTEE MEETING HELD 10 MARCH 2016 (REFER TO MINUTES OF COMMITTEE – PINK PAGES) REFERENCE: D2015/20540 (AC) – D2016/03648

The minutes of the Audit Committee meeting held on **10 March 2016** accompany and form part of this agenda – (refer to pink section of 'Minutes of Committees' for Council accompanying this Agenda).

QUESTIONS

The Chairman invited general questions from members on the minutes of the Audit Committee.

RECOMMENDATION(S)

That with the exception of item, which are to be withdrawn and dealt with separately, Council adopts the recommendations in the Audit Committee report (Section 15.1).

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR PERKS

THAT WITH THE EXCEPTION OF ITEM 12.1, WHICH IS TO BE WITHDRAWN AND DEALT WITH SEPARATELY, COUNCIL ADOPTS THE RECOMMENDATIONS IN THE AUDIT COMMITTEE REPORTS (SECTION 15.1).

CARRIED UNANIMOUSLY

AUDIT COMMITTEE

MINUTES

10 March 2016

(REF: D2015/20540 (AC) – D2016/03648)

A meeting of the Audit Committee was held at the EMRC Administration Office, 1st Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 10 March 2016**. The meeting commenced at **6:00pm**

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1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The CEO opened the meeting at 6:00pm.

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

Councillor Attendance

Cr Paul Bridges	EMRC Member	Town of Bassendean
Cr Steve Wolff	EMRC Member	City of Belmont
Cr Geoff Stallard	EMRC Member	Shire of Kalamunda
Cr Bob Perks	EMRC Member	Shire of Mundaring
Cr David Färdig	EMRC Member	City of Swan

Apologies

Cr Michelle Sutherland	EMRC Member	City of Bayswater
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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
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 A CHAIRMAN AND DEPUTY CHAIRMAN OF THE AUDIT COMMITTEE

5.1 ELECTION OF A CHAIRMAN OF THE AUDIT COMMITTEE

REFERENCE: D2015/20535 (AC) – D2016/03755

PURPOSE OF REPORT

The purpose of this report is 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

BACKGROUND

A Special Meeting of Council was held on Thursday 5 November 2015, the EMRC Chairman and Deputy Chairman were elected and members to the EMRC Committees were appointed.

AC MEMBERS 2015-2017

The following AC members were appointed to the AC at the Special Meeting of Council held on 5 November 2015:

EMRC Member	Cr Paul Bridges	Town of Bassendean
EMRC Member	Cr Michelle Sutherland	City of Bayswater
EMRC Member	Cr Steve Wolff	City of Belmont
EMRC Member	Cr Geoff Stallard	Shire of Kalamunda
EMRC Member	Cr Bob Perks	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

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. Audit Committee Terms of Reference (D2016/03761)
2. A blank nomination form for the Office of Chairman of the AC, nominate oneself (Ref: D2016/03771)
3. A blank nomination form for the Office of Chairman of the AC, nominate another (Ref: D2016/03771)
4. Ballot Paper – Election of AC Chairman (Ref: D2016/03766)



Item 5.1 continued

VOTING REQUIREMENT

Secret Ballot

RECOMMENDATION(S)

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

The CEO advised that he had received no nominations for the Office of Chairman of the Audit Committee prior to the meeting and called for nominations.

Cr Wolff nominated himself for the Office of Chairman of the Audit Committee.

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

ANNOUNCEMENT: OF THE OFFICE OF CHAIRMAN

There being no further nominations, the CEO declared Cr Wolff, Chairman of the Audit Committee unopposed for the term commencing 10 March 2016 until 2017.

The CEO congratulated Cr Wolff and vacated the Chair at 6.01pm.

At 6.01pm, Cr Wolff took the Chair.

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.

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
 18 September 2014
- Next Review: Following the Ordinary Elections in 2017
- Responsible: Director Corporate Services



Nomination for Chairman of the 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 of the 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 10 March 2016**

**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.

Firstname Lastname

Firstname Lastname

Firstname Lastname



5.2 ELECTION OF A DEPUTY CHAIRMAN OF THE AUDIT COMMITTEE

REFERENCE: D2015/20536 (AC) – D2016/03757

PURPOSE OF REPORT

The purpose of this report is 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

BACKGROUND

A Special Meeting of Council was held on Thursday 5 November 2015, the EMRC Chairman and Deputy Chairman were elected and members to the EMRC Committees were appointed.

AC MEMBERS 2015-2017

The following AC members were appointed to the AC at the Special Meeting of Council held on 5 November 2015:

EMRC Member	Cr Paul Bridges	Town of Bassendean
EMRC Member	Cr Michelle Sutherland	City of Bayswater
EMRC Member	Cr Steve Wolff	City of Belmont
EMRC Member	Cr Geoff Stallard	Shire of Kalamunda
EMRC Member	Cr Bob Perks	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: D2016/03770)
2. A blank nomination form for the Office of Deputy Chairman of the AC, nominate another (Ref: D2016/03770)
3. Ballot Paper – Election of AC Deputy Chairman (Ref: D2016/03764)



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 Chairman advised that he had received no nominations for the Office of Deputy Chairman of the AC prior to the meeting and called for nominations.

Cr Perks nominated himself for the Office of Deputy Chairman of the Audit Committee.

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

ANNOUNCEMENT: OF THE OFFICE OF DEPUTY CHAIRMAN

There being no other nominations, Cr Perks was declared Deputy Chairman of the Audit Committee for the term commencing 10 March 2016 until 2017.

The Chairman congratulated Cr Perks.



Nomination for Deputy Chairman of the 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 of the 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 10 March 2016**

**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

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 3 SEPTEMBER 2015

That the Minutes of the Audit Committee meeting held 3 September 2015, which have been distributed, be confirmed.

AC RESOLUTION(S)

MOVED CR FÄRDIG

SECONDED CR STALLARD

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 3 SEPTEMBER 2015, 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 2015/2016

REFERENCE: D2015/20537 (AC) – D2016/03758

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) 2015/2016 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 2015/2016 budget and approve its submission to the Department of Local Government and Communities within 30 days.

SOURCE OF REPORT

Director Corporate 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 \$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.

An initial review of the 2015/2016 budget was undertaken during October/November 2015 and reported in the November and December 2015 financial reports submitted to Council in February 2016.

The half year budget review was undertaken during January/February 2016 and is reflected in this report.



Item 12.1 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 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 2016. 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 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. 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 2015. The financial report relating to the period ended 31 January 2016 will be submitted to Council at its meeting to be held on 24 March 2016. 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 include significant costs incurred relating to operating and capital projects, which depend solely on the timing of when the project is undertaken.



Item 12.1 continued

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

Increase / (Decrease) in Operating Income/Other Revenues:	(\$6,339,782)
(Increase) / Decrease in Operating Expenditure/Other Expenses:	\$4,962,534
Increase / (Decrease) in Change in net assets from operations:	(\$1,377,248)
(Increase) / Decrease in Capital Expenditure:	\$17,181,902
(Increase) / Decrease in overall expenditure:	\$15,804,654

Provided below is a summary of changes between the original budget and the forecast for the financial year ending 30 June 2016. 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/Other Revenues

User Charges

- Current Budget: \$32,680,933 Forecast Budget: \$28,464,088 Variance: (\$4,216,845); (12.90%)

The full year forecast for User Charges is below the annual budget by \$4,216,845 (12.90%). This is due to the lower than budget tonnages forecast to be received from commercial operators.

Special Charges

- Current Budget: \$430,789 Forecast Budget: \$450,800 Variance: \$20,011; 4.65%

Contributions

- Current Budget: \$683,725 Forecast Budget: \$661,770 Variance: (\$21,955); (3.21%)

Operating Grants

- Current Budget: \$623,500 Forecast Budget: \$481,790 Variance: (\$141,710); (22.73%)

The full year forecast for Operating Grants is below the annual budget by \$141,710 (22.73%). This is due to various reduced or unsuccessful grants received in the Environmental Services, Regional Services and Waste Services business units. The associated expenditure relating to these projects will not be incurred.

Interest Municipal Cash & Investments

- Current Budget: \$195,300 Forecast Budget: \$572,717 Variance: \$377,417; 193.25%

The full year forecast for Interest on Municipal Funds is \$377,417 (193.25%) above the budget of \$195,300. This is attributable to the higher level of funds available as at 30 June 2015 compared to budget together with a higher average interest rate received (3.15% to January 2016 compared to the budgeted rate of 2.79%). Also contributing is the lower level of capital expenditure which has been forecast to be \$17,181,902 below the budget of \$34,487,814.

Reimbursements

- Current Budget: \$720,384 Forecast Budget: \$783,589 Variance: \$63,205; 8.77%



Item 12.1 continued

Other Income

- Current Budget: \$2,022,862 Forecast Budget: \$2,893,299 Variance: \$870,437; 43.03%

The full year forecast for Other Income of \$2,893,299 is \$870,437 (43.03%) above the budget of \$2,022,862. Major factors attributable to this variance include the sale of ferricrete which is expected to outperform budget (\$400,000 compared to a budget of \$295,500), a higher level of mulch sales (\$350,000 compared to a budget of \$230,974), royalty income relating to the extraction of gas from the Red Hill landfill facility (\$400,000 compared to a budget of \$120,000) and an unbudgeted payment of \$525,206 received from the Administrators of Lehman Brothers Australia as a 1st dividend.

User Charges (Other Revenues)

- Current Budget: \$2,600,000 Forecast Budget: \$0 Variance: (\$2,600,000); (100.00%)

The full year forecast for User Charges is below the annual budget by \$2,600,000 (100.00%). The variance is due to the timing of the Resource Recovery C & I Project which is now expected to be operational post 30 June 2016.

Secondary Waste Charge (Other Revenues)

- Current Budget: \$4,822,149 Forecast Budget: \$4,897,900 Variance: \$75,751; 1.57%

Interest Restricted Cash Investments (Other Revenues)

- Current Budget: \$1,477,403 Forecast Budget: \$2,043,969 Variance: \$566,566; 38.35%

The full year forecast for Interest on Restricted Cash Investments is \$566,566 (38.35%) above the budget of \$1,477,403. This is attributable to the higher level of funds available as at 30 June 2015 compared to budget together with a higher average interest rate received (3.15% to January 2016 compared to the budgeted rate of 2.79%).

Reimbursements (Other Revenues)

- Current Budget: \$50 Forecast Budget: \$50 Variance: \$0; N/A

Proceeds from Sale of Assets (Other Revenues)

- Current Budget: \$306,500 Forecast Budget: \$301,341 Variance: (\$5,169); (1.68%)

Other (Other Revenues)

- Current Budget: \$1,327,500 Forecast Budget: \$0 Variance: (\$1,327,500); (100.00%)

The full year forecast for Other Revenues is below the annual budget by \$1,327,500 (100.00%). The variance is due to the timing of the Resource Recovery C & I Project which is now expected to be operational post 30 June 2016.

Operating Expenditure/Other Expenses

Salary Expenses

- Current Budget: \$9,277,385 Forecast Budget: \$8,515,484 Variance: \$761,901; 8.21%

Contract Expenses

- Current Budget: \$6,429,957 Forecast Budget: \$5,979,966 Variance: \$449,991; 7.00%

Material Expenses

- Current Budget: \$962,379 Forecast Budget: \$944,158 Variance: \$18,221; 1.89%



Item 12.1 continued

Utility Expenses

- Current Budget: \$300,206 Forecast Budget: \$275,186 Variance: \$25,020; 8.33%

Fuel Expenses

- Current Budget: \$805,032 Forecast Budget: \$659,770 Variance: \$145,262; 18.04%

The full year forecast for Fuel Expenses is below the annual budget by \$145,262 (18.04%). The variance is attributable to the lower level of diesel fuel used by plant as a result of lower tonnages forecast to be received as well as lower than budgeted prices paid for the purchase of diesel fuel.

Finance Fees and Interest Expenses

- Current Budget: \$22,068 Forecast Budget: \$25,000 Variance: (\$2,932); (13.29%)

Insurance Expenses

- Current Budget: \$353,824 Forecast Budget: \$267,720 Variance: \$86,104; 24.34%

The full year forecast for Insurance Expenses is below the annual budget by \$86,104 (24.34%). This is attributable to lower insurance premiums obtained for the 2015/2016 financial year compared to budget.

Depreciation Expenses

- Current Budget: \$6,321,375 Forecast Budget: \$5,658,221 Variance: \$663,154; 10.49%

The full year forecast for Depreciation Expenses is \$663,154 (10.49%) below the budget of \$6,321,375.

This is attributable to the lower level of commercial tonnages forecast to be received by year end resulting in lower Class III cell air space consumption (full year forecast of \$2,636,954 compared to a budget of \$2,922,852), the lower level of capital expenditure (full year forecast of \$17,305,912 compared to a budget of \$34,487,814) and changes to the asset life of EMRC's infrastructure class of assets in accordance with accounting standards.

Miscellaneous Expenses (incl. landfill levy expenditure)

- Current Budget: \$12,920,001 Forecast Budget: \$11,627,185 Variance: \$1,292,816; 10.01%

The full year forecast Miscellaneous Expenses is \$1,292,816 (10.01%) below the budget of \$12,920,001. This variance is primarily attributable to a lower than budgeted landfill levy payable (\$1,206,699) as a result of lower tonnages forecast to be received by year end.

Provision Expenses

- Current Budget: \$72,227 Forecast Budget: \$216,401 Variance: (\$144,174); (199.61%)

The full year forecast for Provision Expenses is \$144,174 (199.61%) above the budget of \$72,227. The variance is attributable to higher than budgeted provisions following an independent review of Post Closure Management Reserves undertaken in June 2015. This was subject to a report submitted to Council at its meeting held on 18 June 2015.

It was established that the funds held in the Site Rehabilitation Reserve and the Environmental Monitoring Reserve were below the costs identified by the independent review. Provisions are now being calculated on a revised methodology which is based on the usage of the remaining air space indexed annually in order to provide for the costs of the post closure management of the site. This has resulted in a higher than budgeted forecast.



Item 12.1 continued

Costs Allocated

- Current Budget: (\$1,877,290) Forecast Budget: (\$335,644) Variance: (\$1,541,646); (82.12%)

The full year forecast for Cost Allocations is \$1,541,646 (82.12%) below the budget of \$1,877,290. This variance relates specifically to the timing of internal costs allocated between the Resource Recovery C & I Project and the Red Hill Landfill Facility Class III cell. This variance is predominantly offset against Costs Allocated (Other Expenses).

Salary Expenses (Other Expenses)

- Current Budget: \$638,435 Forecast Budget: \$259,259 Variance: \$379,176; 59.39%

The variance is attributable to budgeted positions forecast not to be filled by year end due to the timing of Resource Recovery Park projects.

Contract Expenses (Other Expenses)

- Current Budget: \$1,013,900 Forecast Budget: \$470,207 Variance: \$543,693; 53.62%

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

Material Expenses (Other Expenses)

- Current Budget: \$31,050 Forecast Budget: \$8,750 Variance: \$22,300; 71.82%

The variance is due to the timing of the various Resource Recovery projects.

Utility Expenses (Other Expenses)

- Current Budget: \$42,500 Forecast Budget: \$2,500 Variance: \$40,000; 94.12%

The variance is due to the timing of the various Resource Recovery projects.

Fuel Expenses (Other Expenses)

- Current Budget: \$80,000 Forecast Budget: \$0 Variance: \$80,000; 100.00%

The variance is due to the timing of the Resource Recovery C & I Project.

Insurance Expenses (Other Expenses)

- Current Budget: \$23,653 Forecast Budget: \$1,480 Variance: \$22,173; 93.74%

The variance is due to the timing of the Resource Recovery projects.

Depreciation Expenses (Other Expenses)

- Current Budget: \$263,255 Forecast Budget: \$1,703 Variance: \$261,552; 99.35%

The variance is due to the timing of capital expenditure associated with the Resource Recovery projects.

Miscellaneous Expenses (Other Expenses)

- Current Budget: \$160,461 Forecast Budget: \$37,111 Variance: \$123,350; 76.87%

The variance is due to the timing of various Resource Recovery projects.



Item 12.1 continued

Carrying Amount of Assets Disposed Of (Other Expenses)

- Current Budget: \$300,727 Forecast Budget: \$118,300 Variance: \$182,427; 60.66%

The full year forecast for Carrying Amount of Assets Disposed Of is \$182,427 (60.66%) below the budget of \$300,727. The variance relates specifically to the timing of plant and vehicles budgeted for change over during the 2015/2016 financial year that have been forecast not to attained the specified criteria for change over or had a lower than budgeted written down value at time of disposal.

Costs Allocated (Other Expenses)

- Current Budget: \$1,827,290 Forecast Budget: \$273,144 Variance: \$1,554,146; (85.05%)

The full year forecast for Cost Allocations is \$1,554,146 (85.05%) below the budget of \$1,827,290. This variance relates specifically to the timing of internal costs allocated between the Resource Recovery C & I Project and the Red Hill Landfill Facility Class III cell. This provision is predominantly offset against Costs Allocated in the general Operating Expenditure section.

Capital Expenditure

- Current Budget: \$34,487,814 Forecast Budget: \$17,305,912 Variance: \$17,181,902; 49.82%

The Capital Expenditure budgets as at year end were reviewed in October/November 2015 and again as part of the budget review undertaken during January/February 2016 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 \$17,181,902 (49.82%) below the budget of \$34,487,814.

Significant reductions to capital budgets that have been deferred and/or carried forward include the following:

- Leachate Project - Red Hill Landfill Facility - \$3,300,000;
- Purchase Resource Recovery Park C & I Building Plant & Equipment - \$2,985,000;
- Construct Class III Cell - Stage 15 - Red Hill Landfill Facility - \$1,700,000;
- Purchase Resource Recovery Park Wood Waste to Energy Plant & Equipment - \$1,642,000;
- Construct Class III Cell - Farm Stage 3 - Red Hill Landfill Facility - \$1,240,000;
- Construct and Commission Resource Recovery Park Site Infrastructure - \$1,217,000;
- Construct and Commission Resource Recovery Park C & I Building - \$1,050,000;
- Resource Recovery Park Wood Waste to Energy Utilities/Infrastructure - \$1,000,000;
- Construct Class III Leachate Pond - Red Hill Landfill Facility - \$600,000;
- Design & Construct Class IV Cell - Stage 2 - Red Hill Landfill Facility - \$500,000;
- Construct Access Road to Lots 8, 9 & 10 - Red Hill Landfill Facility - \$475,000;
- Construct Roads / Carparks - Red Hill Landfill Facility - \$370,000;
- Purchase Plant & Equipment - Resource Recovery Park MRF - \$300,000;
- Relocate Greenwaste Processing Area - Red Hill Landfill Facility - \$200,000;
- Construct Class III Cell - Stage 14 - Red Hill Landfill Facility - \$160,000;
- Construct and Commission Resource Recovery Park Weighbridges (x2) - \$150,000;
- Purchase/Replace Security System - Red Hill Landfill Facility - \$130,000; and
- Purchase Vehicles - Ascot Place - \$99,941.



Item 12.1 continued

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

- o Purchase / Replace Plant - Hazelmere - \$406,000.

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

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. Income Statement by Nature and Type (Ref: D2016/03762)
2. Capital Expenditure Statement (Ref: D2016/03763)
3. Statement of Financial Position (Ref: D2016/03765)
4. Statement of Cash and Investments (Ref: D2016/03767)

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 2015/2016 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 review and discussion ensued.



Item 12.1 continued

AC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR STALLARD

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 2015/2016 budget and approve its submission to the Department of Local Government and Communities within 30 days.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR BRIDGES

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 2015/2016 BUDGET AND APPROVE ITS SUBMISSION TO THE DEPARTMENT OF LOCAL GOVERNMENT AND COMMUNITIES WITHIN 30 DAYS.

CARRIED BY AN ABSOLUTE MAJORITY 11/0



STATEMENT OF COMPREHENSIVE INCOME

Nature and Type

Year to Date				JANUARY 2016				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance		Forecast	Budget	Variance	
Operating Income											
\$16,276,767	\$19,236,888	(\$2,960,121)	(U)	User Charges	\$28,464,088	\$32,680,933	(\$4,216,845)	(U)			
\$263,059	\$258,023	\$5,036	(F)	Special Charges	\$450,800	\$430,789	\$20,011	(F)			
\$588,549	\$574,706	\$13,843	(F)	Contributions	\$661,770	\$683,725	(\$21,955)	(U)			
\$334,700	\$348,831	(\$14,131)	(U)	Operating Grants	\$481,790	\$623,500	(\$141,710)	(U)			
\$258,904	\$113,918	\$144,986	(F)	Interest Municipal Cash Investments	\$572,717	\$195,300	\$377,417	(F)			
\$455,885	\$420,189	\$35,696	(F)	Reimbursements	\$783,589	\$720,384	\$63,205	(F)			
\$1,935,219	\$1,169,969	\$765,250	(F)	Other	\$2,893,299	\$2,022,862	\$870,437	(F)			
\$20,113,084	\$22,122,524	(\$2,009,441)	(U)	Total Operating Income	\$34,308,053	\$37,357,493	(\$3,049,440)	(U)			
Operating Expenditure											
\$4,542,160	\$5,270,942	\$728,782	(F)	Salary Expenses	\$8,515,484	\$9,277,385	\$761,901	(F)			
\$2,101,051	\$3,740,932	\$1,639,881	(F)	Contract Expenses	\$5,979,966	\$6,429,957	\$449,991	(F)			
\$418,389	\$501,900	\$83,511	(F)	Material Expenses	\$944,158	\$962,379	\$18,221	(F)			
\$177,074	\$170,035	(\$7,039)	(U)	Utility Expenses	\$275,186	\$300,206	\$25,020	(F)			
\$353,733	\$469,525	\$115,792	(F)	Fuel Expenses	\$659,770	\$805,032	\$145,262	(F)			
\$14,133	\$12,866	(\$1,267)	(U)	Finance Fees and Interest Expenses	\$25,000	\$22,068	(\$2,932)	(U)			
\$153,341	\$206,192	\$52,851	(F)	Insurance Expenses	\$267,720	\$353,824	\$86,104	(F)			
\$3,012,545	\$3,687,264	\$674,719	(F)	Depreciation Expenses	\$5,658,221	\$6,321,375	\$663,154	(F)			
\$6,495,283	\$7,522,749	\$1,027,466	(F)	Miscellaneous Expenses	\$11,627,185	\$12,920,001	\$1,292,816	(F)			
\$123,918	\$42,126	(\$81,792)	(U)	Provision Expenses	\$216,401	\$72,227	(\$144,174)	(U)			
(\$199,292)	(\$186,882)	\$12,410	(F)	Costs Allocated	(\$335,644)	(\$1,877,290)	(\$1,541,646)	(U)			
\$17,192,335	\$21,437,649	\$4,245,314	(F)	Total Operating Expenditure	\$33,833,447	\$35,587,163	\$1,753,716	(F)			
\$2,920,749	\$684,875	\$2,235,874	(F)	OPERATING RESULT FROM NORMAL ACTIVITIES	\$474,606	\$1,770,330	(\$1,295,724)	(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;
5. Other Operating Income - includes income from the sale of products; and
6. Miscellaneous Expenses - includes the landfill levy expense of \$6,058,710 as at 31 January 2016.

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 2016

Year to Date							Full Year		
Actual	Budget	Variance					Forecast	Budget	Variance
Other Revenues									
\$0	\$0	\$0	(F)	User Charges	\$0	\$2,600,000	(\$2,600,000)	(U)	
\$2,844,002	\$2,874,606	(\$30,604)	(U)	Secondary Waste Charge	\$4,897,900	\$4,822,149	\$75,751	(F)	
\$1,135,050	\$861,777	\$273,273	(F)	Interest Restricted Cash Investments	\$2,043,969	\$1,477,403	\$566,566	(F)	
\$0	\$28	(\$28)	(U)	Reimbursements	\$50	\$50	\$0	(F)	
\$198,091	\$214,650	(\$16,559)	(U)	Proceeds from Sale of Assets	\$301,341	\$306,500	(\$5,159)	(U)	
\$0	\$0	\$0	(F)	Other	\$0	\$1,327,500	(\$1,327,500)	(U)	
\$4,177,143	\$3,951,061	\$226,082	(F)	Total Other Revenues	\$7,243,260	\$10,533,602	(\$3,290,342)	(U)	
Other Expenses									
\$154,700	\$166,245	\$11,545	(F)	Salary Expenses	\$259,259	\$638,435	\$379,176	(F)	
\$195,320	\$494,691	\$299,371	(F)	Contract Expenses	\$470,207	\$1,013,900	\$543,693	(F)	
\$2,236	\$6,405	\$4,169	(F)	Material Expenses	\$8,750	\$31,050	\$22,300	(F)	
\$1,333	\$1,456	\$123	(F)	Utility Expenses	\$2,500	\$42,500	\$40,000	(F)	
\$0	\$0	\$0	(F)	Fuel Expenses	\$0	\$80,000	\$80,000	(F)	
\$862	\$959	\$97	(F)	Insurance Expenses	\$1,480	\$23,653	\$22,173	(F)	
\$989	\$1,351	\$362	(F)	Depreciation Expenses	\$1,703	\$263,255	\$261,552	(F)	
\$12,582	\$66,687	\$54,105	(F)	Miscellaneous Expenses	\$37,111	\$160,461	\$123,350	(F)	
\$88,712	\$126,407	\$37,695	(F)	Carrying Amount of Assets Disposed Of	\$118,300	\$300,727	\$182,427	(F)	
\$167,807	\$138,546	(\$29,261)	(U)	Costs Allocated	\$273,144	\$1,827,290	\$1,554,146	(F)	
\$624,541	\$1,002,747	\$378,206	(F)	Total Other Expenses	\$1,172,454	\$4,381,272	\$3,208,818	(F)	
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)	
Revaluation of Assets									
\$0	\$0	\$0	(F)	Revaluation of Assets	\$0	\$0	\$0	(F)	
\$0	\$0	\$0	(F)	Total Revaluation of Assets	\$0	\$0	\$0	(F)	
\$3,552,602	\$2,948,314	\$604,288	(F)	OPERATING RESULT FROM OTHER ACTIVITIES	\$6,070,806	\$6,152,330	(\$81,524)	(U)	
Surplus	Surplus				Surplus	Surplus			
\$6,473,350	\$3,633,189	\$2,840,161	(F)	CHANGE IN NET ASSETS FROM OPERATIONS	\$6,545,412	\$7,922,660	(\$1,377,248)	(U)	
Surplus	Surplus				Surplus	Surplus			



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CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date						Full Year			
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance	
Governance and Corporate Services									
\$129,352	\$163,002	\$33,650	(F)	\$44,818	Purchase Vehicles - Ascot Place (24440/00)	\$179,494	\$279,435	\$99,941	(F)
\$6,637	\$16,478	\$9,841	(F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services (24510/01)	\$28,250	\$28,250	\$0	(F)
\$9,645	\$423,870	\$414,225	(F)	\$3,331	Purchase Information Technology & Communication Equipment (24550/00)	\$588,250	\$632,250	\$44,000	(F)
\$0	\$17,500	\$17,500	(F)	\$0	Purchase Art Works (24620/00)	\$30,000	\$30,000	\$0	(F)
\$0	\$151,662	\$151,662	(F)	\$0	Capital Improvement Administration Building - Ascot Place (25240/01)	\$260,000	\$260,000	\$0	(F)
\$0	\$2,128	\$2,128	(F)	\$0	Upgrade Security Equipment - Ascot Place (25530/01)	\$3,650	\$3,650	\$0	(F)
\$145,634	\$774,640	\$629,006	(F)	\$48,149		\$1,089,644	\$1,233,585	\$143,941	(F)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Environmental Services

\$5,909	\$0	(\$5,909) (U)	\$0	Purchase / Replace Minor Plant and Equipment - Environmental Services (24420/05)	\$5,909	\$0	(\$5,909) (U)
\$0	\$581	\$581 (F)	\$0	Purchase Office Equipment - Environmental Services (24510/05)	\$1,000	\$1,000	\$0 (F)
\$3,935	\$0	(\$3,935) (U)	\$0	Purchase Other Equipment - Environmental Services (24590/05)	\$3,935	\$0	(\$3,935) (U)
\$0	\$581	\$581 (F)	\$0	Purchase Office Furniture and Fittings - Environmental Services (24610/05)	\$0	\$1,000	\$1,000 (F)
\$9,844	\$1,162	(\$8,682) (U)	\$0		\$10,844	\$2,000	(\$8,844) (U)

Regional Development

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

Risk Management

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

Resource Recovery



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Resource Recovery							
\$0	\$100,000	\$100,000 (F)	\$38,995		\$43,000	\$100,000	\$57,000 (F)
				Resource Recovery Park - Land (24150/05)			
\$19,405	\$1,050,000	\$1,030,595 (F)	\$1,432,078		\$2,000,000	\$3,050,000	\$1,050,000 (F)
				Construct and Commission Resource Recovery Park - C & I Building (24259/04)			
\$900	\$0	(\$900) (U)	\$0		\$625,000	\$625,000	\$0 (F)
				Construct and Commission Resource Recovery Park - Wood Waste to Energy Building (24259/05)			
\$0	\$25,000	\$25,000 (F)	\$0		\$30,000	\$55,000	\$25,000 (F)
				Construct and Commission Resource Recovery Park - MRF Building - Hazelmere (24259/09)			
\$0	\$0	\$0 (F)	\$0		\$0	\$150,000	\$150,000 (F)
				Construct and Commission Resource Recovery Park - Weighbridges (x2) (24392/02)			
\$0	\$100,000	\$100,000 (F)	\$0		\$20,000	\$100,000	\$80,000 (F)
				Resource Recovery Park - Fencing (24394/06)			
\$125,117	\$850,000	\$724,883 (F)	\$50,419		\$603,000	\$1,820,000	\$1,217,000 (F)
				Construct and Commission Resource Recovery Park - Site Infrastructure (24399/01)			
\$41,577	\$350,000	\$308,423 (F)	\$6,106		\$900,000	\$1,900,000	\$1,000,000 (F)
				Wood Waste to Energy Utilities/Infrastructure - Resource Recovery Park (24399/11)			
\$0	\$1,467,543	\$1,467,543 (F)	\$0		\$1,143,000	\$2,785,000	\$1,642,000 (F)
				Purchase Resource Recovery Park - Wood Waste to Energy Plant & Equipment (24410/03)			
\$0	\$400,000	\$400,000 (F)	\$1,438,050		\$440,000	\$3,425,000	\$2,985,000 (F)
				Purchase Resource Recovery Park C & I Building - Plant & Equipment (24410/04)			
\$0	\$100,000	\$100,000 (F)	\$0		\$0	\$300,000	\$300,000 (F)
				Purchase Resource Recovery Park MRF - Plant & Equipment (24410/06)			



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Resource Recovery

\$0	\$2,000	\$2,000 (F)	\$0	Purchase Other Equipment - Resource Recovery (24590/07)	\$2,000	\$2,000	\$0 (F)
\$186,999	\$4,444,543	\$4,257,544 (F)	\$2,965,649		\$5,806,000	\$14,312,000	\$8,506,000 (F)

Waste Management

\$1,263	\$0	(\$1,263) (U)	\$0	Construct Waste Management Facility Buildings - Hazelmere (24250/02)	\$1,263	\$0	(\$1,263) (U)
\$0	\$63,000	\$63,000 (F)	\$0	Construct Storage Shed for Mattresses - Hazelmere (24250/05)	\$63,000	\$63,000	\$0 (F)
\$0	\$40,000	\$40,000 (F)	\$0	Refurbish Workshops - Red Hill Landfill Facility (24259/11)	\$40,000	\$40,000	\$0 (F)
\$1,176	\$0	(\$1,176) (U)	\$0	Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility (24310/11)	\$1,176	\$0	(\$1,176) (U)
\$0	\$0	\$0 (F)	\$0	Construct Class III Cell Stage 14 - Red Hill Landfill Facility (24310/12)	\$0	\$160,000	\$160,000 (F)
\$10,248	\$100,000	\$89,752 (F)	\$0	Construct Class III Landfill Cell Farm Stage 3 - Red Hill Landfill Facility (24310/13)	\$760,000	\$2,000,000	\$1,240,000 (F)
\$70,241	\$100,000	\$29,759 (F)	\$8,572	Construct Class III Cell Stage 15 - Red Hill Landfill Facility (24310/16)	\$100,000	\$1,800,000	\$1,700,000 (F)
\$0	\$600,000	\$600,000 (F)	\$0	Construct Class III Leachate Pond - Red Hill Landfill Facility (24320/01)	\$0	\$600,000	\$600,000 (F)
(\$235,509)	\$110,000	\$345,509 (F)	\$12,410	Leachate Project - Red Hill Landfill Facility (24320/02)	\$200,000	\$3,500,000	\$3,300,000 (F)
\$0	\$0	\$0 (F)	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility (24330/04)	\$0	\$500,000	\$500,000 (F)
\$0	\$0	\$0 (F)	\$0	Construct Stormwater and Siltation Ponds - Red Hill Landfill Facility (24350/01)	\$200,000	\$200,000	\$0 (F)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Waste Management

\$0	\$100,000	\$100,000	(F)	\$0	Construct Nutrient Stripping Pond - Red Hill Landfill Facility (24360/00)	\$186,000	\$186,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility (24370/00)	\$120,000	\$490,000	\$370,000	(F)
\$0	\$0	\$0	(F)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility (24370/02)	\$0	\$475,000	\$475,000	(F)
\$0	\$0	\$0	(F)	\$55,534	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility (24380/00)	\$500,000	\$500,000	\$0	(F)
\$0	\$50,000	\$50,000	(F)	\$0	Construct Litter Fence - Redhill Landfill Facility (24394/05)	\$50,000	\$50,000	\$0	(F)
\$0	\$60,000	\$60,000	(F)	\$0	Construct Hardstand and Road - Hazelmere (24395/01)	\$124,000	\$124,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Relocate Greenwaste Processing area - Red Hill Landfill Facility (24395/04)	\$0	\$200,000	\$200,000	(F)
\$0	\$0	\$0	(F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility (24396/00)	\$34,000	\$34,000	\$0	(F)
\$0	\$70,000	\$70,000	(F)	\$0	Washdown bay Upgrade - Red Hill Landfill Facility (24399/04)	\$70,000	\$70,000	\$0	(F)
\$0	\$30,000	\$30,000	(F)	\$0	Truck Washdown Bay for Member Councils - Red Hill Landfill Facility (24399/05)	\$30,000	\$30,000	\$0	(F)
\$9,977	\$40,000	\$30,023	(F)	\$0	Plant Washdown Bay - Hazelmere (24399/08)	\$20,000	\$40,000	\$20,000	(F)
\$13,979	\$20,000	\$6,021	(F)	\$0	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility (24399/10)	\$70,000	\$150,000	\$80,000	(F)
\$5,886	\$0	(\$5,886)	(U)	\$0	Construct Brick Structure around Diesel Tank area - Red Hill Landfill Facility (24399/12)	\$5,886	\$0	(\$5,886)	(U)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
Waste Management							
\$404,848	\$2,353,000	\$1,948,152 (F)	\$1,189,728		\$4,220,000	\$4,220,000	\$0 (F)
\$405,899	\$2,200,000	\$1,794,101 (F)	\$383,000		\$3,036,000	\$2,630,000	(\$406,000) (U)
\$261,622	\$0	(\$261,622) (U)	\$0		\$0	\$0	\$0 (F)
\$955	\$111,000	\$110,045 (F)	\$0		\$145,000	\$220,000	\$75,000 (F)
\$1,868	\$12,000	\$10,132 (F)	\$4,258		\$15,000	\$15,000	\$0 (F)
\$4,092	\$0	(\$4,092) (U)	\$0		\$0	\$0	\$0 (F)
\$0	\$39,179	\$39,179 (F)	\$0		\$39,179	\$39,179	\$0 (F)
\$0	\$550	\$550 (F)	\$0		\$550	\$550	\$0 (F)
\$0	\$20,000	\$20,000 (F)	\$0		\$4,000	\$24,000	\$20,000 (F)
\$0	\$6,000	\$6,000 (F)	\$3,693		\$10,000	\$10,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0		\$1,000	\$1,000	\$0 (F)
\$0	\$53,000	\$53,000 (F)	\$4,085		\$29,000	\$159,000	\$130,000 (F)
\$6,270	\$6,000	(\$270) (U)	\$0		\$6,270	\$6,000	(\$270) (U)



CAPITAL EXPENDITURE STATEMENT

JANUARY 2016

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

Waste Management

\$4,912	\$107,500	\$102,588	(F)	\$53,138	Purchase / Replace Other Equipment - Red Hill Landfill Facility (24590/00)	\$120,000	\$146,000	\$26,000	(F)
\$4,100	\$2,500	(\$1,600)	(U)	\$0	Purchase / Replace Miscellaneous Equipment - Hazelmere (24590/02)	\$4,100	\$2,500	(\$1,600)	(U)
\$0	\$0	\$0	(F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management (24590/03)	\$3,000	\$3,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management (24610/03)	\$1,000	\$1,000	\$0	(F)
\$0	\$2,000	\$2,000	(F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility (24610/08)	\$3,000	\$3,000	\$0	(F)
\$0	\$1,500	\$1,500	(F)	\$0	Purchase Office Furniture and Fittings-Hazelmere (24610/10)	\$2,000	\$2,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme (24690/01)	\$0	\$3,000	\$3,000	(F)
\$0	\$5,000	\$5,000	(F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility (25253/00)	\$0	\$10,000	\$10,000	(F)
\$0	\$70,000	\$70,000	(F)	\$0	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility (25259/01)	\$140,000	\$140,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Refurbish Plant - Red Hill Landfill Facility (25410/00)	\$20,000	\$20,000	\$0	(F)
\$1,936	\$20,000	\$18,064	(F)	\$0	Refurbish Plant - Hazelmere (25410/01)	\$25,000	\$70,000	\$45,000	(F)
\$973,764	\$6,392,229	\$5,418,465	(F)	\$1,714,417		\$10,399,424	\$18,937,229	\$8,537,805	(F)

\$1,316,241	\$11,614,310	\$10,298,069	(F)	\$4,728,215	TOTAL CAPITAL EXPENDITURE	\$17,305,912	\$34,487,814	\$17,181,902	(F)
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STATEMENT OF FINANCIAL POSITION
JANUARY 2016

Actual June 2015	Actual Year to Date		Full Year			
			Forecast	Budget	Variance	
		(F) = Favourable variation (U) = Unfavourable variation				
Current Assets						
\$2,887,347	\$3,328,157	Cash and Cash Equivalents	\$17,110,582	\$3,252,094	\$13,858,488	(F)
\$72,757,677	\$78,019,929	Investments	\$53,810,363	\$52,812,730	\$997,633	(F)
\$2,765,944	\$3,020,354	Trade and Other Receivables	\$2,765,944	\$2,765,944	\$0	(F)
\$67,598	\$72,584	Inventories	\$67,598	\$67,598	\$0	(F)
\$41,930	\$288,402	Other Assets	\$41,930	\$41,930	\$0	(F)
\$78,520,496	\$84,729,426	Total Current Assets	\$73,796,417	\$58,940,296	\$14,856,121	(F)
Current Liabilities						
\$4,021,539	\$1,847,196	Trade and Other Payables	\$4,021,539	\$4,021,539	\$0	(F)
\$1,334,359	\$1,334,359	Provisions	\$1,376,156	\$1,361,729	(\$14,427)	(U)
\$5,355,898	\$3,181,555	Total Current Liabilities	\$5,397,695	\$5,383,268	(\$14,427)	(U)
\$73,164,598	\$81,547,871	Net Current Assets	\$68,398,722	\$53,557,028	\$14,841,694	(F)
Non Current Assets						
\$48,469,462	\$48,469,462	Land	\$48,512,462	\$48,569,462	(\$57,000)	(U)
\$5,634,921	\$5,563,440	Buildings	\$8,670,135	\$9,717,524	(\$1,047,389)	(U)
\$13,649,499	\$12,084,428	Structures	\$14,747,879	\$25,347,585	(\$10,599,706)	(U)
\$5,544,891	\$5,500,427	Plant	\$12,392,845	\$16,685,308	(\$4,292,463)	(U)
\$594,769	\$474,359	Equipment	\$1,073,040	\$1,142,186	(\$69,146)	(U)
\$162,201	\$155,486	Furniture and Fittings	\$192,070	\$196,134	(\$4,064)	(U)
\$7,449,639	\$7,471,775	Work in Progress	\$7,444,639	\$7,449,639	(\$5,000)	(U)
\$81,505,382	\$79,719,377	Total Non Current Assets	\$93,033,070	\$109,107,838	(\$16,074,768)	(U)
Non Current Liabilities						
\$7,053,649	\$7,177,567	Provisions	\$7,270,050	\$7,125,876	(\$144,174)	(U)
\$7,053,649	\$7,177,567	Total Non Current Liabilities	\$7,270,050	\$7,125,876	(\$144,174)	(U)
\$147,616,331	\$154,089,681	Net Assets	\$154,161,742	\$155,538,990	(\$1,377,248)	(U)
Equity						
\$52,975,934	\$52,975,934	Accumulated Surplus/Deficit	\$52,975,933	\$52,975,933	\$0	(F)
\$58,606,878	\$58,606,878	Cash Backed Reserves	\$58,606,878	\$58,606,878	\$0	(F)
\$36,033,519	\$36,033,519	Asset Revaluation Reserve	\$36,033,519	\$36,033,519	\$0	(F)
\$0	\$6,473,350	Net change in assets from operations	\$6,545,412	\$7,922,660	(\$1,377,248)	(U)
\$147,616,331	\$154,089,681	Total Equity	\$154,161,742	\$155,538,990	(\$1,377,248)	(U)



84 CASH AND INVESTMENTS

JANUARY 2016

Actual June 2015	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
Municipal Cash and Investments					
2,883,897	3,324,707	Cash at Bank - Municipal Fund 01001/00	17,107,132	3,248,644	13,858,488 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
400	400	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	400	400	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
13,815,909	17,943,111	Investments - Municipal Fund 02021/00	4,008,482	3,577,415	431,067 (F)
16,703,255	21,271,268	Total Municipal Cash	21,119,063	6,829,508	14,289,555 (F)
Restricted Cash and Investments					
3,635,347	3,714,392	Restricted Investments - Plant and Equipment 02022/01	1,997,091	1,916,042	81,049 (F)
1,930,073	1,972,039	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	1,997,385	1,980,229	17,156 (F)
3,648,218	3,727,543	Restricted Investments - Future Development 02022/03	2,414,453	2,370,712	43,741 (F)
680,965	695,771	Restricted Investments - Environmental Monitoring Red Hill 02022/04	704,714	697,558	7,156 (F)
89,410	91,354	Restricted Investments - Environmental Insurance Red Hill 02022/05	40,549	39,204	1,345 (F)
13,507	13,801	Restricted Investments - Risk Management 02022/06	13,977	13,887	90 (F)
19,475	19,898	Restricted Investments - Class IV Cells Red Hill 02022/07	55,211	55,552	(341) (U)
99,650	101,817	Restricted Investments - Regional Development 02022/08	19,740	17,894	1,846 (F)
44,950,540	45,927,920	Restricted Investments - Secondary Waste Processing 02022/09	36,862,585	36,447,847	414,738 (F)
2,710,350	2,769,282	Restricted Investments - Class III Cells 02022/10	4,482,672	4,488,170	(5,498) (U)
68,200	69,683	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	70,578	70,120	458 (F)
334,891	195,625	Restricted Investments - Accrued Interest 02022/19	334,891	334,891	0 (F)
0	0	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	0	0	0 (F)
761,142	777,692	Restricted Investments - Long Service Leave 02022/90	808,035	803,209	4,826 (F)
58,941,769	60,076,819	Total Restricted Cash	49,801,882	49,235,316	566,566 (F)
75,645,024	81,348,087	TOTAL CASH AND INVESTMENTS	70,920,945	56,064,824	14,856,121 (F)

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 2015

REFERENCE: D2015/20538 (AC) – D2016/03759

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 2015.

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 Director General of the Department of Local Government and Communities, by 31 March 2016.

Recommendation(s)

That Council adopts the draft Compliance Audit Return 2015, 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 2016.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

The audit and applicable return is 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 2015 against the requirements included in the Compliance Audit Return for that period.

A change to Regulation 14 of the Regulations 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 CAR, as required by the *Local Government Act 1995* (the Act) and relevant Regulations, was received from the Director General of the Department of Local Government and Communities with Departmental Circular No 24-2015 (the circular) on 23 December 2015.

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.

A satisfactory 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 submitted to the Director General of the Department of Local Government and Communities by 31 March 2016.



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

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)

Local Government Compliance Audit Return from 1 January 2015 to 31 December 2015.
(Ref: D2016/02353)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council adopts the draft Compliance Audit Return 2015, 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 2016.

AC RECOMMENDATION(S)

MOVED CR FÄRDIG

SECONDED CR BRIDGES

That Council adopts the draft Compliance Audit Return 2015, 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 2016.

CARRIED UNANIMOUSLY



Item 12.2 continued

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR PERKS

THAT COUNCIL ADOPTS THE DRAFT COMPLIANCE AUDIT RETURN 2015, 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 2016.

CARRIED UNANIMOUSLY



Eastern Metropolitan Regional Council - Compliance Audit Return Regional Local Government 2015

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.

Commercial Enterprises by Local Governments					
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 2015.	N/A		Kevin Porter
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 2015.	N/A		Kevin Porter
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 2015.	N/A		Kevin Porter
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 2015.	N/A		Kevin Porter
5	s3.59(5)	Did the Council, during 2015, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Kevin Porter



Delegation of Power / Duty						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Kevin Porter	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Kevin Porter	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Kevin Porter	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Kevin Porter	
5	s5.18	Has Council reviewed delegations to its committees in the 2014/2015 financial year.	Yes		Kevin Porter	
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Kevin Porter	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Kevin Porter	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Kevin Porter	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Kevin Porter	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Kevin Porter	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Kevin Porter	
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 2014/2015 financial year.	Yes		Kevin Porter	
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		Kevin Porter	
Disclosure of Interest						
No	Reference	Question	Response	Comments	Respondent	
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes		Kevin Porter	
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		Kevin Porter	



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		Kevin Porter
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Kevin Porter
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.	N/A		Kevin Porter
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2015.	Yes		Kevin Porter
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2015.	Yes		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter



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		Kevin Porter
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Kevin Porter

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		Kevin Porter
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		Kevin Porter

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		Kevin Porter
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		Kevin Porter
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A		Kevin Porter
4	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		Kevin Porter
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2015 received by the local government within 30 days of completion of the audit.	Yes		Kevin Porter
6	s7.9(1)	Was the Auditor's report for 2014/2015 received by the local government by 31 December 2015.	Yes		Kevin Porter
7	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 by the local government, was that action undertaken.	N/A		Kevin Porter



No	Reference	Question	Response	Comments	Respondent
8	s7.12A(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		Kevin Porter
9	s7.12A(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		Kevin Porter
10	A Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	N/A		Kevin Porter
11	A Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	N/A		Kevin Porter
12	A Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	N/A		Kevin Porter
13	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		Kevin Porter
14	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		Kevin Porter



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



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	Yes		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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		Kevin Porter
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) or (c).	Yes		Kevin Porter

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



No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Kevin Porter
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		Kevin Porter
7	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		Kevin Porter
8	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		Kevin Porter
9	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		Kevin Porter
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Kevin Porter
11	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		Kevin Porter
12	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		Kevin Porter
13	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		Kevin Porter
14	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		Kevin Porter
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	N/A		Kevin Porter
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		Kevin Porter
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		Kevin Porter



No	Reference	Question	Response	Comments	Respondent
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		Kevin Porter
19	F&G Reg 24AH(1)	Did the local government reject the 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		Kevin Porter
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		Kevin Porter
21	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		Kevin Porter
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		Kevin Porter
23	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		Kevin Porter
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Kevin Porter
25	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, \$150,000 or less.	Yes		Kevin Porter



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

24TH MARCH 2016 .

A handwritten signature in black ink, appearing to read "D. R. F. F. F.", written over a horizontal line.

Signed Mayor / President, Eastern Metropolitan
Regional Council

A handwritten signature in black ink, consisting of several horizontal strokes, written over a horizontal line.

Signed ^ACEO, Eastern Metropolitan Regional
Council



12.3 DRAFT STRATEGIC INTERNAL AUDIT PLAN 2016-2019

REFERENCE: D2016/02046 (AC) – D2016/03760

PURPOSE OF REPORT

The purpose of this report is to present a draft internal audit programme for endorsement.

KEY ISSUES AND RECOMMENDATION(S)

- At its meeting of 24 August 2006, Council noted that the internal audit function was to be outsourced following the retirement of the Manager Compliance and Internal Audit and requested that an internal audit programme be developed and received by the Audit Committee.
- A four year cyclical programme has been developed to coincide with the CEO's legislative requirement to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government.
- At the September 2011 round of meetings, Council endorsed a four year internal audit programme.
- Stantons International was awarded the tender to provide the internal audit services and the contract was executed on 29 March 2012.
- The tabling of the 2015 Internal Audit Report to the Audit Committee at its 3 September 2015 meeting, represented the completion of the four year audit programme.

Recommendation(s)

That Council notes the review of the internal audit programme by the Audit Committee and endorses the draft Strategic Internal Audit Plan 2016-2019 contained within the attachment to this report.

SOURCE OF REPORT

Director Corporate Services

BACKGROUND

Among the duties and responsibilities of the Audit Committee is:

“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:

- *Internal controls over revenue, expenditure, assets and liability processes;*
- *The efficiency, effectiveness and economy of significant Council programs; and*
- *Compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.”*

At the Audit Committee meeting held on 10 August 2006, a report was considered on satisfying the internal audit requirements following the retirement of the Manager Compliance and Internal Audit.



Item 12.3 continued

At the Audit Committee meeting held on 10 August 2006 a report was considered on satisfying the internal audit requirements following the retirement of the Manager Compliance and Internal Audit (Ref: DMDOC/55300).

In relation to this matter, Council resolved at its meeting of 24 August 2006 as follows:-

1. *"THAT THE RETIREMENT OF THE MANAGER COMPLIANCE AND INTERNAL AUDIT, MR KEVIN LANG, BE NOTED AND HE BE ACKNOWLEDGED AND THANKED FOR HIS CONTRIBUTION.*
2. *THAT IT BE NOTED THE INTERNAL AUDIT FUNCTION WILL BE OUTSOURCED TO A SUITABLY QUALIFIED CONTRACTOR.*
3. *THAT AN INTERNAL AUDIT PROGRAMME BE DEVELOPED AND REFERRED TO THE COMMITTEE FOR REVIEW IN ACCORDANCE WITH THE COMMITTEES TERMS OF REFERENCE."*

Following Council's resolution of 24 August 2006, Stantons International was engaged to formulate a draft internal audit programme was formulated.

The resulting document, entitled "Draft Strategic Internal Audit Plan" (SIAP) was developed using a methodology, which included:

1. Review of previous internal audit activity, risk management plan and strategic planning documents, identifying auditable areas on a functional and strategic basis.
2. Develop a "base" audit plan utilising information gained in 1. above.
3. Run a facilitated workshop with "senior" management and selected stakeholders to discuss proposed auditable areas based on information gathered in step 1 above, professional judgement and corporate knowledge.
4. Based on outcomes from workshop in step 3, develop a draft strategic internal audit plan (SIAP), including scope and objectives of individual reviews.
5. Present strategic internal audit plan and annual internal audit plan to the Audit Committee for approval.

In addition to conducting a workshop with management, the draft SIAP was reviewed by the Executive Management Team prior to being finalised, as part of the due diligence process.

This was endorsed by the Audit Committee at its 12 April 2007 meeting and was subsequently adopted by Council at the 26 April 2007 meeting. Stantons International was engaged following a tender process for the provision of internal audit services in September 2007.

An updated Strategic Internal Audit Plan 2012-2015 was endorsed by the Audit Committee and Council at the September 2011 round of meetings. Stantons International was engaged following a tender process for the provision of internal audit services in 29 March 2012.

The *Local Government (Audit) Regulations 1996* were amended in February 2013 to extend the functions of local government Audit Committees. Regulation 17 now requires the Chief Executive Officer to review and report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance. The report and review process is to occur at least once every two calendar years.



Item 12.3 continued

REPORT

The internal audit function is acknowledged as providing continuous improvement and is considered an important governance function. It also assists in providing effective risk management and internal control processes.

The tabling of the 2015 Internal Audit Report to the Audit Committee at its 3 September 2015 meeting marked the completion of the Strategic Internal Audit Plan 2012-2015.

Based on the previous Strategic Internal Audit Plan 2012-2015 and following discussions with the internal auditor, as well as incorporating the audit findings from the Internal Audit Reports for the past 4 years, an updated document, entitled "Draft Strategic Internal Audit Plan 2016–2019" (SIAP) has been developed (attached).

The internal audit programme has been spread over a four year cycle to coincide with the requirements of the *Local Government (Financial Management) Regulations 1996* for the CEO to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every four financial years) and report to the local government the results of those reviews (regulation 5(2)(c)).

The internal audit programme has also taken into account the requirement of the *Local Government (Audit) Regulations 1996* for the CEO to report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance every two years.

Once the SIAP has been approved by the Audit Committee it is intended that the document will form the basis of the specification for the internal audit function of the EMRC.

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

The annual cost of the internal audit programme has been provided for in the adopted 2015/2016 annual budget and 5 year forecasts.

SUSTAINABILITY IMPLICATIONS

Nil



Item 12.3 continued

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)

Draft Strategic Internal Audit Plan 2015-2019 (Ref: D2016/03772)

VOTING REQUIREMENT

Simple Majority

RECOMMENDATION(S)

That Council notes the review of the internal audit programme by the Audit Committee and endorses the draft Strategic Internal Audit Plan 2016-2019 contained within the attachment to this report.

The CEO gave a brief overview of the Draft Strategic Internal Audit Plan 2016-2019 and discussion ensued.

AC RECOMMENDATION(S)

MOVED CR PERKS

SECONDED CR STALLARD

That Council notes the review of the internal audit programme by the Audit Committee and endorses the draft Strategic Internal Audit Plan 2016-2019 contained within the attachment to this report.

CARRIED UNANIMOUSLY

COUNCIL RESOLUTION(S)

MOVED CR WOLFF

SECONDED CR PERKS

THAT COUNCIL NOTES THE REVIEW OF THE INTERNAL AUDIT PROGRAMME BY THE AUDIT COMMITTEE AND ENDORSES THE DRAFT STRATEGIC INTERNAL AUDIT PLAN 2016-2019 CONTAINED WITHIN THE ATTACHMENT TO THIS REPORT.

CARRIED UNANIMOUSLY



Strategic Internal Audit Plan

2016 – 2019



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1. INTERNAL AUDIT FUNCTION

The internal audit function is conducted in accordance with the Institute of Internal Auditors Professional Practices Framework (PPF). The PPF consists of three categories of guidance: Standards and Ethics, Practice Advisories, and Development and Practice Aids. During the development of the PPF, the definition of Internal Auditing was amended to the following:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Based on the above definition, the audit types will fall under the following three broad categories:

- Risk Management (RM)
- Controls (C)
- Governance (G)

The objectives of each review will fall under the following two broad categories:

Assurance Audits (AA)

- Review the reliability and integrity of accounting and financial management information and control systems – the focus of these reviews includes tests of the accuracy, reliability, completeness, timeliness and usefulness of information.
- Ensure compliance with policies, plans, procedures, laws and regulations
- Safeguarding assets – these reviews focus on physical and logical security and include testing for risks such as fire, theft, improper / illegal activities.
- Efficiency and effectiveness of operations.

Consulting Audits (CA)

- During consulting engagements, we address risk consistent with the organisation's or unit's objectives and take into consideration the existence of other significant risks

These will be listed in the "Audit Type / Objectives" column of the Internal Audit Plan. For example;

- a controls review with the objective of providing assurance will be denoted as – C/AA.
- a governance review undertaken on a consulting basis will be denoted as – G/CA

Follow Up Reviews (FUR)

- Undertaken to determine whether recommendations from previous reviews have been implemented in a timely manner and are achieving the intended results.

The following suggested business rules and strategic internal audit plan are designed to assist in the delivery of an efficient and effective internal audit function.



2. PROPOSED STRATEGIC INTERNAL AUDIT PLAN

2016 – 2019

Auditable Area	2016	2017	2018	2019
Contract Management	•		•	
IT General Controls	•			
Payroll	•			
Human Resource Management and OH&S	•		•	
Procurement		•		•
Corporate Governance		•		
Risk Management		•		
Waste Management		•		
Accounts Payable			•	
Grants Management			•	
Accounts Receivable			•	
Records Management			•	
Investment Policies				•
Taxation				•
IT Vulnerability Assessment				•
Review of Financial Management Systems				•
Review of Risk Management, Internal Control and Legislative Compliance	•		•	
Attendance at Audit Committee Meetings	•	•	•	•



3. AUDIT OBJECTIVES

Audit Objectives are categorised as follows:

PRIMARY OBJECTIVE	SUB FOCUS
Reliability and Integrity of Information	Accurate
	Reliable
	Timely
	Complete
	Useful
	Controls over record keeping and reporting adequate and effective
Compliance	Policies
	Plans
	Procedures
	Laws
	Regulations
Safeguarding of Assets (Physical & Logical)	Theft
	Fire
	Improper / Illegal activities
	Exposure to the elements
Efficiency / Effectiveness	Standards established for measuring economy & efficiency
	Established standards understood and met
	Deviations from standards identified, etc.
	Corrective action taken
Accomplishment of Established Objectives and Goals for Operations and Programs	Established goals & objectives conform with those of the organisation and are being met



Auditable Area:	Contract Management
Audit Year:	2016 and 2018
Estimated Audit Hours:	40 per audit year
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Compliance with Local Government Act and Regulations ▪ Contract approval and advice to tenderers ▪ Variations to contracts ▪ Terms and conditions ▪ Insurances – Termination of coverage & renewals ▪ Health Safety and Environment and quality control monitoring of contractor requirements ▪ Timeliness of contract delivery ▪ Contracts Register ▪ Contracts expiring prior to us going out to tender
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether contracts information is recorded accurately and in a timely manner. ▪ Identify whether contracts are renewed on a timely basis. ▪ Determine whether contract management reports assist in timely decision making. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine whether contracts are managed in accordance with the contract requirements. ▪ Determine whether contract requirements are in accordance with applicable legislation. ▪ Identify the processes in place to manage contract variations. <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Determine whether contracts are required to have adequate insurance coverage in place for the duration of the contract.



Auditable Area:	IT General Controls
Audit Year:	2016
Estimated Audit Hours:	40
Audit Type:	RM / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Availability of information systems ▪ Integrity of information ▪ Confidentiality of information ▪ Ongoing use of legacy systems
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Identify and review information system controls to ensure the availability, integrity and confidentiality of information. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Compare the information systems within the organisation against the baseline Australian standard AS/NZS 17799 Information security management. <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether all current systems in use contribute to the efficiency and effectiveness of operations. <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Examine any information security policies and framework against the Australian standard AS/NZS17799. ▪ Review supporting policies and operational procedures and information systems documentation and identify any gaps. ▪ Provide pro active advice to enhance the prevention of information systems control risks.



Auditable Area:	Payroll
Audit Year:	2016
Estimated Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Authorisation of data being processed▪ Compliance with awards and legislation▪ Compliance with employment contracts
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none">▪ Identify controls over the accuracy and timeliness of payments. <p>Compliance</p> <ul style="list-style-type: none">▪ Determine whether employees are paid in accordance with applicable awards and legislation. <p>Safeguarding of Assets</p> <ul style="list-style-type: none">▪ Determine whether adequate security exists over payroll records.▪ Identify whether the fortnightly payroll is appropriately authorised.



Auditable Area:	Human Resource Management and Occupational Health & Safety
Audit Year:	2016 and 2018
Estimated Audit Hours:	40 per audit year
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Compliance with legislation ▪ Lack of awareness ▪ Not having appropriate policies in place ▪ Security ▪ Completeness of information
Audit Objectives:	<p>Compliance</p> <ul style="list-style-type: none"> ▪ Assess whether procedures are in place to provide adequate assurance that personnel processes comply with documented and approved policies and procedures. ▪ Determine whether personnel policies are transparent, impartial and capable of review. ▪ Assess awareness of policies and procedures. ▪ Identify adequacy and gaps in internal controls and information security. ▪ Assess rigour and consistency of incident follow-up process. <p>Strategic</p> <ul style="list-style-type: none"> ▪ Determine whether the workforce plan is developed and monitored in accordance with best practice.



Auditable Area:	Procurement
Audit Year:	2017 and 2019
Estimated Audit Hours:	40 per audit year
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Efficiency ▪ Probity on tenders ▪ Compliance with Local Government Act and Regulations
Audit Objectives:	<p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine whether the procurement process is conducted in accordance with applicable policies and legislation. <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Identify whether there is adequate probity over the procurement process. <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether the procurement process is conducted in an efficient manner. <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Determine whether the procurement process facilitates the Council achieving best value for money in its decision making.



Auditable Area:	Corporate Governance
Audit Year:	2017
Estimated Audit Hours:	40
Audit Type:	G / CA
Risks Identified:	<ul style="list-style-type: none"> ▪ Register of Interests being out of date ▪ New Councillors not being fully informed about their roles and responsibilities about the EMRC.
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether the Council receives relevant, timely, accurate and concise information. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify processes in place to monitor organisational compliance with applicable legislation. <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine how the Council ensures it has access to required levels of skills and expertise. <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Determine how the Council assesses its own performance. ▪ Determine how the Council assesses the performance of the organisation. ▪ Determine how the Council establishes and monitors organisation direction.



Auditable Area:	Risk Management
Audit Year:	2017
Estimated Audit Hours:	40
Audit Type:	RM / AA
Risks Identified:	<ul style="list-style-type: none">▪ What is the process and how is it measured and reported
Audit Objectives:	Efficiency and Effectiveness <ul style="list-style-type: none">▪ Determine whether the risk management plan is developed and monitored in accordance with approved standards or policies.▪ Determine whether the risk management plan is regularly updated and reported to senior management and the Council.



Auditable Area:	Waste Management
Audit Year:	2017
Estimated Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Leachate impacts on the surrounding environment leading to substantial cleanup costs ▪ Inability to develop new disposal areas quickly enough to keep ahead of the waste ▪ Cash Management eg. weighbridge operations ▪ Safety of gatehouse operators from irate customers, particularly as gate fees increase. ▪ Fraud eg. cash handling, incorrect charging etc. ▪ Issue of incorrect tipping tickets ▪ Charging incorrect tipping fees ▪ Calibration of weighbridge
Audit Objectives:	<p>Undertake a high level review of:</p> <p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine compliance with legislative requirements and Council policy. <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Assess whether processes are undertaken in an efficient manner. <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Determine whether processes facilitate the achievement of waste management objectives.



Auditable Area:	Accounts Payable
Audit Year:	2018
Estimated Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Authorisation (including receipt of goods/services) ▪ Accuracy (incl coding) ▪ Timeliness ▪ Compliance with legislation re: ABN/ Withholding Tax
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether payments are accurate, complete, made in a timely manner and have adequate support. ▪ Determine whether adequate controls exist to provide reasonable assurance that payments are made to approved creditors. ▪ Determine whether controls over record keeping provide reasonable assurance that accounts are posted to the correct account in a timely manner. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify whether payments are made in accordance with approved policy. <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Determine whether there are adequate procedures in place to mitigate the risk of fraudulent payments.



Auditable Area:	Grants Management
Audit Year:	2018
Estimated Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Tracking of grants received or proposed ▪ Acquittal of grant funding ▪ Audit of grant expenditure for final report
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether reports are produced to enable timely review of grant expenditure. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Determine whether acquittals are conducted in accordance with grant terms and conditions. ▪ Identify whether expenditure is in accordance with the grant approval. ▪ Determine whether grant expenditure is approved in accordance with delegated authority.



Auditable Area: **Accounts Receivable**

Audit Year: 2018

Estimated Audit Hours: 40

Audit Type: C / AA

Risks Identified:

- Credit checks – ongoing & review
- Payment procedures
- Debt incurred
- Timeliness
- Accuracy
- Authorisation
- Approval of bad debts and write offs
- Lack of outstanding debtors follow up

Audit Objectives: **Reliability and Integrity of Information**

- Determine whether accounts receivable are calculated accurately, completely and in a timely manner.

Compliance

- Determine whether policies and procedures are documented, understood by staff and followed.

Safeguarding of Assets

- Identify whether the Council has procedures in place for the timely identification of potential debtors' financial capacity.



Auditable Area:	Records Management
Audit Year:	2018
Estimated Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Compliance with policies and legislation re: <i>State Records Act 2000</i>
Audit Objectives:	Compliance <ul style="list-style-type: none">▪ Determine the extent to which legislation, Australian Standards, policies and procedures have been complied with.



Auditable Area:	Investment Policies
Audit Year:	2019
Estimated Audit Hours:	20
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Compliance with policy ▪ Review for appropriateness ▪ Funds Management Procedures
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Determine whether there are adequate reporting processes in place to provide reasonable assurance that investment information is useful and received in a timely manner. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Identify whether an investments policy exists, is authorised and available to the relevant staff. <p>Safeguarding of Assets</p> <ul style="list-style-type: none"> ▪ Identify whether investments are authorised in accordance with approved policy. <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Identify whether processes are in place to provide reasonable assurance that the Council is receiving the best possible return on investment.



Auditable Area:	Taxation
Audit Year:	2019
Estimated Audit Hours:	40
Audit Type:	C / AA
Risks Identified:	<ul style="list-style-type: none">▪ Compliance with legislation▪ Submission of returns and payments at correct time
Audit Objectives:	Compliance <ul style="list-style-type: none">▪ Assess the level of compliance with applicable State and Commonwealth legislation.



Auditable Area:	IT Vulnerability Assessment
Audit Year:	2019
Estimated Audit Hours:	40
Audit Type:	RM / AA
Risks Identified:	<ul style="list-style-type: none"> ▪ Availability of information systems ▪ Integrity of information ▪ Confidentiality of information ▪ Potential theft of data
Audit Objectives:	<p>Reliability and Integrity of Information</p> <ul style="list-style-type: none"> ▪ Identify and review information system security controls to ensure the availability, integrity and confidentiality of information. <p>Compliance</p> <ul style="list-style-type: none"> ▪ Reference to applicable internal IT policies. <p>Efficiency / Effectiveness</p> <ul style="list-style-type: none"> ▪ Determine whether current systems provide effective controls to mitigate vulnerabilities and are operating efficiently. <p>Achievement of Objectives</p> <ul style="list-style-type: none"> ▪ Conduct an external vulnerability assessment using no knowledge of the organisation using a set of defined tools. ▪ Conduct an external vulnerability assessment using detailed knowledge of key devices and services using a set of defined tools. ▪ Provide pro-active advice to enhance the prevention of malicious attacks to information systems.



4. STATUTORY REQUIREMENTS

4.1 Review of Financial Management Systems and Procedures

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the Chief Executive Officer to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every four financial years) and report to the local government the results of those reviews.

The financial management responsibilities of the CEO are established under Regulation 5 of the *Local Government (Financial Management) Regulations 1996*:

Efficient systems and procedures are to be established by the CEO of a local government:

- (a) For the proper collection of all money owing to the local government;
- (b) For the safe custody and security of all money collected or held by the local government;
- (c) For the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);
- (d) To ensure proper accounting for municipal or trust:
 - i) revenue received or receivable;
 - ii) expenses paid or payable; and
 - iii) assets and liabilities;
- (e) To ensure proper authorisation for the incurring of liabilities and the making of payments;
- (f) For the maintenance of payroll, stock control and costing records; and
- (g) To assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

As part of the Strategic Internal Audit Plan, the Internal Auditor is to assist and support the CEO with the review to meet the above requirement.

4.2 Review of Risk Management, Internal Control and Legislative Compliance

The *Local Government (Audit) Regulations 1996* were amended in February 2013 to extend the functions of local government Audit Committees. Regulation 17 requires the Chief Executive Officer to review and report on the appropriateness and effectiveness of the local government's systems in regard to risk management, internal control and legislative compliance. The report and review process is to occur at least once every two calendar years.

As part of the Strategic Internal Audit Plan, the Internal Auditor is to assist and support the CEO with the review to meet the above requirement.



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 meets 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 2016

Thursday	7	April (if required)	at	EMRC Administration Office
Thursday	5	May (if required)	at	EMRC Administration Office
Thursday	9	June	at	EMRC Administration Office
Thursday	7	July (if required)	at	EMRC Administration Office
Thursday	4	August (if required)	at	EMRC Administration Office
Thursday	8	September	at	EMRC Administration Office
Thursday	6	October (if required)	at	EMRC Administration Office
Thursday	17	November (if required)	at	EMRC Administration Office

17 DECLARATION OF CLOSURE OF MEETING

There being no further business the meeting was closed at 6:28pm.



16 REPORTS OF DELEGATES

Nil

17 MEMBERS' MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

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

Nil

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

Nil

20 FUTURE MEETINGS OF COUNCIL

It was noted that April and May 2016 Council meetings are "if required" meetings. In case the meetings did not go ahead Cr Daw and Cr Bridges requested for their Application For Leave Of Absence to be considered at this point in the meeting.

COUNCIL RESOLUTION(S)

MOVED CR PERKS

SECONDED CR LEWIS

THAT COUNCIL APPROVE APPLICATIONS FOR LEAVE OF ABSENCE FOR CR BRIDGES FROM 11 MAY 2016 TO 23 MAY 2016 INCLUSIVE AND CR DAW FROM 24 JUNE 2016 TO 30 AUGUST 2016 INCLUSIVE.

CARRIED UNANIMOUSLY

The next meeting of Council will be held on **Thursday 21 April 2016 (if required)** at the EMRC Administration Office, 1st Floor, Ascot Place, 226 Great Eastern Highway, Belmont WA 6104 commencing at 6:00pm.

Future Meetings 2016

Thursday	21 April (if required)	at	EMRC Administration Office
Thursday	19 May (if required)	at	EMRC Administration Office
Thursday	23 June	at	EMRC Administration Office
Thursday	21 July (if required)	at	EMRC Administration Office
Thursday	18 August (if required)	at	EMRC Administration Office
Thursday	22 September	at	EMRC Administration Office
Thursday	20 October (if required)	at	EMRC Administration Office
Thursday	1 December	at	EMRC Administration Office
January 2017 (recess)			

21 DECLARATION OF CLOSURE OF MEETING

There being no further business, the meeting was closed at 6:40pm.