



AUDIT COMMITTEE MINUTES

AUDIT COMMITTEE GENERAL MEETING
WEDNESDAY 16 MARCH 2022 – 12.00PM



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1.0 Declaration of Opening

The President, Cr Logie, declared the Meeting open at 12.15pm.

2.0 Record of Attendance / Apologies / Leave of Absence

Elected Members

Cr Jarrad Logie – President (Presiding Member)
Cr Simon Harding
Cr Bernie Panizza

Staff

Geoff McKeown - Chief Executive Officer
Alan Lamb - Manager of Corporate Services

Apologies

Cr Tracey Price

3.0 Confirmation of Previous Minutes

3.1 Audit Committee Meeting Held 17 November 2021

Officer's Recommendation

That the Minutes of the Audit Committee Meeting held 17 November 2021, as previously circulated, be confirmed as a true and accurate record.

Committee Decision

Harding/Panizza

That the Minutes of the Audit Committee Meeting held 17 November 2021, as previously circulated, be confirmed as a true and accurate record.

Carried 3/0

4.0 Matters to be discussed

4.1 Compliance Audit Return

File Reference	4.50.00
Statutory Ref.	<i>Local Government (Audit) Regulations 1996</i>
Author & Date	Geoff McKeown 17 February 2022
Attachments	Attachment 1 - 2021 Compliance Audit Return

Background

The Annual Compliance Audit Return for the period 1 January 2021 to 31 December 2021, is presented for review by Council.

All local governments are required to carry out a Compliance Audit Return (CAR) under the *Local Government (Audit) Regulations 1996* on an annual basis. The CAR contains a checklist of statutory requirements reported on for a calendar year.

The CAR is to be:

1. Presented to the Audit Committee for review at a meeting of the Audit Committee;
2. Recommended for Adoption by Council at an Audit Committee Meeting;
3. Presented to the Council at a meeting of Council;
4. Adopted by the Council; and
5. The adoption recorded in the minutes of the meeting at which it is adopted.

Once the CAR has been adopted by Council, a certified copy of the return, along with the relevant section of the minutes and any additional information explaining or qualifying the CAR is to be submitted to the Director General, Department of Local Government, Sport and Cultural Industries by 31 March 2022.

Comment

The audit was carried out internally, sourcing evidence of compliance from the Shire's own records. The audit checklist is determined by the Minister of Local Government.

Some areas of noncompliance are noted, primarily relating to the adoption of items where it requires an absolute majority recording in the minutes.

Strategic Implications

This item aligns with the community's vision and aspirations as contained in the Shire of Williams Strategic Community Plan 2017 to 2032. Specifically, it relates to the following strategy(s):

- CL 2.2 Maintain accountability, transparency and financial responsibility.
CL 4.4 Monitor and ensure compliance with regulatory framework for local government business.

Financial Implications

Nil

Voting Requirements

Simple Majority

Officer's Recommendation

That the Audit Committee receives the 2021 Compliance Audit Return and recommends to Council that it be endorsed and certified by the Shire President and the Chief Executive Officer for submission to the Department of Local Government, Sport and Cultural Industries.

Committee Decision

Panizza/Harding

That the Audit Committee receives the 2021 Compliance Audit Return and recommends to Council that it be endorsed and certified by the Shire President and the Chief Executive Officer for submission to the Department of Local Government, Sport and Cultural Industries.

Carried 3/0

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



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

Williams - Compliance Audit Return 2021

Certified Copy of Return

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

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Geoff McKeown
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Geoff McKeown
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Geoff McKeown
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Geoff McKeown
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Geoff McKeown

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



Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A	No Committees with delegated powers.	Geoff McKeown
2	s5.16	Were all delegations to committees in writing?	N/A		Geoff McKeown
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Geoff McKeown
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Geoff McKeown
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Geoff McKeown
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Geoff McKeown
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Geoff McKeown
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Geoff McKeown
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Geoff McKeown
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	Yes		Geoff McKeown
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Geoff McKeown
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes	By resolution of Council on 15 December 2021.	Geoff McKeown
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Geoff McKeown

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

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No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	Yes		Geoff McKeown
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Geoff McKeown
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Geoff McKeown
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		Geoff McKeown
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Geoff McKeown
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Geoff McKeown
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Geoff McKeown
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Geoff McKeown
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Geoff McKeown
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Geoff McKeown
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Geoff McKeown
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Geoff McKeown

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No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Geoff McKeown
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?* *Question not applicable after 2 Feb 2021	Yes		Geoff McKeown
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	Yes		Geoff McKeown
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Geoff McKeown
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	Did not occur in 2021.	Geoff McKeown
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Geoff McKeown
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes		Geoff McKeown
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		Geoff McKeown
		*Question not applicable after 2 Feb 2021			

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No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		Geoff McKeown
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	N/A		Geoff McKeown
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Geoff McKeown
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes		Geoff McKeown

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes		Geoff McKeown
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Geoff McKeown

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Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Geoff McKeown
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A	No Electoral Gift Forms received.	Geoff McKeown
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes		Geoff McKeown

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Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes	The Minutes of the Council Meeting held on the 20 October 2021 reflects an Absolute Majority but is recorded as a Simple Majority.	Geoff McKeown
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A	No powers delegated to Audit Committee.	Geoff McKeown
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes		Geoff McKeown
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes		Geoff McKeown
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	Yes		Geoff McKeown
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	Yes		Geoff McKeown
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		Geoff McKeown

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Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	The most recent review was adopted by Council on the 15 April 2020. The resolution reflects an absolute majority decision but the Minutes shows being carried by Simple Majority.	Geoff McKeown
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted by Council on the 23 June 2021. The resolution reflects an absolute majority decision but the Minutes shows being carried by Simple Majority.	Geoff McKeown
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Geoff McKeown

Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A	Appointment of a CEO did not occur during the period under review.	Geoff McKeown
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes	Manager of Corporate Services Position only.	Geoff McKeown
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Geoff McKeown
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A		Geoff McKeown
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	Yes		Geoff McKeown
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Geoff McKeown

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

Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	Acceptance of the Report occurred on 19 February 2020.	Geoff McKeown
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	Acceptance of the Report occurred on 19 February 2020.	Geoff McKeown
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		Geoff McKeown
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes	Contained within the Policy Manual.	Geoff McKeown

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No	Reference	Question	Response	Comments	Respondent
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Geoff McKeown
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Contained within the Policy Manual.	Geoff McKeown
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes		Geoff McKeown
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Geoff McKeown
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Geoff McKeown

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Geoff McKeown
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		Geoff McKeown
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Geoff McKeown
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	Yes		Geoff McKeown

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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?	N/A		Geoff McKeown
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Geoff McKeown
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Geoff McKeown
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A		Geoff McKeown
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Geoff McKeown
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Geoff McKeown
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A	The Shire did not seek expressions of interest during the year.	Geoff McKeown
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Geoff McKeown
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Geoff McKeown
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Geoff McKeown
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A	The Shire did not establish a panel of prequalified suppliers during the year.	Geoff McKeown

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No	Reference	Question	Response	Comments	Respondent
16	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		Geoff McKeown
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 pre-qualified supplier panel application?	N/A		Geoff McKeown
18	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		Geoff McKeown
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Geoff McKeown
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Geoff McKeown
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Geoff McKeown
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	N/A	The Shire has not adopted a regional price preference.	Geoff McKeown

I certify this Compliance Audit Return has been adopted by council at its meeting on _____

Signed Mayor/President, Williams

Signed CEO, Williams

4.2 2021-2022 Budget Review

File Reference	4.21.25
Statutory Ref.	Local Government Act 1995 Section 6.12 (1)
Author & Date	Alan Lamb 11 March 2022
Attachments	2021/2022 Budget Review Report

Background

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30 June 2022 for the period ending 28 February 2022 is presented to the Audit Committee to consider and to recommend adoption by Council.

The *Local Government (Financial Management) Regulations 1996*, Regulation 33A as amended, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. The results of the review and accompanying report from the review must be presented to Council within 30 days of the review. The review and determination are then to be provided to the Department of Local Government, Sport and Cultural Industries within 30 days of the adoption of the review.

The Budget Review has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards. Council adopted a 5% and \$5,000 minimum for reporting of material variances to be used in the statements of financial activity and the annual budget review.

Features of the review as summarised from the detailed financial reports attached are as follows:

REVENUE

Unbudgeted grant funding for Australia Day	28,500
Increase in General Purpose and Local Roads Federal Assistance Grant.	119,263
Decrease in interest income	(2,976)
ESL Maintenance Grant for 2020/21 paid in 2021/22	6,701
Family Day Care income below budget target.	(14,894)
Childcare Centre income exceeding budget estimates.	24,087
Unbudgeted grants secured for Williams Mens Shed	9,700
Unbudgeted grant secured for yoga mats	2,000
Increased in income from sale of history books	2,200
Unbudgeted LISWA grant for library	5,000
Profit on sale of plant (Grader & Mower)	29,527
Increase in community fund raising	4,063

Building permits issued above budget expectations.	4,000
Decrease in water sales	(30,000)
DWER Grant for Community Water Supply project now classified as Capital	49,025
DWER Grant for Community Water Supply project now classified as Capital	(49,025)
Reduction in Private Works undertaken.	(20,000)
Profit on sale of vehicle	8,032
TOTAL ADJUSTED REVENUE	175,203

EXPENDITURE

Grant funded Australia Day event	(22,800)
Cost of history books	(6,968)
Expenditure of 2020/21 ESL Maintenance Grant received 2021/22	(6,701)
Reduction in Family Day Care employee costs	8,033
Increase in Staff Housing costs due to water damage	(5,000)
Unbudgeted expenditure of grant funding - Mens Shed	(9,700)
Unbudgeted expenditure of grant funding - Library	(5,000)
Unbudgeted expenditure of grant funding - Yoga Mats	(2,008)
Sale of plant resulted in a profit not the anticipated loss	26,766
Reduced expenditure on Area Promotion	7,500
DWER funded Community Water Supply - treated a capital works	62,472
Reduced water supply costs due to lower level of sales	(19,941)
Decrease in costs for Private works.	20,000
Sale of vehicle resulted in a profit not the anticipated loss	3,910
TOTAL ADJUSTED EXPENDITURE	50,563

NON-CASH AMOUNTS EXCLUDED FROM OPERATING ACTIVITIES

Adjust (Profit)/Loss on asset disposal	(68,234)
NON-CASH EXCLUSIONS	(68,234)

CAPITAL REVENUE

values of plant and vehicles sold higher than anticipated	57,617
TOTAL CAPITAL REVENUE	57,617

CAPITAL EXPENDITURE

DWER funded Community Water Supply project - assets capitalised	(62,472)
Grader purchase - lower than expected	200
Mower purchase - higher than expected	(16,940)
TOTAL CAPITAL EXPENDITURE	(79,212)

OTHER ITEMS

Decrease in Opening Surplus	(26,456)
TOTAL OTHER ITEMS	(26,456)

REVISED CLOSING SURPLUS (DEFICIT)	109,481
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Comment

Strategic Implications

The review will be referred to the Ordinary Council Committee meeting, held Wednesday 16 March 2022, for adoption.

This item aligns with the community's vision and aspirations as contained in the Shire of Williams Strategic Community Plan 2017 to 2032. Specifically, it relates to the following strategy(s):

CL 2.2 Maintain accountability, transparency, and financial responsibility.

Financial Implications

Due to the combined value of the above adjustments the balanced budget is now predicted to have a surplus of \$109,481.

Voting Requirements

Absolute Majority

Officer's Recommendation

That the Audit Committee recommends to Council that it adopt 2021/22 Budget amendments contained in the 2021-2022 Budget Review as presented.

Committee Decision

Harding/Panizza

That the Audit Committee recommends to Council that it adopt 2021/22 Budget amendments contained in the 2021-2022 Budget Review as presented.

Carried by Absolute Majority 3/0

**STATEMENT OF BUDGET REVIEW
FOR THE PERIOD ENDED 28 FEBRUARY 2022**
STATUTORY REPORTING PROGRAM

	Note	YTD Budget vs YTD Actual		Predicted			
		Amended YTD Budget (a)	YTD Actual (b)	Adopted Budget (d)	Variance (d)	Forecast Year End (c) + (d)	
		\$	\$	\$	\$		
OPENING FUNDING SURPLUS (DEFICIT)	3.1	401,575	375,119	401,575	(26,456)	375,119	▼
Revenue from operating activities							
Governance	3.2.1	0	2,997	1,000	28,500	29,500	
General Purpose Funding - Rates	3.2.2	2,028,853	2,030,579	2,028,853	0	2,028,853	
General Purpose Funding - Other	3.2.3	201,087	288,667	268,372	116,287	384,659	▲
Law, Order and Public Safety	3.2.4	25,099	32,122	37,448	6,701	44,149	▲
Health	3.2.5	350	350	1,200	0	1,200	
Education and Welfare	3.2.6	320,864	381,731	510,806	9,193	519,999	▲
Housing	3.2.6	142,976	143,942	248,779	0	248,779	
Community Amenities	3.2.8	154,943	147,554	211,630	0	211,630	▲
Recreation and Culture	3.2.9	82,764	100,380	51,674	18,900	70,574	▲
Transport	3.2.10	91,904	122,630	103,957	29,527	133,484	▲
Economic Services	3.2.11	68,050	70,976	158,979	(21,937)	137,042	▲
Other Property and Services	3.2.12	45,298	37,141	74,430	(11,968)	62,462	▲
		3,162,188	3,359,068	3,697,128	175,203	3,872,331	
Expenditure from operating activities							
Governance	3.3.1	(140,607)	(138,580)	(209,500)	(29,768)	(239,268)	
General Purpose Funding	3.3.2	(58,941)	(62,413)	(104,351)	0	(104,351)	
Law, Order and Public Safety	3.3.3	(80,115)	(76,293)	(105,825)	(6,701)	(112,526)	▼
Health	3.3.4	(40,863)	(33,952)	(60,204)	0	(60,204)	
Education and Welfare	3.3.5	(346,583)	(290,609)	(521,951)	8,033	(513,918)	▲
Housing	3.3.6	(143,393)	(139,297)	(196,366)	(5,000)	(201,366)	▲
Community Amenities	3.3.7	(227,817)	(205,316)	(339,478)	0	(339,478)	
Recreation and Culture	3.3.8	(572,103)	(555,496)	(824,929)	(16,708)	(841,637)	▼
Transport	3.3.9	(1,030,487)	(1,078,794)	(1,518,285)	26,766	(1,491,519)	▲
Economic Services	3.3.10	(176,207)	(102,414)	(238,875)	50,031	(188,844)	▲
Other Property and Services	3.3.11	(111,511)	(66,709)	(128,007)	23,910	(104,097)	▲
		(2,928,627)	(2,749,873)	(4,247,771)	50,563	(4,197,208)	
Non-Cash Amounts excluded from operating activities							
Add back Depreciation		843,073	844,772	1,264,609	0	1,264,609	
Adjust (Profit)/Loss on Asset Disposal	3.5.2	0	(37,559)	33,625	(68,234)	(34,609)	▼
Adjust Provisions and Accruals		0	0	5,128	0	5,128	
Amount attributable to operating activities		1,076,634	1,416,408	752,719	157,532	910,251	
Investing Activities							
Grants, Subsidies and Contributions		12,272	59,272	953,493	0	953,493	
Proceeds from Disposal of Assets	3.5.2	0	183,617	136,000	57,617	193,617	▲
Proceeds from Self Supporting Loans		107,023	107,023	107,023	0	107,023	
Capital Acquisitions	3.5.3	(1,148,976)	(1,232,538)	(2,412,193)	(79,212)	(2,491,405)	▲
Amount attributable to investing activities		(1,029,681)	(882,626)	(1,215,677)	(21,595)	(1,237,272)	
Financing Activities							
Proceeds from New Borrowings		0	0	200,000	0	200,000	
Transfer from Reserves		0	0	236,955	0	236,955	
Repayment of Debentures		(129,533)	(161,360)	(195,514)	0	(195,514)	
Transfer to Reserves	3.6.2	(30)	(822)	(180,058)	0	(180,058)	▼
Amount attributable to financing activities		(129,563)	(162,182)	61,383	0	61,383	
NET OPERATIONS, CAPITAL, FINANCING		(82,610)	371,600	(401,575)	135,937	(265,638)	
CLOSING FUNDING SURPLUS (DEFICIT)	2(a)	318,965	746,719	0	109,481	109,481	

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold. Refer Note 2 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021/22 year is \$5,000 or 5% whichever is the greater.

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



SHIRE OF WILLIAMS

BUDGET REVIEW REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2022

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

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Statement of Budget Review by Program

- Note 1 Basis of Preparation
- Note 2 Predicted Variances
- Note 3 Budget Amendments

Prepared by: Manger Corporate Services
Date prepared : All known transactions up to 10th March 2022

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

**NOTE 1
BASIS OF PREPARATION**

The budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations. The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this budget. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

Accounting policies which have been adopted in the preparation of this budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Williams controls resources to carry on its functions have been included in the financial statements forming part of this budget review.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2021-22 ACTUAL BALANCES

Balances shown in this budget review report as 2021-22 Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

ROUNDING OFF FIGURES

All figures shown in this budget review report are rounded to the nearest dollar.

BUDGET COMPARATIVE FIGURES

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

NOTES TO THE BUDGET REVIEW REPORT

NOTE 2

**PREDICTED
VARIANCES**

FOR THE PERIOD ENDED 28 FEBRUARY 2022

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.
The material variance adopted by Council for the 2021/22 year is \$5,000 or 5% whichever is the greater.

Reporting Program	Variance \$ Permanent
<u>3.1 Opening Fund Surplus (Deficit)</u>	
Variation due to accruals of revenue and expenses for year 2020/2021.	(26,456)
<u>3.2 Operating Revenues</u>	
3.2.1 Governance	
Australia Day event grant	28,500
3.2.2 General Purpose Funding - Rates	
No Material Variance	
3.2.3 General Purpose Funding - Other	
Increase in general purpose component of the Federal Assistance Grant.	80,732
Increase in local road component of the Federal Assistance Grant.	38,532
Decrease in interest income on Reserves and Other investments	(2,976)
3.2.4 Law, Order and Public Safety	
Portion of ESL Maintenance Grant for 2020/21 paid in 2021/22	6,701
3.2.5 Health	
No Material Variance	
3.2.6 Education and Welfare	
Family Day Care income trending below budget.	(14,894)
Childcare Centre fee income trending higher than anticipated (increase numbers and utilisation rate).	24,087
3.2.7 Housing	
No Material Variance	
3.2.8 Community Amenities	
No Material Variance	
3.2.9 Recreation and Culture	
Australian Mens Shed grant funding for Williams Mens Shed	3,300
CBH grant funding for Williams Mens Shed	3,400
South 32 grant funding for Williams Mens Shed	3,000
South 32 grant funding for yoga mats	2,000
Increase in income from sale of history books	2,200
LISWA grant funding for Library	5,000

3.2.10 Transport

Trade In of grader resulted in a book profit	24,082
Trade In of Toro mower resulted in a book profit	5,445

3.2.11 Economic Services

Community Fundraising income higher - catering for cycling event	4,063
Building permits issued above budget estimates	4,000
Sale of water income down on prediction	(30,000)
DWER Grant for Community Water Supply project now classified as Capital	49,025
DWER Grant for Community Water Supply project now classified as Capital	(49,025)

3.2.12 Other Property and Services

Private Works income less than expected.	(20,000)
Book profit on sale of Admin vehicle	8,032

Predicted Variances Carried Forward 148,748

Predicted Variances Brought Forward 148,748

3.3 Operating Expenses

3.3.1 Governance

Australia Day event - grant funded	(22,800)
History Books	(6,968)

3.3.2 General Purpose Funding

No Material Variance

3.3.3 Law, Order and Public Safety

Expenditure of 2020/21 ESL Maintenance Grant received in 2021/22.	(6,701)
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3.3.4 Health

No Material Variance

3.3.5 Education and Welfare

Family Day Care - Employee costs trending lower than anticipated	8,033
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3.3.6 Housing

Staff Housing costs higher due to burst water pipe and resulting water damage	(5,000)
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3.3.7 Community Amenities

No Material Variance

3.3.8 Recreation and Culture

Expenditure of grant funding obtained for Williams Mens Shed	(9,700)
Expenditure of grant funding obtained for Library	(5,000)
Expenditure of grant funding for yoga mats	(2,008)

3.3.9 Transport

Trade In of grader resulted in a book profit	24,795
Trade In of Toro mower resulted in a book profit	1,970

3.3.10 Economic Services		
Area Promotion expenditure down due to lack of HWEDA grant funding		7,500
DWER funded Community Water Supply project now treated as capital -Shire retains ownership		62,472
Water Supply costs lower due to reduced sale of water		(19,941)
3.3.11 Other Property and Services		
Private Works income less than expected.		20,000
loss on sale of Admin vehicle - resulted in a book profit		3,910
	Predicted Variances Carried Forward	199,309
	Predicted Variances Brought Forward	199,309
<u>3.4 Funding Balance Adjustment</u>		
3.4.1 Depreciation		
No Material Variance - note re-allocation through the Programs.		
3.4.2 (Profit)/Loss on Disposals		
Trade In of grader and mower and sale of Admin vehicle resulted in a "Profit on Sale of Asset".		(68,234)
3.4.3 Provisions and Accruals		
No Material Variance		
	Predicted Variances Carried Forward	131,076
	Predicted Variances Brought Forward	131,076
<u>3.5 Investing Activities</u>		
3.5.1 Grants, Subsidies and Contributions		
No Material Variance		
3.5.2 Proceeds from Disposal of Assets		
Trade In values realised higher than predicted.		57,617
3.5.3 Capital Acquisitions		
DWER funded Community Water Supply project now treated as capital -Shire retains ownership		(62,472)
Grader cost less than expected		200
Mower cost more than expected		(16,940)

3.6 Financing

3.6.1 Self-Supporting Loan Principal

No Material Variance

3.6.2 Transfer from Reserves

No Material Variance

3.6.3 Repayment of Debentures

No Material Variance

TOTAL Predicted Variances as per Annual Budget Review

109,481

**NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022**

**NOTE 3
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	Budget Adoption		Opening Surplus				0
E042065	Contribution to Williams CRC for Projector Equipment	Res 25/22	Operating Expenses			(2,000)	(2,000)
A01119	Community Chest Reserve for Contribution to Williams CRC	Res 25/22	Cashback Reserves		2,000	0	0
I113030	Road Safety Community Grant Program	Res 39/22	Operating Revenue		4,460		4,460
E113005	Half Circle Bench Seat - Lions Park	Res 39/22	Operating Expenses			(2,955)	1,505
E053105	Road Safety Community Event	Res 39/22	Operating Expenses			(1,505)	0
I113030	CBH Grass Roots Community Grant - Mens Shed	Res 40/22	Operating Revenue		3,400		3,400
E116008	Mens Shed	Res 40/22	Operating Expenses			(3,400)	0
				0	9,860	(9,860)	

5.0 Business of Urgent Nature

Nil

6.0 Closure of Meeting

Cr Logie declared the meeting closed at 12.34pm.