



AUDIT COMMITTEE MEETING

PUBLIC ATTACHMENTS

16 MARCH 2023

PUBLIC ATTACHMENTS

Shire of Victoria Plains

Significant Variances to Budget

For the Period Ending 31 January 2023

Schedule	Account Description	Annual Budget	Quarterly Budget	YTD Actual	Revised Forecast	Variance
	Budget deficit					(44,623)
<u>INCOME</u>						
3	Rates					
	Monochorum change in status to non-rateable	3,166,410	3,166,410	3,066,268	3,066,268	(100,142)
4	Traineeship Grant					
	Successful Grant funding received	38,000	38,000	38,000	38,000	38,000
5	Fire Mitigation Initiatives	250,000	19,325	19,325	38,650	(211,350)
	Revised submission funding and expenditure					
8	Community Grant	-	-	9,600	12,000	12,000
	Australia Day					
10	Drum Muster	9,090	4,545	-	3,050	(6,040)
	Adjusted down to match expenditure					
10	Planning Applications	24,270	12,135	5,060	10,000	(14,270)
	Reduced income from applications					
10	Heritage	-	-	-	7,000	7,000
	Heritage Grant secured					
13	Bolgart Caravan Park	7,954	3,977	1,450	2,900	(5,054)
	Reduced income to date from travellers					
14	Diesel Fuel Rebate	17,880	8,940	3,642	7,284	(10,596)
	Forecast from 21/22 not meeting expectations					
14	Private Works	15,000	7,500	1,639	3,500	(11,500)
	NIL income to date					
	Net Income Variations					(301,952)
<u>EXPENDITURE</u>						
4	Office / Facilities Cleaning	-	-	-	20,000	(20,000)
	Cleaning now contracted from 01 Feb 23					
4	Records Management	44,000	44,000	53,235	53,235	(9,235)
	Engagement of additional consultants					
4	Local Government Week	24,500	24,500	15,407	18,000	6,500
	Costs have been finalised for 2022-23					
4	Office Expenses	29,508	29,508	28,526	39,508	(10,000)
	Trainee Workstation					
	Secure Filing cabinet					
4	Consultants	400,860	285,581	285,581	443,865	(43,005)
	Rates - support for transitioning dedicated Rates Officer					
	IT Strategy - Computer Operating System					
4	Subscriptions	32,370	32,370	34,812	39,812	(7,442)
	AROC Corrella Management contribution					
4	Public Relations	12,219	6,110	3,198	8,000	4,219
	Reduced requirement for engagement					

Shire of Victoria Plains Significant Variances to Budget For the Period Ending 31 January 2023

Schedule	Account Description	Annual Budget	Quarterly Budget	YTD Actual	Revised Forecast	Variance
4	Admin Salaries Traineeship Grant Expenditure	38,000	19,000	-	38,000	(38,000)
4	Insurance Premiums Higher than budgeted premiums	57,041	57,041	63,115	63,115	(6,074)
4	Records Management Archiving and Storage Boxes	-	-	-	1,700	(1,700)
4	FBT Likely FBT charge for employees	-	-	-	10,000	(10,000)
5	Bush Risk Mitigation Coordinator Contribution to Shire of GinGin not budgeted for	-	-	15,308	61,232	(61,232)
5	Fire Mitigation Initiatives Revised submission funding and expenditure	250,000	38,650	-	38,650	211,350
8	Community Grant Expenditure Australia Day	-	-	2,087	12,000	(12,000)
9	APU Service Contracts not required	22,130	11,065	5,945	12,000	10,130
10	Piawaning Water Supply (Desal'n) Service contract with minimal exp to date	9,530	4,765	1,045	5,000	4,530
10	Town Planning Contour & Feature Survey - Crown Reserves 18203 & 18204 Piawaning	-	-	-	6,500	(6,500)
11	Calingiri Recreation Centre Service contracts with minimal expenditure	14,942	7,471	515	5,515	9,427
11	Roads Board Building Fit out of building and WiFi	-	-	-	10,500	(10,500)
11	Calingiri Sports Pavilion Cleaning prior to hand over of MOU lease	-	-	-	1,500	(1,500)
12	Sealed Road Maintenance materials component with minimal exp to date.	14,721	7,361	1,440	9,721	5,000
12	Unsealed Road Maintenance materials component with minimal exp to date.	85,874	42,937	11,840	60,874	25,000
12	Drainage Maintenance materials component with minimal exp to date.	77,241	38,621	-	52,241	25,000
12	Depot Maintenance Ramm Software Pty Ltd	20,161	10,081	20,843	30,161	(10,000)
12	Interest on Loan - 2023 Borrowings Loan interest not triggered until 23-24	25,250	-	-	-	25,250
14	Works Manager Salary Allocation vs Contract	135,360	67,680	26,430	50,040	85,320

Shire of Victoria Plains
Significant Variances to Budget
For the Period Ending 31 January 2023

Schedule	Account Description	Annual Budget	Quarterly Budget	YTD Actual	Revised Forecast	Variance
14	Insurance - Workers Compensation					
	Reallocation to correct	16,947	16,947	19,916	19,916	(2,969)
	Outside Crew	27,190	27,190	36,462	36,462	(9,272)
14	Staff Training	25,000	12,500	-	23,000	2,000
	Reduction in required spend					
	Net Expenditure Variations					154,297
	CAPITAL					
	Mogumber Hall Roof	81,767	81,767	-	-	81,767
	Prime Mover Truck	345,000	345,000	239,688	239,688	105,312
	Mogumber Toilets (LRCIP)	3,000	3,000	3,821	12,000	(9,000)
	Parker Road Solar Bore (LRCIP)	25,000	25,000	-	-	25,000
	Bolgart Caravan Park Toilet Block (LRCIP)	189,309	94,655	32,098	222,714	(33,405)
	Culverts (LRCIP)	108,405	54,203	428	100,000	8,405
	New Loan 87 Plant Replacement	95,908	95,908	-	-	95,908
	Net Capital Variations					273,987
	Revised Surplus / (Deficit)					81,709

PUBLIC ATTACHMENTS



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SHIRE OF VICTORIA PLAINS

ANNUAL STATUTORY BUDGET

**Budget Review
2022 - 2023**

PUBLIC ATTACHMENTS

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

Compilation Report
To the Council
Shire of Victoria Plains

Scope

We have compiled the accompanying special purpose financial statements.

The specific purpose for which the special purpose financial report has been prepared is to provide information relating to the financial performance and financial position of the Shire that satisfies the information needs of the Council and the *Local Government Act 1995* and associated regulations.

The responsibility of the Shire

The Shire is solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the Council and the *Local Government Act 1995* and associated regulations.

Our responsibility

On the basis of information provided by the Shire, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Management provided, into a financial report. Our procedures do not include any verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Shire of Victoria Plains, may suffer arising from negligence on our part.

This report was prepared for the benefit of the Council of the Shire of Victoria Plains and the purpose identified above. We do not accept responsibility to any other person for the content of the report.



Signed at GERALDTON

RSM Australia Pty Ltd
Chartered Accountants

Date 7th March 2023

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
ANNUAL STATUTORY BUDGET REVIEW
2022 - 2023

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PUBLIC ATTACHMENTS

SHIRE OF VICTORIA PLAINS
STATEMENT OF COMPREHENSIVE INCOME
2022 - 2023
BY NATURE OR TYPE

	Note	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Revenue					
Rates		3,156,009	3,256,149	3,156,461	3,156,009
Operating Grants, Subsidies and Contributions	2(a)	4,971,178	4,995,078	438,063	4,971,178
Fees and Charges		195,853	264,952	130,814	195,853
Interest Earnings		44,068	44,068	24,200	44,068
Other Revenue		147,406	177,830	93,491	147,406
		<u>8,514,513</u>	<u>8,738,077</u>	<u>3,843,029</u>	<u>8,514,513</u>
Expenses					
Employee Costs		(1,849,588)	(1,910,137)	(1,319,368)	(1,849,588)
Materials and Contracts		(6,523,521)	(6,483,298)	(1,480,733)	(6,523,521)
Utility Charges		(120,924)	(116,653)	(68,421)	(120,924)
Depreciation on Non-current Assets		(4,046,982)	(4,046,982)	(2,504,731)	(4,046,982)
Interest Expenses		(7,635)	(32,885)	(6,298)	(7,635)
Insurance Expenses		(179,239)	(173,165)	(178,559)	(179,239)
Other Expenditure		(83,335)	(79,835)	(43,612)	(83,335)
		<u>(12,811,224)</u>	<u>(12,842,955)</u>	<u>(5,601,722)</u>	<u>(12,811,224)</u>
Operating Surplus / (Deficit)		<u>(4,296,711)</u>	<u>(4,104,878)</u>	<u>(1,758,693)</u>	<u>(4,296,711)</u>
Other Revenue and Expenses					
Non-operating Grants, Subsidies and Contributions	2(b)	5,500,087	5,480,864	1,092,311	5,500,087
Profit on Disposal of Assets	3	25,619	25,619	4,177	25,619
(Loss) on Disposal of Assets	3	(29,944)	(29,944)	-	(29,944)
Net Result		<u>1,199,051</u>	<u>1,371,661</u>	<u>(662,205)</u>	<u>1,199,051</u>
Total Comprehensive Income		<u>1,199,051</u>	<u>1,371,661</u>	<u>(662,205)</u>	<u>1,199,051</u>

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF VICTORIA PLAINS
ANNUAL STATUTORY BUDGET REVIEW
2022 - 2023
STATEMENT OF CASH FLOWS

	Note	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Rates		3,156,009	3,256,149	3,419,393	3,156,009
Operating Grants, Subsidies and Contributions	2(a)	4,971,178	4,995,078	438,063	4,971,178
Fees and Charges		195,853	264,952	130,814	195,853
Interest Earnings		44,068	44,068	24,200	44,068
Other Revenue		147,406	177,830	93,491	147,406
		<u>8,514,513</u>	<u>8,738,077</u>	<u>4,105,961</u>	<u>8,514,513</u>
Payments					
Employee Costs		(1,849,588)	(1,910,137)	(1,319,368)	(1,849,588)
Materials and Contracts		(6,523,521)	(6,483,298)	(1,424,850)	(6,523,521)
Utility Charges		(120,924)	(116,653)	(68,421)	(120,924)
Interest Expenses		(7,635)	(32,885)	(6,298)	(7,635)
Insurance Expenses		(179,239)	(173,165)	(178,559)	(179,239)
Other Expenditure		(83,335)	(79,835)	(43,612)	(83,335)
		<u>(8,764,242)</u>	<u>(8,795,973)</u>	<u>(3,041,108)</u>	<u>(8,764,242)</u>
Net Cash provided by Operating Activities		<u>(249,728)</u>	<u>(57,896)</u>	<u>1,064,853</u>	<u>(249,728)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Non-operating Grants, Subsidies and Contributions	2(b)	5,500,087	5,480,864	1,092,311	5,500,087
Proceeds from Sale of Fixed Assets	3	90,000	90,000	37,052	90,000
Land and Buildings	4(a)	-	(114,267)	-	-
Plant and Equipment	4(c)	(835,199)	(1,026,000)	(803,891)	(835,199)
Furniture and Equipment	4(b)	(5,000)	(5,000)	-	(5,000)
Infrastructure - Roads	5(a)	(5,379,302)	(5,387,707)	(551,885)	(5,379,302)
Infrastructure - Other	5(b)	(419,616)	(407,773)	(90,233)	(419,616)
Net Cash provided by Investing Activities		<u>(1,049,030)</u>	<u>(1,369,883)</u>	<u>(316,646)</u>	<u>(1,049,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Long Term Borrowings	6	(78,718)	(174,626)	(38,649)	(78,718)
Proceeds from Self Supporting Loans	6	21,332	21,332	10,053	21,332
Proceeds from New Loans	6	1,500,000	1,500,000	-	1,500,000
Net Cash provided by Financing Activities		<u>1,442,614</u>	<u>1,346,706</u>	<u>(28,596)</u>	<u>1,442,614</u>
Net Increase / (Decrease) in Cash Held		143,856	(81,073)	719,611	143,856
Cash at Beginning of Year		1,264,859	1,376,362	1,264,859	1,264,859
Cash and Cash Equivalents at the End of the Year	8	<u>1,408,715</u>	<u>1,295,289</u>	<u>1,984,470</u>	<u>1,408,715</u>

This statement needs to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF VICTORIA PLAINS
ANNUAL STATUTORY BUDGET REVIEW
2022 - 2023
RATE SETTING STATEMENT

	Note	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23
OPERATING ACTIVITIES					
Net Current Assets at 01 Jul - Surplus / (Deficit)		117,039	68,099	117,039	117,039
Revenue from Operating Activities (Excluding Rates)					
Operating Grants, Subsidies and Contributions	2(a)	4,971,178	4,995,078	438,063	4,971,178
Fees and Charges		195,853	264,952	130,814	195,853
Interest Earnings		44,068	44,068	24,200	44,068
Other Revenue		147,406	177,830	93,491	147,406
Profit on Disposal of Assets		25,619	25,619	4,177	-
		5,384,123	5,507,547	690,745	5,358,504
Expenditure from Operating Activities					
Employee Costs		(1,849,588)	(1,910,137)	(1,319,368)	(1,849,588)
Materials and Contracts		(6,523,521)	(6,483,298)	(1,480,733)	(6,523,521)
Utility Charges		(120,924)	(116,653)	(68,421)	(120,924)
Depreciation on Non-current Assets		(4,046,982)	(4,046,982)	(2,504,731)	(4,046,982)
Interest Expenses		(7,635)	(32,885)	(6,298)	(7,635)
Insurance Expenses		(179,239)	(173,165)	(178,559)	(179,239)
Other Expenditure		(83,335)	(79,835)	(43,612)	(83,335)
Loss on Disposal of Assets		(29,944)	(29,944)	-	-
		(12,841,168)	(12,872,899)	(5,601,722)	(12,811,224)
Excluded Non-cash Operating Activities					
(Profit) on Disposal of Assets	3	(25,619)	(25,619)	(4,177)	(25,619)
Loss on Disposal of Assets	3	29,944	29,944	-	29,944
Depreciation and Amortisation on Assets		4,046,982	4,046,982	2,504,731	4,046,982
		4,051,307	4,051,307	2,500,554	4,051,307
Net Amount provided from Operating Activities		(3,405,737)	(3,314,045)	(2,410,423)	(3,401,412)
INVESTING ACTIVITIES					
Non-operating Grants, Subsidies and Contributions	2(b)	5,500,087	5,480,864	1,092,311	5,500,087
Proceeds from Disposal of Assets	3	90,000	90,000	37,052	90,000
Purchase of Property, Plant and Equipment	4	(840,199)	(1,145,267)	(803,891)	(840,199)
Payments for Construction of Infrastructure	5	(5,798,918)	(5,795,480)	(642,118)	(5,798,918)
		(1,049,030)	(1,369,883)	(316,646)	(1,049,030)
Net Amount provided from Investing Activities		(1,049,030)	(1,369,883)	(316,646)	(1,049,030)
FINANCING ACTIVITIES					
Repayment of Long Term Borrowings	6(a)	(78,718)	(174,626)	(38,649)	(78,718)
Proceeds from Self Supporting Loans	6(b)	21,332	21,332	10,053	21,332
Proceeds from New Loans	6(a)	1,500,000	1,500,000	-	1,500,000
Transfers to Reserves (Restricted Assets)	7	(219,186)	(219,186)	(27,130)	(219,186)
Transfers from Reserves (Restricted Assets)	7	40,000	40,000	-	40,000
		1,263,428	1,167,520	(55,726)	1,263,428
Net Amount provided from Financing Activities		1,263,428	1,167,520	(55,726)	1,263,428
Surplus / (Deficit) before General Rates		(3,074,300)	(3,448,309)	(2,665,756)	(3,074,300)
Total Amount raised from General Rates		3,156,009	3,256,149	3,156,461	3,156,009
Net Current Assets at June 30 to C/Fwd - Surplus / (Deficit)	9	81,709	(192,160)	490,705	81,709

**SHIRE OF VICTORIA PLAINS
NOTES TO THE ANNUAL STATUTORY BUDGET REVIEW
For the Period Ending 31 January 2023****1. SIGNIFICANT ACCOUNTING POLICIES****(a) Basis of Accounting**

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 an asset 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.

With the exception of the cash flow statement and rate setting information, the following report has been prepared on an accrual basis with balances measured at historical cost unless subject to fair value adjustments. Items subject to fair value adjustments include certain non-current assets, financial assets, and financial liabilities. Items such as assets, liabilities, equity, income and expenses have been recognised in accordance with the definitions and recognition criteria set out in the Framework for the Preparation and Presentation of Financial Statements.

(b) The Local Government Reporting Entity

The Australian Accounting Standards define local government as a reporting entity which can be a single entity or a group comprising a parent and all its subsidiaries. All funds controlled by the Shire in order to provide its services have formed part of the following report. Transactions and balances related to these controlled funds, such as transfers to and from reserves, were eliminated during the preparation of the report.

Funds held in Trust, which are controlled but not owned by the Shire, do not form part of the financial statements.

(c) Rounding Off Figures

The Shire is an entity to which the *Local Government (Financial Management) Regulations 1996* applies and, accordingly amounts in the financial report have been rounded to the dollar except for amounts shown as a rate in the dollar. Where total assets exceed \$10,000,000 in the prior audited annual financial report, the amounts may be rounded to the nearest \$1,000.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST where applicable.

(e) Cash and Cash Equivalents

Cash and cash equivalents normally include cash on hand, bonds and deposits, overdrafts, excess rates, unspent grant funds, on call deposits and term deposits with maturities equal to or less than three months. Cash and cash equivalents are typically characterised as highly liquid investments with little risk of experiencing material changes in value. Further information is provided in Note 1(f).

(f) Financial Instruments**Other financial assets at amortised cost**

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

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

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**SHIRE OF VICTORIA PLAINS
NOTES TO THE ANNUAL STATUTORY BUDGET REVIEW
For the Period Ending 31 January 2023****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**
(f) Financial Instruments (Continued)**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the statement of comprehensive income.

In some circumstances, the Shire renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Shire does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Impairment of Financial Assets

At the end of the annual reporting period the Shire assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs related to completion and its sale.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(h) Fixed Assets

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates**Borrowing Costs**

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

SHIRE OF VICTORIA PLAINS
NOTES TO THE ANNUAL STATUTORY BUDGET REVIEW
For the Period Ending 31 January 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluations at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land under roads

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

(i) Depreciation of Non-current Assets

Fixed assets, excluding freehold land, are depreciated on a straight-line basis over the asset's useful life to the Shire, commencing when the asset is ready for use. The estimated useful lives used for each class of depreciable asset are shown below in years:

Asset	Years
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Other infrastructure	15 to 80 years
Sealed roads and streets:	
formation	not depreciated
pavement	100 years
seal:	
bituminous seals	15 to 20 years
asphalt surfaces	20 years
Gravel Roads:	
formation	not depreciated
pavement	50 years
Formed roads (unsealed):	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 to 60 years
Sewerage piping	80 years
Water supply piping and drainage systems	17 to 90 years
Bridges	60 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Land Under Local Government Control

Regulation 16 in the *Local Government (Financial Management) Regulations 1996* prohibits certain assets to be included in the financial report of a local government and require other assets to be included. The regulation therefore supersedes the reporting requirements of AASB 1051 *Land Under Roads (p.15)* and AASB 116 *Property, Plant and Equipment (p.7)*

**SHIRE OF VICTORIA PLAINS
NOTES TO THE ANNUAL STATUTORY BUDGET REVIEW
For the Period Ending 31 January 2023****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(j) Trade and Other Payables**

Trade and other payables are unpaid current liabilities owed for goods and services provided to the Shire prior to the end of the financial year. The amounts are unsecured and are normally paid within 30 days of recognition.

(k) Employee Benefits

Provision is made for the Shire's liability for employee benefits arising from services rendered by employees to the end of the annual reporting period. Employee benefits that are expected to be wholly settled within one year are measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on 10 year Australia Government Bonds. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

(l) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method. The annual government guarantee fee is expensed in the year incurred.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(m) Provisions

Provisions are recognised when: The Shire has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

(n) Contract Liabilities

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

(o) Current and Non-current Classification

The report classifies current and non-current balances as defined by the *Local Government (Financial Management) Regulations 1996*, AASB 101 *Presentation of Financial Statements*, or by another applicable regulation or interpretation.

(p) Nature or Type Classifications**Rates**

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

Operating Grants, Subsidies and Contributions

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

**SHIRE OF VICTORIA PLAINS
NOTES TO THE ANNUAL STATUTORY BUDGET REVIEW
For the Period Ending 31 January 2023****1. SIGNIFICANT ACCOUNTING POLICIES (Continued)****(p) Nature or Type Classifications (Continued)****Non-operating Grants, Subsidies and Contributions**

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

Profit on Asset Disposal

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

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Service Charges

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

Interest Earnings

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

Other Revenue / Income

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

Employee Costs

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

Materials and Contracts

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

Utilities (Gas, Electricity, Water, etc.)

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

Insurance

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

Loss on Asset Disposal

Loss on the disposal of fixed assets.

Depreciation on Non-current Assets

Depreciation expense raised on all classes of assets.

Interest Expenses

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

Other Expenditure

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

**SHIRE OF VICTORIA PLAINS
NOTES TO THE ANNUAL STATUTORY BUDGET REVIEW
For the Period Ending 31 January 2023**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Program Classifications (Function / Activity)

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

GOVERNANCE

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs related to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Rates, general purpose government grants and interest revenue.

LAW, ORDER AND PUBLIC SAFETY

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Inspection of food outlets and their control, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Maintenance of playgroup centre and support of school programs.

HOUSING

Provide housing for staff. Provision and maintenance of elderly residents housing.

COMMUNITY AMENITIES

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

Maintenance of public halls, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, and other cultural facilities.

TRANSPORT

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, and standpipes. Building Control.

OTHER PROPERTY AND SERVICES

Private works operation, plant repair and operation costs and engineering operation costs.

PUBLIC ATTACHMENTS

SHIRE OF VICTORIA PLAINS

NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

2. OPERATING REVENUE

(a) Operating Grants

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Governance	38,000	-	38,000	38,000
General Purpose Funding	377,357	250,134	188,679	377,357
Law, Order, Public Safety	132,004	343,354	85,508	132,004
Education and Welfare	12,530	530	9,600	12,530
Community Amenities	7,000	-	-	7,000
Transport	4,404,287	4,401,060	113,776	4,404,287
Total Operating Grants	4,971,178	4,995,078	438,063	4,971,178

(b) Non-Operating Grants

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Community Amenities	-	-	605	-
Transport	5,500,087	5,480,864	1,091,706	5,500,087
Total Non-operating Grants	5,500,087	5,480,864	1,092,311	5,500,087

PUBLIC ATTACHMENTS

SHIRE OF VICTORIA PLAINS

**NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023**

3. DISPOSAL OF ASSETS

Revised Budget	Book Value 22 / 23 \$	Proceeds 22 / 23 \$	Profit 22 / 23 \$	(Loss) 22 / 23 \$
Transport				
Plant and Equipment				
Loader	24,381	50,000	25,619	
Prime Mover	57,488	30,000		(27,488)
Ute 1	6,111	5,000		(1,111)
Ute 2	6,345	5,000		(1,345)
Total Disposal of Assets	94,325	90,000	25,619	(29,944)
Total Profit or (Loss)				(4,325)

Jan 23 Actual	Book Value 31-Jan-23 \$	Proceeds 31-Jan-23 \$	Profit 31-Jan-23 \$	(Loss) 31-Jan-23 \$
Transport				
Motor Vehicle				
Nissan Navara	8,494	9,227	733	
Plant & Equipment				
Plant & Equipment	24,381	27,825	3,444	
Total Disposal of Assets	32,875	37,052	4,177	-
Total Profit or (Loss)				4,177

Annual Budget	Book Value 22 / 23 \$	Proceeds 22 / 23 \$	Profit 22 / 23 \$	(Loss) 22 / 23 \$
Transport				
Plant and Equipment				
Loader	24,381	50,000	25,619	
Prime Mover	57,488	30,000		(27,488)
Ute 1	6,111	5,000		(1,111)
Ute 2	6,345	5,000		(1,345)
Total Disposal of Assets	94,325	90,000	25,619	(29,944)
Total Profit or (Loss)				(4,325)

SHIRE OF VICTORIA PLAINS

NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

4. CAPITAL ACQUISITIONS - PROPERTY, PLANT AND EQUIPMENT

(a) Land and Buildings

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Recreation and Culture				
Mogumber Hall Ceiling	-	81,767	-	-
	-	81,767	-	-
Transport				
Purchase of Land for Aglime Route	-	32,500	-	-
	-	32,500	-	-
Total Land and Buildings	-	114,267	-	-

(b) Furniture & Equipment

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Governance				
Council Chambers - Furniture	5,000	5,000	-	5,000
Total Furniture & Equipment	5,000	5,000	-	5,000

(c) Plant and Equipment

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Transport				
Replacement Loader	295,000	350,000	295,000	295,000
Prime Mover	239,688	345,000	239,911	239,688
Prime Mover Float Refurbishment	-	30,000	-	-
Ute 1	55,000	55,000	59,363	55,000
Ute 2	55,000	55,000	56,065	55,000
Ute 3	36,111	40,000	36,146	36,111
	680,799	875,000	686,485	680,799
Community Amenities				
Bolgart Tip Generator	8,000	8,000	-	8,000
Calingiri Tip Generator	8,000	8,000	-	8,000
	16,000	16,000	-	16,000
Law, Order & Public Safety				
Community Safety Vehicle	65,000	65,000	52,006	65,000
	65,000	65,000	52,006	65,000
Recreation & Culture				
Mower Trailer	8,000	8,000	-	8,000
Rotary Slasher	27,900	22,000	27,900	27,900
Out-front 72' Mower	37,500	40,000	37,500	37,500
	73,400	70,000	65,400	73,400
Total Plant and Equipment	835,199	1,026,000	803,891	835,199
Total Property, Plant and Equipment	840,199	1,145,267	803,891	840,199

SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

5. CAPITAL ACQUISITIONS - INFRASTRUCTURE

(a) Roads

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Transport				
<i>Roadworks - Council & Direct Funding</i>				
Bolgart West Road - Verge Mulching	11,850	11,850	527	11,850
Glentromie - Yerecoin Road - Reseal	17,654	17,654	-	17,654
Wyening West Road - Verge Mulching	10,000	10,000	-	10,000
Footpaths	40,000	40,000	15,665	40,000
<i>Roadworks - R2R Funded</i>				
Glentromie - Yerecoin Road - Replace W Beams	16,000	16,000	-	16,000
Old Telegraph Road - Resheet Formations & Maintain	214,879	214,879	-	214,879
Glentromie - Yerecoin Road - Reseal	50,421	50,421	-	50,421
Boundary Road - Resheet Existing Formation	20,518	20,518	-	20,518
Gillingarra - New Norcia Road - Reseal	42,777	42,777	-	42,777
<i>Ag Lime Route Capital Expenditure</i>				
Ag Lime Calingiri - New Norcia Road	797,714	797,714	14,235	797,714
<i>Roadworks - State Freight Network</i>				
Mogumber-Yarawindah WSN #2	89,398	89,398	26,559	89,398
Mogumber-Yarawindah WSN #3	-	-	-	-
Mogumber-Yarawindah WSN #4	55,000	55,000	55,000	55,000
Mogumber-Yarawindah WSN #5	1,578,437	1,578,437	144,056	1,578,437
Mogumber - Yarawindah Road	1,744,545	1,744,545	141,162	1,744,545
Calingiri - New Norcia Road	200,000	200,000	4,115	200,000
<i>Roadworks - LRCIP</i>				
Signage	40,000	40,000	-	40,000
Culverts	100,000	108,405	428	100,000
Bolgart Bridge	45,000	45,000	195	45,000
Golf Course Road	78,880	78,880	-	78,880
Old Plains Road Vegetation Control	179,750	179,750	97,817	179,750
Piawaning Waddington Road Vegetation Control	46,480	46,480	52,126	46,480
	5,379,302	5,387,707	551,885	5,379,302
Total Roads	5,379,302	5,387,707	551,885	5,379,302

(b) Infrastructure - Other

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Recreation and Culture				
Oval Renovation	20,000	20,000	20,136	20,000
Mogumber Toilets	12,000	3,000	4,912	12,000
	32,000	23,000	25,048	32,000
Economic Services				
Bolgart Caravan Park Toilet Block	222,714	189,309	32,098	222,714
	222,714	189,309	32,098	222,714
Community Amenities				
Yerecoin Sewerage Inspection Hatch x 2	50,000	50,000	3,000	50,000
Tip Sites Fencing	50,000	50,000	-	50,000
Mogumber Tip Fencing	35,464	35,464	-	35,464
	135,464	135,464	3,000	135,464
Transport				
Depot Fuel Tank	29,438	35,000	30,087	29,438
Parker Road Bore Solar Power	-	25,000	-	-
	29,438	60,000	30,087	29,438
Total Infrastructure - Other	419,616	407,773	90,233	419,616
Total Infrastructure	5,798,918	5,795,480	642,118	5,798,918

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

6. INFORMATION ON BORROWINGS

(a) Debenture Repayments

	Revised Budget 22 / 23					Adopted Budget 22 / 23					Actual as at 31 Jan 23		
	01 Jul 22 \$	New Loans \$	Principal Repayments \$	Interest Repayments \$	Principal Outstanding \$	01 Jul 22 \$	New Loans \$	Principal Repayments \$	Interest Repayments \$	Principal Outstanding \$	Principal Repayments \$	Interest Repayments \$	Principal Outstanding \$
Economic Services													
Loan 84 Piawaning Water Supply	92,906	-	17,893	1,984	75,013	92,906	-	17,893	1,984	75,013	8,891	1,047	75,233
Recreation and Culture													
Loan 83 Calingiri Football Club	162,163		21,332	4,206	140,831	162,163		21,332	4,206	140,831	10,053	3,546	152,110
Transport													
Loan 85 - Roller and Grader	180,753	-	39,493	1,445	141,260	180,753	-	39,498	1,445	141,260	19,705	764	160,673
Loan - 2023 Plant	-	1,500,000	-	-	1,500,000	-	1,500,000	95,908	25,250	1,404,092	-	-	-
Total Debenture Repayments	435,822	1,500,000	78,718	7,635	1,857,104	435,822	1,500,000	174,626	32,885	1,761,196	38,649	5,357	388,016

(b) Self Supporting Loans

	Revised Budget 22 / 23*					Adopted Budget 22 / 23*					Actual as at 31 Jan 23		
	01 Jul 22 \$	New Loans \$	Principal Repayments \$	Interest Repayments \$	Principal Outstanding \$	01 Jul 22 \$	New Loans \$	Principal Repayments \$	Interest Repayments \$	Principal Outstanding \$	Principal Repayments \$	Interest Repayments \$	Principal Outstanding \$
Recreation and Culture													
Loan 83 Calingiri Football Club	162,163	-	21,332	4,206	140,831	162,163	-	21,332	4,206	140,831	10,053	3,546	152,110
Total Self Supporting Loans	162,163	-	21,332	4,206	140,831	162,163	-	21,332	4,206	140,831	10,053	3,546	152,110

Comments / Notes

* - No new self supporting loans are expected to be entered into this year.

(c) Unspent Debentures

The Shire had no unspent debenture funds as at 30th June 2022. It is not expected to have unspent debenture funds as at 30th June 2023.

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

7. CASH BACKED RESERVES

Reserve Name	Revised Budget 21 / 23				Adopted Budget 22 / 23					Actual as at 31 Jan 23					
	Balance 01-Jul-22	Transfers from	Interest Received	Transfer to	Balance 30-Jun-23	Balance 01-Jul-22	Transfers from	Interest Received	Transfer to	Balance 30-Jun-23	Balance 01-Jul-22	Transfers from	Interest Received	Transfer to	Balance 31-Jan-23
Long Service Leave	4,482	-	134	-	4,616	4,482	-	134	-	4,616	4,482	-	17	-	4,499
Plant	66,355	-	1,991	88,000	156,346	66,355	-	1,991	88,000	156,346	66,355	-	253	-	66,608
Housing	98,795	-	2,964	50,000	151,759	98,795	-	2,964	50,000	151,759	98,795	-	377	-	99,172
Sewerage Scheme - Calingiri	57,214	-	1,716	-	58,930	57,214	-	1,716	-	58,930	57,214	-	218	-	57,432
Refuse Site	254,215	(40,000)	7,626	-	221,841	254,215	(40,000)	7,626	-	221,841	254,215	-	971	-	255,186
Building Maintenance	15,187	-	456	25,000	40,643	15,187	-	456	25,000	40,643	15,187	-	129	25,000	40,316
Infrastructure	14,684	-	441	40,000	55,125	14,684	-	441	40,000	55,125	14,684	-	56	-	14,740
Gym Equipment	7,420	-	223	-	7,643	7,420	-	223	-	7,643	7,420	-	28	-	7,448
Sewerage Scheme - Yerecoin	21,162	-	635	-	21,797	21,162	-	635	-	21,797	21,162	-	81	-	21,243
Unspent Grants Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Reserves	539,514	(40,000)	16,186	203,000	718,700	539,514	(40,000)	16,186	203,000	718,700	539,514	-	2,130	25,000	566,644

Objective of Reserves

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve Name	Term	Purpose
Long Service Leave	Ongoing	to be used to fund annual and long service leave requirements
Plant	Ongoing	to be used for the purchase of major plant
Housing	Ongoing	to be used for the procurement of staff housing
Sewerage Scheme - Calingiri	Ongoing	to be used to maintain and improve the Calingiri sewerage scheme
Refuse Site	Ongoing	to be used to fund future refuse site development
Building Maintenance	Ongoing	to be used for the long term maintenance of Shire buildings
Infrastructure	Ongoing	to be used for future infrastructure development to ensure long term Shire sustainability
Gym Equipment	Ongoing	to be used for future purchases and replacement of gymnasium equipment
Sewerage Scheme - Yerecoin	Ongoing	to be used to maintain and improve the Yerecoin sewerage scheme
Unspent Grants	Ongoing	to be used in accordance with grant agreements.

The reserves are not expected to be used within a set period and further transfers to the reserve accounts are expected as funds are utilised

NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

8. NOTES TO THE STATEMENT OF CASH FLOWS

The statement of cash flows includes cash and cash equivalents net of outstanding overdrafts. The estimated cash at reporting date is as follows:

	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
(a) Reconciliation of Cash				
Cash - Unrestricted	690,015	576,587	1,417,823	690,015
Cash - Restricted	718,700	718,700	566,644	718,700
Total Cash on Hand	1,408,715	1,295,287	1,984,467	1,408,715
(b) Reconciliation of Net Cash from Operating Activities to Net Result				
Net Result	1,199,051	1,371,661	(662,205)	1,199,051
Depreciation	4,046,982	4,046,982	2,504,731	4,046,982
(Profit) on Sale of Asset	(25,619)	(25,619)	(4,177)	(25,619)
Loss on Sale of Asset	29,944	29,944	-	29,944
(Increase) / Decrease in Receivables	-	-	262,932	-
(Increase) / Decrease in Inventories	-	-	20,344	-
Increase / (Decrease) in Payables	-	-	35,539	-
Non-operating Grants, Subsidies and Contributions	(5,500,087)	(5,480,864)	(1,092,311)	(5,500,087)
Net Cash from Operating Activities	(249,728)	(57,896)	1,064,853	(249,728)

9. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	Revised Budget 22 / 23 \$	Adopted Budget 22 / 23 \$	Actual 31-Jan-23 \$	Estimated Actual 30-Jun-23 \$
Current Assets				
Cash - Unrestricted	690,015	576,587	1,417,823	690,015
Cash - Restricted Reserves	718,700	718,700	566,644	718,700
Receivables	567,005	567,005	623,916	567,005
Financial Assets (Term Deposits)	160,441	-	-	160,441
Inventories	53,207	53,207	11,961	53,207
Total Current Assets	2,189,368	1,915,499	2,620,344	2,189,368
Current Liabilities				
Trade and Other Payables	(216,466)	(216,466)	(331,534)	(216,466)
Revenue Received in Advance	-	-	-	-
Contract Liabilities	(995,008)	(995,008)	(1,029,682)	(995,008)
Deposits and Bonds	(21,589)	(21,589)	(21,733)	(21,589)
Short Term Borrowings	(78,032)	(78,032)	(79,361)	(78,032)
Provisions	(148,295)	(148,295)	(166,022)	(148,295)
Total Current Liabilities	(1,459,390)	(1,459,390)	(1,628,332)	(1,459,390)
Net Current Funding Position	729,978	456,109	992,012	729,978
Less: Cash - Restricted Reserves	(718,700)	(718,700)	(566,644)	(718,700)
Less: Self-Supporting Loan	(7,601)	(7,601)	(11,532)	(7,601)
Add: Current Portion of Debentures	78,032	78,032	76,869	78,032
Estimated Surplus / (Deficit) C/FWD	81,709	(192,160)	490,705	81,709

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
Adjustment to 1 July Opening Surplus				Adopted Budget Deficit				(192,160)
December 2022 Budget Review								
INCOME								
Grants								
10325		Increase in FAGS - General	2212-10			66,568		66,568
10326		Increase in FAGS - Local Roads	2212-10			60,655		60,655
Commissions								
10431		Transport Licencing suspended	2212-10				(5,720)	(5,720)
10433		Other Commissions	2212-10				(8,068)	(8,068)
10512		Fire Prevention Infringements					(25,000)	(25,000)
		Change of intent from infringement to warning letters						
Staff Housing								
10912		Staff Housing - 12 Harrington Street (WSM) NIL Rent	2212-10				(3,800)	(3,800)
10913		Staff Housing - 16 Yulgering Street (Admin) NIL Rent	2212-10				(6,000)	(6,000)
10921		Community Housing	2212-10				(6,240)	(6,240)
		Calingiri APU 2 - Vacant						
21030		Sewerage Scheme - Calingiri	2212-10			7,765		7,765
		Transfer from Reserves						
16010		Govt Grant - Direct MRWA	2212-10			3,227		3,227
		additional funding						
16092		LRCIP	2212-10			19,223		19,223
		Funding from 21/22						
11400		Private Works	2212-10				(5,000)	(5,000)
		NIL income to date						
<u>Net Income Variations</u>								97,610
EXPENDITURE								
20415		President Allowance	2212-10				(3,500)	(3,500)
		President allowance underpaid in 21/22						

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
20406		Meeting Costs Briefing sessions, community engagement	2212-10				(7,766)	(7,766)
20408		Sundry Council l pads replacements	2212-10				(12,803)	(12,803)
20435		Computing / IT Support l pad support, Cyber security, additional workstations (Library) and O365 licencing	2212-10				(30,257)	(30,257)
20442		Subscriptions EAP Program, AROC membership	2212-10				(6,930)	(6,930)
20452		Legal Fees Reduced requirement for engagement	2212-10			10,000		10,000
20440		Office Building - Materials Water Leak / ATM Cage	2212-10				(3,181)	(3,181)
20449		Occupational Health & Safety Activities completed through LGIS	2212-10			5,267		5,267
20445		Office Expenses Mfa Mobile phone, CEO office furniture, lectern	2212-10				(4,508)	(4,508)
20901		Staff Housing \$16,057 spend on CEO House furnishing	2212-10				(17,000)	(17,000)
20430		CEO Transition Payout of Former CEO + Temporary CEO	2212-10				(64,705)	(64,705)
20804		CDO Expenses Increased working hours compared to budgeted	2212-10				(12,972)	(12,972)
APC		APU - Materials Air Conditioning and HWS replacement	2212-10				(2,500)	(2,500)
21030		Effluent Disposal Schemes (STED) - Calingiri Repair to sewerage lines - Railway St	2212-10				(7,766)	(7,766)
21069		Water Supply Bolgart WS - Reimbursement	2212-10				(4,270)	(4,270)
21064		Gillingarra WS - Reimbursement	2212-10				(4,270)	(4,270)

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
21419		Deport Maintenance Hire of Temporary Fuel Storage Tank	2212-10				(12,000)	(12,000)
AG0002 40025		Purchase of Land for Aglime Route Included in Aglime Road Construction	2212-10			32,500		32,500
21322		Yerecoin Wayside Rest Area Electrical Work	2212-10				(1,550)	(1,550)
21411		Works and Services WSM Employment package	2212-10			113,147		113,147
21432		Parts and Repairs Ageing fleet requiring more frequent repairs	2212-10				(55,000)	(55,000)
		<u>Net Expenditure Variations</u>	2212-10					(90,064)
		CAPITAL						
40338		Out-front 72" Mower	2212-10			2,500		2,500
40335		Rotary Slasher	2212-10				(5,900)	(5,900)
40026		Ute 3	2212-10			3,889		3,889
40339		Depot Fuel Tank	2212-10			5,562		5,562
40026		Replacement Loader	2212-10			55,000		55,000
40026		Prime Mover Float Refurbishment (deferred to 23-24)	2212-10			30,000		30,000
		<u>Net Capital Variations</u>	2212-10					91,051
		<u>Revised Surplus / Deficit</u>	2212-10					(93,563)

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
Mid-year Budget Review								
Adjustment to opening surplus						48,940		48,940
Based on audited 2022 Financial Statements								
INCOME								
10300		Rates Monochorum change in status to non-rateable					(100,142)	(100,142)
10436		Traineeship Grant Successful Grant funding received				38,000		38,000
16093		Fire Mitigation Initiatives Revised submission funding and expenditure					(211,350)	(211,350)
10810		Community Grant Australia Day				12,000		12,000
11010		Drum Muster Adjusted down to match expenditure					(6,040)	(6,040)
11040		Planning Applications Reduced income from applications					(14,270)	(14,270)
11057		Heritage Heritage Grant secured				7,000		7,000
11300		Bolgart Caravan Park Reduced income to date from travellers					(5,054)	(5,054)
11411		Diesel Fuel Rebate Forecast from 21/22 not meeting expectations					(10,596)	(10,596)
11400		Private Works NIL income to date					(11,500)	(11,500)
<u>Net Income Variations</u>								(301,952)
EXPENDITURE								
20439		Office / Facilities Cleaning Cleaning now contracted from 01 Feb 23					(20,000)	(20,000)

PUBLIC ATTACHMENTS

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
20454		Records Management Engagement of additional consultants					(9,235)	(9,235)
20404		Local Government Week Costs have been finalised for 2022-23				6,500		6,500
20445		Office Expenses Trainee Workstation Secure Filing cabinet					(10,000)	(10,000)
20451		Consultants Rates - support for transitioning dedicated Rates Officer IT Strategy - Computer Operating System					(43,005)	(43,005)
20442		Subscriptions AROC Corrella Management contribution					(7,442)	(7,442)
20409		Public Relations Reduced requirement for engagement				4,219		4,219
20430		Admin Salaries Traineeship Grant Expenditure					(38,000)	(38,000)
20436		Insurance Premiums Higher than budgeted premiums					(6,074)	(6,074)
20445		Records Management Archiving and Storage Boxes					(1,700)	(1,700)
20433		FBT Likely FBT charge for employees					(10,000)	(10,000)
20502		Bush Risk Mitigation Coordinator Contribution to Shire of GinGin not budgeted for					(61,232)	(61,232)
20543		Fire Mitigation Initiatives Revised submission funding and expenditure				211,350		211,350
20806		Community Grant Expenditure Australia Day					(12,000)	(12,000)
20903		APU Service Contracts not required				10,130		10,130

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
21071		Piawaning Water Supply (Desal'n) Service contract with minimal exp to date				4,530		4,530
21052		Town Planning Contour & Feature Survey - Crown Reserves 18203 & 18204 Piawaning					(6,500)	(6,500)
21101	B010	Calingiri Recreation Centre Service contracts with minimal expenditure				9,427		9,427
21107	B021	Roads Board Building Fit out of building and WiFi					(10,500)	(10,500)
21122		Calingiri Sports Pavilion Cleaning prior to hand over of MOU lease					(1,500)	(1,500)
21202		Sealed Road Maintenance materials component with minimal exp to date.				5,000		5,000
21200	MG9999	Unsealed Road Maintenance materials component with minimal exp to date.				25,000		25,000
21205		Drainage Maintenance materials component with minimal exp to date.				25,000		25,000
21419		Depot Maintenance Ramm Software Pty Ltd					(10,000)	(10,000)
21220		Interest on Loan - 2023 Borrowings Loan interest not triggered until 23-24				25,250		25,250
21411		Works Manager Salary Allocation vs Contract				85,320		85,320
21413		Insurance - Workers Compensation Reallocation to correct Outside Crew					(2,969) (9,272)	(2,969) (9,272)
21422		Staff Training Reduction in required spend				2,000		2,000
		<u>Net Expenditure Variations</u>						154,297

PUBLIC ATTACHMENTS

Shire of Victoria Plains
SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE BUDGET REVIEW
FOR THE YEAR ENDING 30 JUNE 2023

10. BUDGET AMENDMENTS

The following details the amendments made to the original budget since its adoption.

GL Code	Job Code	Description	Council Resolution	Classification	Non Cash Adjustment \$	Increase in Cash \$	Decrease in Cash \$	Running Balance \$
CAPITAL								
40104		Mogumber Hall Roof				81,767		81,767
40026		Prime Mover Truck				105,312		105,312
40328		Mogumber Toilets (LRCIP)					(9,000)	(9,000)
40340		Parker Road Solar Bore (LRCIP)				25,000		25,000
40341		Bolgart Caravan Park Toilet Block (LRCIP)					(33,405)	(33,405)
40324	LRC007	Culverts (LRCIP)				8,405		8,405
		2023 Borrowings Repayment				95,908		95,908
<u>Net Capital Variations</u>								273,987
<u>Revised Surplus / Deficit</u>								81,709

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FINANCIAL MANAGEMENT, RISK
MANAGEMENT, INTERNAL CONTROL AND
LEGISLATIVE COMPLIANCE REVIEW REPORT

SHIRE OF VICTORIA PLAINS
19 December 2022

Accounting / Audit & Assurance /
Bookkeeping / Self-Managed
Superannuation Funds

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PUBLIC ATTACHMENTS

DISCLAIMER

This report is provided in accordance with the agreed upon procedures engagement letter dated 28 April 2022 and is subject to its terms and conditions.

Our work was limited to that described in this report and was performed in accordance with ASRS 4400 as issued by AUASB. It did not constitute an examination or a review in accordance with generally accepted auditing standards or assurance standards. Accordingly, we provide no opinion or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this review, except to the extent specified in this report.

Our work was based only on the information made available up to the date of the review. Accordingly, changes in circumstances after this date or the availability of other information could affect our findings

This report is intended solely for Shire of Victoria Plain's internal use and benefit and may not be relied on by any other party. We accept no liability or responsibility to any other party who gains access to this report.

PUBLIC ATTACHMENTS

1. Background

As outlined in our engagement letter dated 28 April 2022, we have been engaged to perform the following agreed-upon procedures as specified below for the Chief Executive Officer (CEO) to satisfy the requirements of Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* and Regulation 17(1) of the *Local Government (Audit) Regulations 1996*:

- (a) Review the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation.
- (b) Review the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management, risk management and internal controls by performing system walkthroughs, enquiry, inspection, and observation.

We have conducted our engagement in accordance with the Standards on Related Services ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings.

Our procedures performed does not constitute a reasonable or limited assurance engagement, accordingly, no assurance will be expressed.

Our review covered the period 1 January 2021 to 31 December 2021 in relation to financial management controls and we performed our procedures in July 2022.

The Shire of Victoria Plains is a local government based in Western Australia. The Shire is governed by seven (7) Councilors responsible for planning and making decisions on policies and developments affecting the area.

At the time of the review, the Shire employed approximately twenty-three (23) staff to implement the Council's decisions, running its day-to-day operations and providing a range of programs and services for the community.

2. Scope and Methodology

The objective of this review is to assess the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation and review the appropriateness and effectiveness of the Shire's system and procedures in relation to risk management, internal control and financial management systems by performing system walkthroughs, enquiry, inspection and observation.

The scope included review of the policies, procedures and plans in the areas and cycles described in Appendix B to this report.

We also covered the following areas in our engagement:

2.1 Risk Management

Risk can be defined as the 'effect of uncertainty on objectives'. Risk is important as it assists organisations in setting strategy, achieving objectives and making informed decisions. Taking risks is fundamental to local governments delivering the services to the community.

Risk management is a process in which businesses identify, assess and treat risks that could potentially affect their business operations.

The risk management process described in AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines is one way of achieving a structured approach to the management of risk. Consistently implemented, it allows risks to be identified, analysed, evaluated and managed in a uniform and focused manner.

ISO 31000 recommends that risk management be based on three core elements:

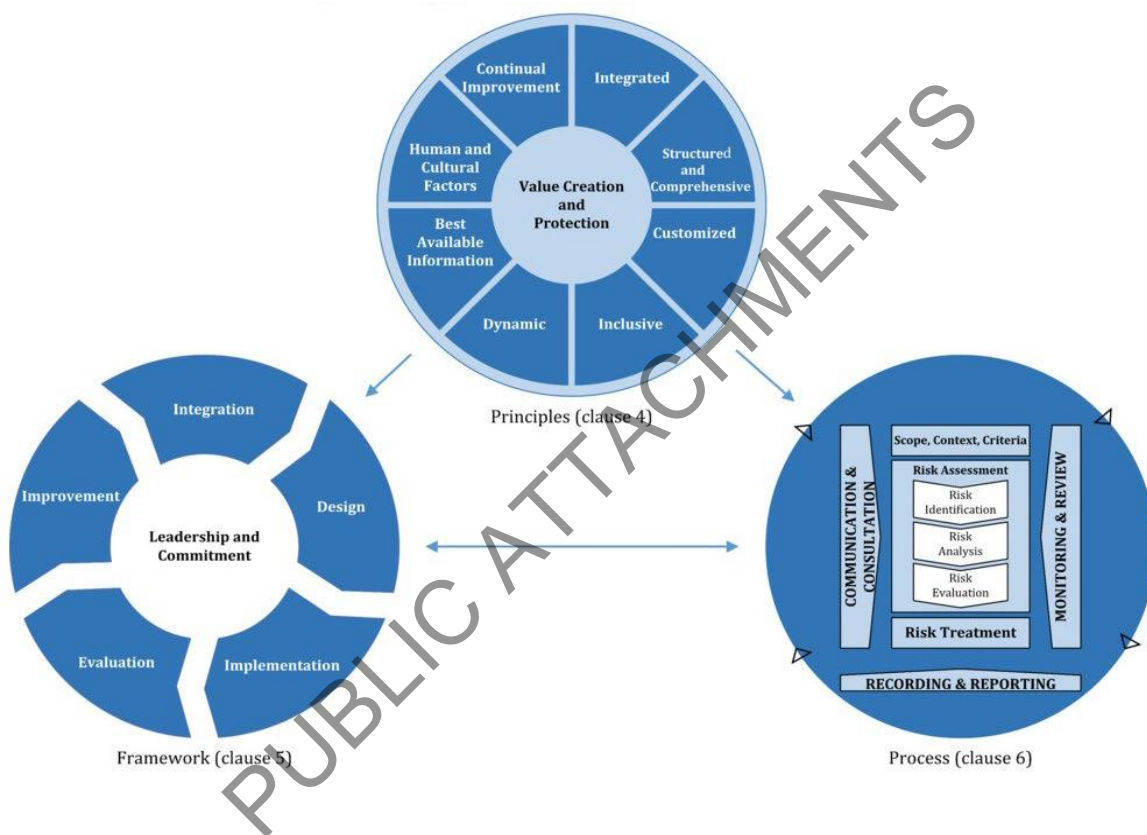


Diagram 1: Source - ISO 31000:2018 Risk Management Principles and Guidelines

2.1.1 Risk Management Process

a. Risk Identification

The aim of this step is to develop a comprehensive and tailored list of uncertain future events in the future that are likely to have an impact (either positively or negatively) on the achievement of the objectives these are the risks.

b. Risk Analysis

Risk analysis rates the potential impact of each risk and its likelihood of occurrence. The combination of these two factors determines the severity of the risk, which may be positive or negative. Although there are many ways to achieve this, a common approach is to use a matrix or 'risk heat map'. Consequence and likelihood are plotted on the two axes of the matrix, with each corresponding cell assigned a level of severity.

c. Risk Evaluation

Risk evaluation determines the tolerability of each risk. Tolerability is different from severity. Tolerability assists to determine which risks need treatment, and their relative priority, by comparing the severity of the risk against the level of risk you are willing to accept.

d. Risk Treatment

Risk treatment is the action taken in response to the risk evaluation, where it has been agreed that controls in place are deemed ineffective and additional mitigation activities are required. Risk treatment is an ongoing process where individual risk treatments (or combinations of treatments) are assessed to determine if they are adequate to bring the residual risk levels to a tolerable or appropriate level. If not, then new risk treatments are generated and assessed until a satisfactory level of residual risk is achieved.

e. Communication and consultation

Communication and consultation is an essential attribute of good risk management. Risk management cannot be done in isolation and is fundamentally communicative and consultative. Hence this step is, in practice, a requirement within each element of the risk management process.

f. Monitoring and review

Risks change over time and hence risk management will be most effective where it is dynamic and evolving and responsive. Monitoring and review is integral to successful risk management and entities may wish to consider articulating should articulate who is responsible for conducting monitoring and review activities.

g. Recording and reporting

The risk management process is most effective when well documented and shared. It may be included in formal risk reports to be recorded and published internally and externally as appropriate and should also be used as an input to reviews of the whole risk management framework.

Recognising and managing risk is a crucial part of the role management and the Council. Oversight of risk management is the responsibility of Council. The Board should therefore regularly review and approve the risk management policies and frameworks. In this way the board decides on the nature and extent of the risks it is prepared to take to meet objectives.

2.1.2 Risk Management Scope

We reviewed the following areas of the Shire's risk management process:

- Risk management systems and operating risks;
- Business continuity plan;
- We assessed the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, with regard to;
 - potential non-compliance with legislation, regulations and standards and local government's policies;
 - important accounting judgements or estimates that prove to be wrong;
 - litigation and claims;
 - misconduct, fraud and theft;
 - significant business risks, recognizing responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government.
- Risk reports identifying key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assessed the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover;
- The effectiveness of the local government's internal control system with management and the internal and external auditors;
- Assessed whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more a high degree of risk;
- Assessed the local government's procurement framework and whether these policies and procedures are being applied;
- Ascertain whether fraud and misconduct risks have been identified, analyzed, evaluated, an appropriate treatment plan has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

2.1.3 Risk Management Methodology

- Conducted interviews with key personnel involved in the risk management process;
- Reviewed policies, frameworks and plans and assess compliance with industry best practice;
- Assessed whether actual practices are in accordance with approved policies, frameworks and plans;
- Determined whether the Risk Management principles are in accordance with AS/NZS ISO 31000:2018;
- Reviewed insurance policies to assess the adequacy of insurance cover; and
- Reported on the appropriateness and the effectiveness of the current systems and procedures.

2.2. Legislative Compliance

2.2.1. Legislative Compliance Scope

We reviewed the following areas of the Shire's legislative compliance process:

- Compliance with legislation and regulations;
- Annual Compliance Audit Return and reporting to Council the results of that review;
- Procedures for receiving and treating complaints, including confidential and anonymous employee complaints;
- Identification of adverse trends and reviewed management's plans to deal with these;
- Management disclosures in financial reports;
- Whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects and report compliance and ethics issues to the Audit Committee;
- Compliance frameworks dealing with relevant external legislation and regulatory requirements;
- Legislative and regulatory requirements imposed on Audit Committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

2.2.2 Legislative Compliance Methodology

- Conducted interviews with key personnel involved in the various internal control process;
- Reviewed policies, plans and assess compliance with industry best practice;
- Assessed whether actual practices are in accordance with approved policies, frameworks and plans;
- Reviewed key documents and plans to determine if the plans that are required by legislation are adopted and current.
- Reported on the appropriateness and the effectiveness of the current systems and procedures.

2.3 Internal Controls Review

2.3.1 Internal Controls Review Scope

The following controls were reviewed:

- separation of roles and functions, processing and authorisation;
- control of approval of documents, letters and financial records;
- comparison of internal data with other or external sources of information;
- limit of direct physical access to assets and records;
- control of computer applications and information system standards;
- limit access to make changes in data files and systems;
- regular maintenance and review of financial control accounts and trial balances;
- comparison and analysis of financial results with budgeted amounts;
- the arithmetical accuracy and content of records;
- report, review and approval of financial payments and reconciliations; and
- comparison of the result of physical cash and inventory counts with accounting records.

2.3.2 Internal Controls Methodology

- Conducted interviews with key personnel involved in the various internal control process;
- Reviewed policies, plans and assess compliance with industry best practice;
- Assessed whether actual practices are in accordance with approved policies, frameworks and plans;
- Performed walkthroughs of all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2021) or the strategic importance as noted in the Regulations or discussions from management;
- Obtained an understanding of the Shires IT operating systems and reviewed user access rights to determine whether appropriate segregation has been achieved;
- Reported on the appropriateness and the effectiveness of the current systems and procedures.

2.4 Financial Management Review

2.4.1 Financial Management Review Scope

As agreed, our examination covered the period 1 January 2021 to 31 December 2021. We examined the following financial systems and procedures of the Shire:

- Bank reconciliations and Petty Cash
- Trust Funds
- Receipts and receivables
- Rates
- Fees and Charges
- Purchases, payments and payables (Including Purchase Orders)
- Salaries and wages
- Credit Card procedures
- Fixed Assets (Including acquisition and disposal of property)
- Cost and administration overhead allocations
- Minutes of meetings
- Budgets and Financial Reports
- Registers (including Annual and Primary Returns)
- Delegations
- Audit Committee
- Insurance
- Storage of documents/record keeping
- Plan for the future
- General compliance and other matters

2.4.2 Financial Management Review Methodology

- Conducted interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- We compared this listing and the relevant areas covered by these policies to the Local Government Act and Regulations, in particular the Local Government (Financial Management) Regulations, as amended from time to time;
- We noted areas of concern, in particular where we identified a lack of documented policies and procedures, or where documented policies and procedures deviated from the requirements of the Regulations;
- We performed walkthroughs of all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2021) or the strategic importance as noted in the Regulations or discussions from management;
- From these walkthroughs we noted areas of concern for discussion with management. Areas of concern include any significant deviation from the documented framework, or where the current framework did not address key risk areas;
- From the work performed above, we prepared a draft report to identify specific key risk areas and potential improvement recommendations.

3 Outcomes

3.1 Risk Management, Legislative Compliance and Internal Controls Review

Risk Management:

The Shire has developed a Risk Management Framework based on AS/NZS ISO 31000:2018 Risk Management – Guidelines, setting out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. However, the Shire has not implemented a risk management process to achieve a structured approach to the management of risks.

Without a structured approach to risk management the Shire will not effectively identify and put appropriate safeguards in place to mitigate business, operational and financial risks.

The Shire also has exposure to risks that if unmanaged, may have an adverse impact on the achievement of organisational objectives.

The Shire’s risk management process was not effective in identifying risks and improvements throughout the Shire’s key business areas. We have identified this as an improvement area.

Legislative Compliance:

The Council has adopted various governance policies. The Chief Executive Officer is responsible for ensuring that legislative requirements are met, a compliance calendar is used in this process. The Shire’s legislative compliance process is appropriate and effective.

Internal Controls:

The Shire has several policies and procedures documented and implemented over key financial areas. Considering the size, resources and operations of the Shire the internal control framework, policies and procedures as described to us are appropriate for most areas of operations. We have however identified several improvements in order to the Shire to have adequate and effective internal controls in place.

3.2 Financial Management Review

From the work performed during our review, we note that the financial management framework is requires improvements. We have identified several financial management internal controls that are not effective and resulted in significant ratings.

Our detailed recommendations for improvement identified during our review can be found in Appendix A of this report.

These recommendations have been discussed with management and action plans to address these risks within acceptable timeframes were agreed on.

We would like to take this opportunity to thank all staff involved in this review for their courteous assistance, in particular Sean Fletcher and Glenn Deocampo and the rest of the administration and finance team.

DRY KIRKNESS (AUDIT) PTY LTD



Marcia Johnson CA
Director

Date: 19 December 2022

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APPENDIX A: RECOMMENDED IMPROVEMENTS

RISK RATINGS

The Ratings in this Appendix are based on the audit team’s assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We consider these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Risk ratings have been assigned to issues raised in this report as follows:

Control is Inadequate	Extreme	Can be expected to occur in most circumstances; more than 75% chance of occurring; complex process with minimal checks & balances; impacting factors outside the control of the organisation. Those findings where there is potentially an extreme risk to the entity should the finding not be addressed by the entity promptly.
	Significant	Will probably occur in most circumstances; 50-75% chance of occurring; complex process with some checks & balances; impacting factors outside the control of the organisation. Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
	Moderate	Might occur at some time; 25 – 50% chance of occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organisation. Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
Control is Adequate	Minor	Could occur at some time; less than 25% chance of occurring; non-complex process &/or existence of checks and balances. Those findings that are not of primary concern but still warrant action being taken.

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APPENDIX A: RECOMMENDED IMPROVEMENTS

Area	Audit Findings/Comment	Rating	Implication	Recommendation	Management Comment
Risk Management					
1. Risk Management Process	The Shire has developed a Risk Management Framework, which has been documented in the <i>Risk Management Procedures June 2019 Version 2.0</i> . The Shire has not implemented a risk management process as described in <i>AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines</i> to achieve a structured approach to the management of risk.	Significant	Without a structured approach to risk management the Shire will not effectively identify and put appropriate safeguards in place to mitigate business, operational and financial risks. The Shire also has exposure to risks that if unmanaged, may have an adverse impact on the achievement of organisational objectives.	We recommend that management develops and implements a risk management process which includes: <ul style="list-style-type: none"> • Risk identification • Risk Analysis • Risk Evaluation • Risk Treatment • Communication and consultation • Monitoring and review • Recording and reporting 	The Management Team workshopped updated Risk Dashboard and profiles with LGIS in September 2022. This has resulted in new profiles and actions to be undertaken as well as a revised risk policy and procedures. This was presented to the Audit Committee on 12 December 2022 that now includes a quarterly reporting process.
2. Risk Management Process – Risk Register	The Shire does not have a current risk register in place.	Significant	The risk register is a key resource used in the risk management process to identify, evaluate, monitor and communicate risks, consequences, controls and safeguards to manage risks.	We recommend that the Shire updates the risk register to incorporate the Shire's risks and to evaluate and prepare action plans to mitigate risks. These risks and plans must be reported to the Audit and Risk Committee on a regular basis.	The Management Team will implement a risk register by the end of January 2023
3 Business Continuity Plan	We noted that the Shire does not have a Business Continuity Plan in place.	Moderate	Without an effective Business Continuity Plan the Shire may not be able to continue the delivery of critical activities and services following a disruptive incident.	We recommend that the Shire prepares and implements a Business Continuity Plan as this is part of an effective risk management program and should be closely aligned to incident management, emergency response and IT disaster recovery.	The new BCP was endorsed by the Audit Committee on 12 December 2022 and adopted by Council on 14 December 2022
4 Information and Communication Technology (ICT) Disaster Recovery Plan	The Shire does not have an ICT Disaster Recovery Plan in place.	Moderate	Without this plan in place, key risks to electronic data are not identified and safeguards are not put in place to minimise the risks. This will ultimately lead to the loss of electronic data through cyber threats, damage to backed up data and/or damage to equipment.	The Shire should develop an ICT Disaster Recovery Strategy Plan identifying and documenting key ICT risks along with the treatments to reduce the risk to an acceptable level. The Shire should test the plan to ensure its effectiveness if an emergency or crisis event occurs.	To be costed for the 2023/2024 Budget
5 Records Disaster Recovery Plan	The Shire does have a records disaster recovery plan in place. However, the plan has not been tested.	Minor	Without testing the plan, the Shire will not be able to verify whether the plan in place is effective and sufficient.	We recommend the Shire to test the records disaster recovery plan to verify it is effective.	Testing of this plan will be undertaken by the Records Officer by 31 March 2023
Financial Management Controls					
6 Changes to supplier and employee master files	We note that management does not review system changes relating to supplier and employee information to ensure that all changes made are valid and accurate.	Significant	There is an increased risk that unauthorised changes to supplier and employee data including bank account details may not be detected prior to payments being released resulting in errors	We recommend that the <i>Synergy Audit Trail</i> reports for creditor and employee master files changes be produced and reviewed by management on a regular basis to ensure that all changes are valid and accurate.	To be implemented by 1 February 2023.

				and financial loss to the Shire.		
7	Changes to supplier and employee master files	We note that when changes are made to existing supplier and employee data we were unable to corroborate that the changes were verified by Shire employees before the changes were updated in the system.	Significant	With the increase in cyber fraud the risk that information provided by suppliers and employees are not valid and if not verified the incorrect information specifically bank details can be included in the system.	We recommend that management implement the use of a <i>Masterfile Amendment Form</i> to control the changes to supplier and employee master files ensuring accurate data is maintained within the accounting system. We further recommend that <i>Masterfile Amendment Forms</i> be reviewed on a regular basis by a senior employee of Council. This internal control should be evidenced by the reviewer signing the document.	To be implemented by 1 February 2023.
8	Changes to supplier and employee master files	We note that there is no evidence that employees perform a check to verify that the Australian Business Number (ABN) of new suppliers are correct.	Significant	There is an increased risk that suppliers are not valid businesses.	We recommend that employees perform ABN checks of new suppliers and record the evidence that the control was performed.	To be implemented by 1 February 2023.
9	Changes to supplier and employee master files	We selected a sample of 2 employees and found that one employee did not sign the <i>Bank Account Deposit Authority Form</i> to confirm the accuracy of their bank details.	Significant	If employees do not verify bank details the Shire is at risk if incorrect details are supplied and payment is made to an unauthorised account.	We recommend that employees ensure that employees sign the <i>Bank Account Deposit Authority Form</i> prior to payments being made to the employee.	This is now current practice.
10	User Access Rights in Synergy Soft	We reviewed the financial system user access rights matrix and found that there were no restrictions on user's being able to delete records and some users have unlimited access to modules that they do not require access to operationally.	Significant	The integrity of data is at risk as employees have the ability to delete information.	We recommend that management review the current user access rights matrix and amend the user access rights to ensure that the correct segregation of duties is achieved and the access to delete data is removed.	Review by 31 March 2023 to ensure user access rights matrix correctly in place
11	Journal Entries	We note that the journal entries processed in the accounting system are not always reviewed by a senior staff member independent of the preparation of the journals.	Significant	If journals are not independently reviewed and approved, there is a risk that erroneous or fraudulent transactions may pass undetected. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved.	To help maintain the integrity of the accounting information a senior staff member should authorise all journal entries to be processed in the system and review the correctness of posting after being processed by the preparer.	This is in place
12	Purchases - Purchase Order Approval	We noted that the Depot Clerk does not have authority to approve purchases. However, based on the review of the approval thresholds in the procurement software we note that the Officer's approval threshold was \$1,000.	Significant	Purchase order approvals are not in-line with management approved delegations increases the risk of inappropriate and unauthorised purchases being made.	Purchase order approval access and limits must be strictly in compliance with the approved delegation of authority.	This matter has been addressed

13	Purchases - Evidence of goods and service received	We note that for 5 out of a sample of 15 purchases tested, the invoice was not signed as evidence that goods/service had been received/rendered before payment was made. While we have established that the payment was for a valid expense, there was no evidence that the control procedure was performed.	Moderate	Confirming that goods/services have been received/rendered before payment is made is a key control to reduce the risk that payments will be made without the Shire receiving the good or being provided with the services, this can lead to financial loss.	Management must ensure that employees adhere to the control procedure.	A control procedure is in place. This is a two step process with the Creditors Officer and MFA ensuring the control process
14	Purchases - Supplier Invoice	We noted that 1 out of a sample of 15 purchases where the payment was made to the supplier, Glenn Moir, for \$8,800 without an actual invoice. An email was used to process the payment.	Significant	GST may not be able to be claimed when a tax invoice is not presented. All goods and services purchased must be supported by a supplier invoice no other document is acceptable.	Management must ensure that all transactions and payments are supported by valid supplier invoices.	Twostep process with Creditors Officer and MFA verifying valid creditor invoices
15	Payments - Authority for Authorising payments	We note that the Office Manager and Executive and OCM Officer have authority as an approver in the online banking system and has approved payments however they are not authorised based on the approved delegated authority.	Significant	Officials approving payments do not have the delegated authority to do this.	We recommend the delegation of authority be reviewed and updated were appropriate to ensure that all employees that are required to make payments are authorised to do this.	This has been addressed. The three approvers are: <ul style="list-style-type: none"> • CEO • MFA • Finance Coordinator
16	Human Resources - Employment Contract	We note 1 instance where there was no signed employment contract for employment letter.	Moderate	Without a properly signed contract or letter of employment, there is an increased risk that employees may not be legally bound and as a result disputes could occur in relation to employment entitlements, terms and conditions.	Management should review all employees have signed employment contracts and the contracts are filed in the employee files.	Any new contracts are now signed before engagement
16	Human Resources - Resignation Letters	We note 1 instance where an employee resigned however no resignation letter or letter acknowledging the resignation was on file.	Moderate	Without a written records of the resignation especially the date and terms and conditions of the resignation this could result in the incorrect processing of the resignation through the payroll system.	We recommend that management ensure that all employees are issued with a letter acknowledging the resignation even if the employee does not provide a resignation letter.	Noted and every effort will be made to ensure compliance
17	Human Resources - Recruitment	We note 1 instance where an employee was employed but the current selection and hiring process was not followed due to the urgent need to fill the vacancy and because the employee had worked at the Shire previously.	Moderate	Management has not adhered the Shire's policy and procedures in relation to recruitment and selection of employees.	Management should investigate whether the employment of the employee was above board and ensure that the Shire's recruitment and selection process is followed for all appointments.	Process is in place that documents the justification where there is an urgent need to fill a vacancy. This is highlighted in the Turnover and Employment Report
18	Revenue - Rates	The Shire outsources the rates function to an external consultant. We noted that no independent review of the external consultant's work is performed prior to the rates notices been issued to rate payers.	Minor	Without the review of rate notices, there is a chance that incorrect rate is charged to the rate payers.	We recommend that the management team should review a sample of rate notices that the consultant issues to verify the accuracy of billing.	<ol style="list-style-type: none"> 1. The Rates Reconciliation is reviewed and recommended by MFA and signed off by the CEO. 2. Rates Notices are reviewed before issue. 3. A permanent employee will be transitioning from 1 January 2023 - 1 July

						2023 to perform the rates function which will provide hands on independent review
19	Revenue Grants -	We noted that the Shire does not maintain a Grant Register.	Minor	Without a grant register, the Shire will not be able to keep a record of the grants applied for, awarded and how the funding of each project is being managed.	We recommend that a Grant Register is prepared and maintained to manage the projects that the funds are used for as well as to assist with revenue recognition then accounting for grant income.	Grants Register has been in place since August 2022
20	Cash and Bank - Bank Reconciliation	We noted multiple instances where the monthly bank reconciliations were not reviewed by an independent officer. We also noted that the reconciliations were not dated therefore there is no evidence to support that the bank reconciliations are prepared and reviewed shortly after month end.	Moderate	Bank reconciliations are a fundamental internal control in accounting to ensure that there are no transactions that have been misstated. The timely preparation and review of bank reconciliations ensure that any misstatements are detected as soon as possible.	Banks reconciliations are to be dated by the preparer and reviewer to evidence that these are being performed in a timely manner.	This was implemented with the commencement of MFA in August 2022
21	Assets - Fixed Asset Reconciliation	We noted that management does not perform the monthly reconciliation between the fixed assets register and the general ledger.	Significant	Reconciliations are a key control for ensuring financial data is completely and accurately reflected in the general ledger from which financial statements are derived. The absence of a regular reconciliation process can result in errors or omissions remaining undetected, leading to misstatements in the financial statements.	We recommend that management ensure monthly reconciliations between the fixed assets register and the general ledger are prepared and independently reviewed by a senior officer, and evidence of the review retained.	Reconciliations will be undertaken quarterly commencing March Quarter
22	Assets - Fixed Asset Stocktakes	We note that management has not implemented control procedures to physically verify that all plant and equipment and furniture and fittings owned by the Shire that are still in use are recorded on the fixed asset register.	Moderate	Plant and equipment and furniture and fittings recorded in the fixed asset register may be damaged and not in use resulting in the assets being overstated in the financial report. Without a stock take of the portable and attractive assets there is no control to ensure that all the assets are accounted for and still in working condition.	Management must implement regular stock takes of these assets to ensure the fixed asset registers are accurate and complete.	This will be conducted annually. This will be done for 2022/2023 financial statements
23	Assets - Portable and attractive asset register	We noted that the Shire does not have a portable and attractive asset register to record the low value assets.	Minor	Portable and attractive assets are not recorded and therefore could be misappropriated and the Shire would not know.	We recommend the Shire to maintain a portable and attractive asset register and update it on a regular basis.	This is in place
24	Assets - Disposal Procedure	We noted that the Shire does not have a formal disposal policy or procedure in place for the disposal of Shire's assets.	Minor	Without a formal policy or procedure, the Shire might dispose of an asset without complying with the section 3.58 of the Local Government Act 1995.	We recommend the Shire to have a disposal procedure or policy.	Template drafted and to be implanted by 30 June 2023

25	Overhead Allocation - Admin Allocation Rates	We note that the Admin Allocation Rates were last reviewed in 2018.	Moderate	If this review is not performed regularly the Shire may not recover the allocated overhead rate.	We recommend that a review is performed by the appropriate officer and this is reviewed, and approved by the Chief Executive Officer.	Review to be undertaken for 2022/2023 for implementation in 2023/2024
26	Overhead Allocation - Plant Recovery Rates	We noted that the plant recovery rates are not reviewed annually.	Moderate	There is a risk that plant operating costs are not recovered by the Shire when performing private works and capital improvement and construction projects.	We recommend that a review is performed by the Works Manager and this is, reviewed, and approved by the CEO on an annual basis.	Review to be undertaken for 2022/2023 for implementation in 2023/2024
Legislative Compliance						
27	Gifts Register	We note that the gift register does not contain any information relating to gifts received by electoral members as the Shire does not maintain the register.	Moderate	Non-compliance with Local Government (Election) Regulations r.30	Management should implement a process to ensure that the Shire complies with the legislation.	The Shire does have a register, however no gifts received in order to for entry to occur
28	Tender register	We noted that a tender register is not prepared and maintained.	Significant	Non-compliance with regulation 17 of the Local Government (Function and General) Regulations 1996.	Management must prepare and implement a tender register in accordance with regulation 17 of the Local Government (Function and General) Regulations 1996.	The Tender Register does exist. We acknowledge the concern and tighter controls are being implemented through 2022/2023 tenders as they occur

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APPENDIX B: LIST OF POLICIES, PROCEDURES, PLANS AND SHIRE DOCUMENTS COVERED BY THIS REVIEW

Shire Polices	Shire Plans	Shire Procedures and Documents
Enterprise Risk Management Policy	Workforce Plan 2019 2022	Complaints Register
Freedom of Information Statement	Corporate Business Plan 2019-2023	Investment Register
Occupational Health and Safety	Strategic Community Plan 2017/18 to 2027/28	Petty Cash Policy and Procedure
Investment Policy	Records Management Disaster Recovery Plan	Purchasing Limits Register
Council Policy Manual Adopted 16 May 2018 – Amended to 26 June 2019	ICT Strategic Plan	Register of Delegations Review and Adoption 23 June 2021
Council Policy Manual 23 March 2022	Record Keeping Plan	Schedule 3.1(b): Purchasing Thresholds and Requirements
	Strategic Resource Plan (incorporating the Asset Management and LongTerm Financial Planning) 2019-2024	Risk Management Procedures
		Risk Dashboard Report
	Risk Management Plan	EFT Procedure
	Bushfire Risk management Plan	Occupational Health and Safety Manual
	Record Keeping Plan	



Accounting / Audit & Assurance /
Bookkeeping / Self-Managed
Superannuation Funds

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Risk Management Framework (Risk Management Procedures)

PUBLIC ATTACHMENTS

Updated by CEO: March 2023

For Review: March 2026

Risk Acceptance Criteria Adopted by Council: March 2023

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Introduction

The Shire of Victoria Plains (Shire) Risk Management Policy in conjunction with the components of this document encompasses the Shire’s Risk Management Framework. It sets out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2018 Risk management – Guidelines and have been tailored to suit the Shire.

It is essential that all areas of the Shire adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire.

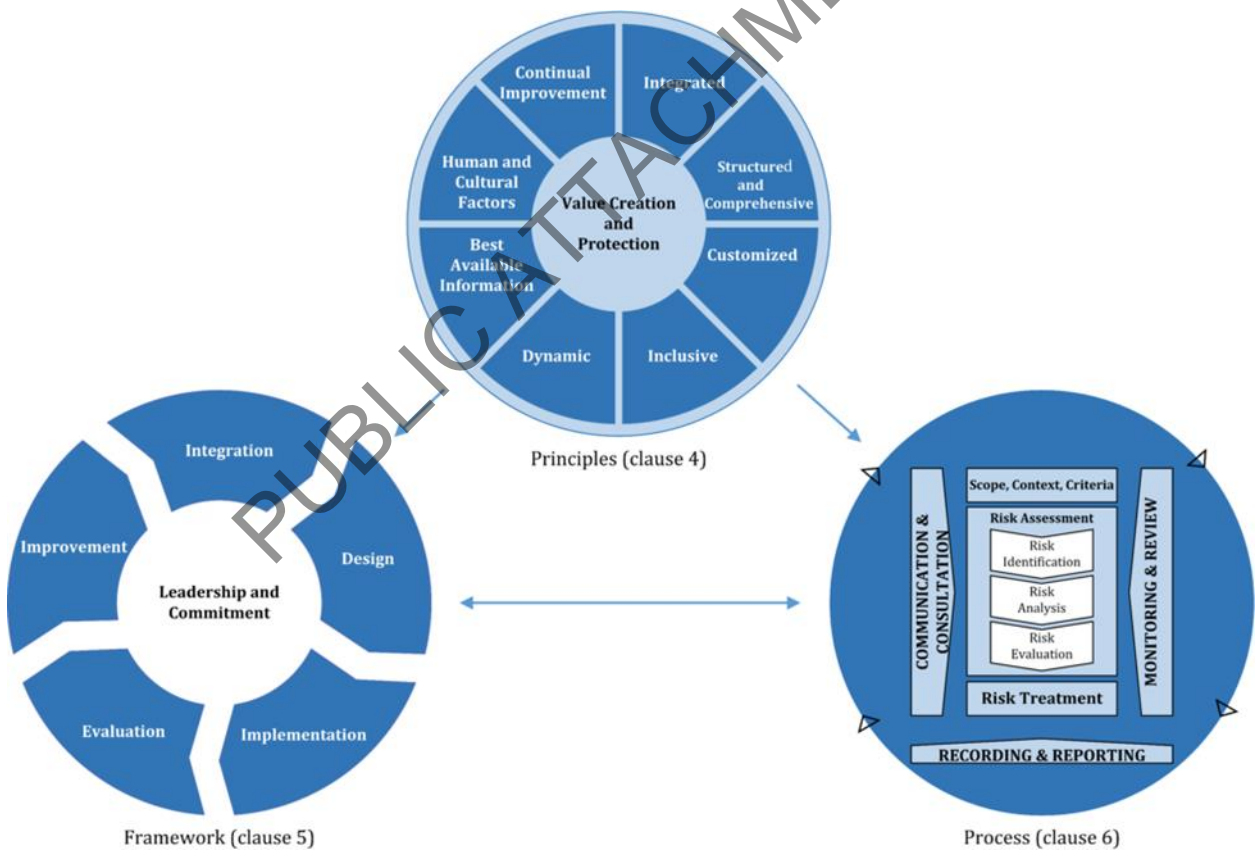


Figure 1: Relationship between the risk management principles, framework and process (Source: ISO 31000:2018)

Governance

Appropriate governance of risk management within the Shire provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness at least every three years.

Operating Model

The Shire has adopted a “Three Lines of Defence” model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Community will have assurance that risks are managed effectively to support delivery of the Shire’s Strategic, Corporate & Operational Plans.

First Line of Defence (All Operational Areas)

All operational areas of the Shire are considered ‘1st Line’. They are responsible for ensuring that risks within their scope of operations are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support the risk decision-making process.
- Prepare risk acceptance proposals where necessary, based on the level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

Second Line of Defence (CEO)

The Chief Executive Officer (CEO) acts as the primary ‘2nd Line’. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1st & 3rd lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1st Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.

- Co-ordinating the Shire's risk reporting for the CEO & Senior Management Team and the Audit Committee.

Third Line of Defence (Internal and External Audits)

Internal & External Audit are the third line of defence, providing independent assurance to the Council, Audit Committee and Shire Management on the effectiveness of business operations and oversight frameworks (1st & 2nd Line).

Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Audit Committee.

External Audit – Appointed by Council/OAG on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

Responsibility for Financial Audits (Annual Financial Statements/Interim Audit) and Performance Audits

On 28 October 2017, the [Local Government Amendment \(Auditing\) Act 2017](#) was proclaimed, giving the Auditor General (OAG) the mandate to audit Western Australia's 139 local governments and nine regional councils.

The Act allowed the Auditor General to conduct performance audits straight away while financial audits transitioned to the Auditor General over four years, as local government's existing audit contracts expired. The 2020-21 financial year audit was the first all 148 local government entities were audited by the OAG.

Governance Structure

The following diagram depicts the current operating structure for risk management within the Shire.

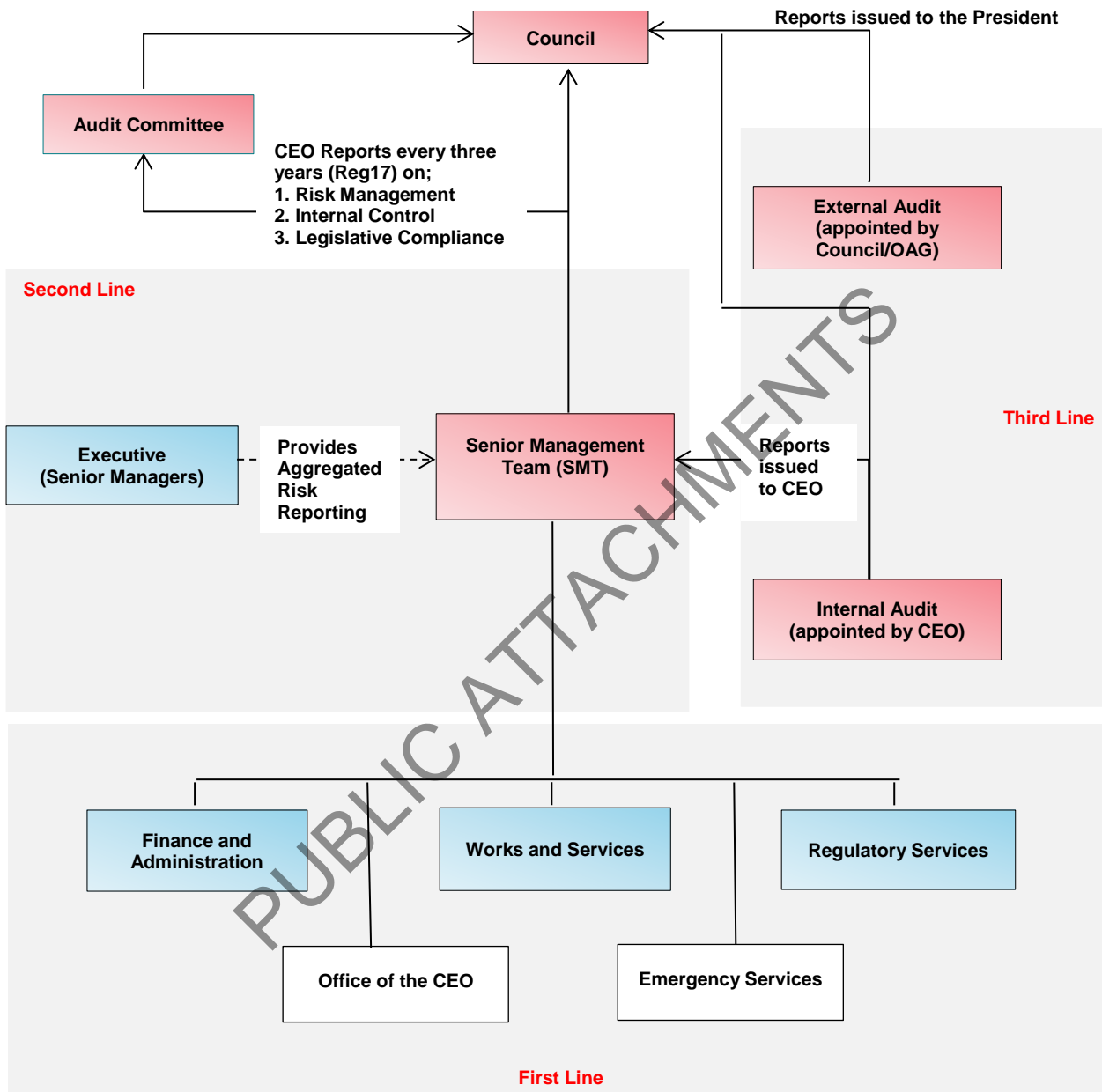


Figure 2: Operating Model

Roles & Responsibilities

Chief Executive Officer

The Chief Executive Officer is the overall sponsor of the risk management process and will set the tone and promote a positive risk management culture by providing firm and visible support for risk management.

The CEO will review the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal controls and legislative compliance at least once every three calendar years and report the results of that review to the Audit Committee.

Senior Management Team (SMT)

The SMT is responsible for the oversight of the Risk Management Framework, including the review of risk management procedures and policies on an annual basis. It is responsible for setting the tone and promoting a positive risk management culture within the Shire. The SMT maintains oversight of the highest level risks and takes responsibility for ensuring mitigation strategies are being implemented.

The SMT will drive the risk management process for the organisation by liaising with key stakeholders in both identifying risks, and in the recommendation of further actions to be implemented.

SMT is responsible for overall reporting on the Shire's Risk Management Framework, and in the evaluation of the Shire's internal controls.

Managers/Key Staff

The Managers/Key Staff are responsible for completing risk management actions for risks identified within their areas. This will be done through liaising and communication of requirements to their relevant staff members and overseeing the action to completion.

Employees

All employees within the Shire are expected to develop an understanding and awareness of risks and how they can contribute to the risk management process. All employees are responsible for escalating/communicating risks to their immediate supervisor. Employees are also required to act in a manner that does not place at risk the health and safety of themselves, other employees, residents and or visitors to the Shire.

Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.

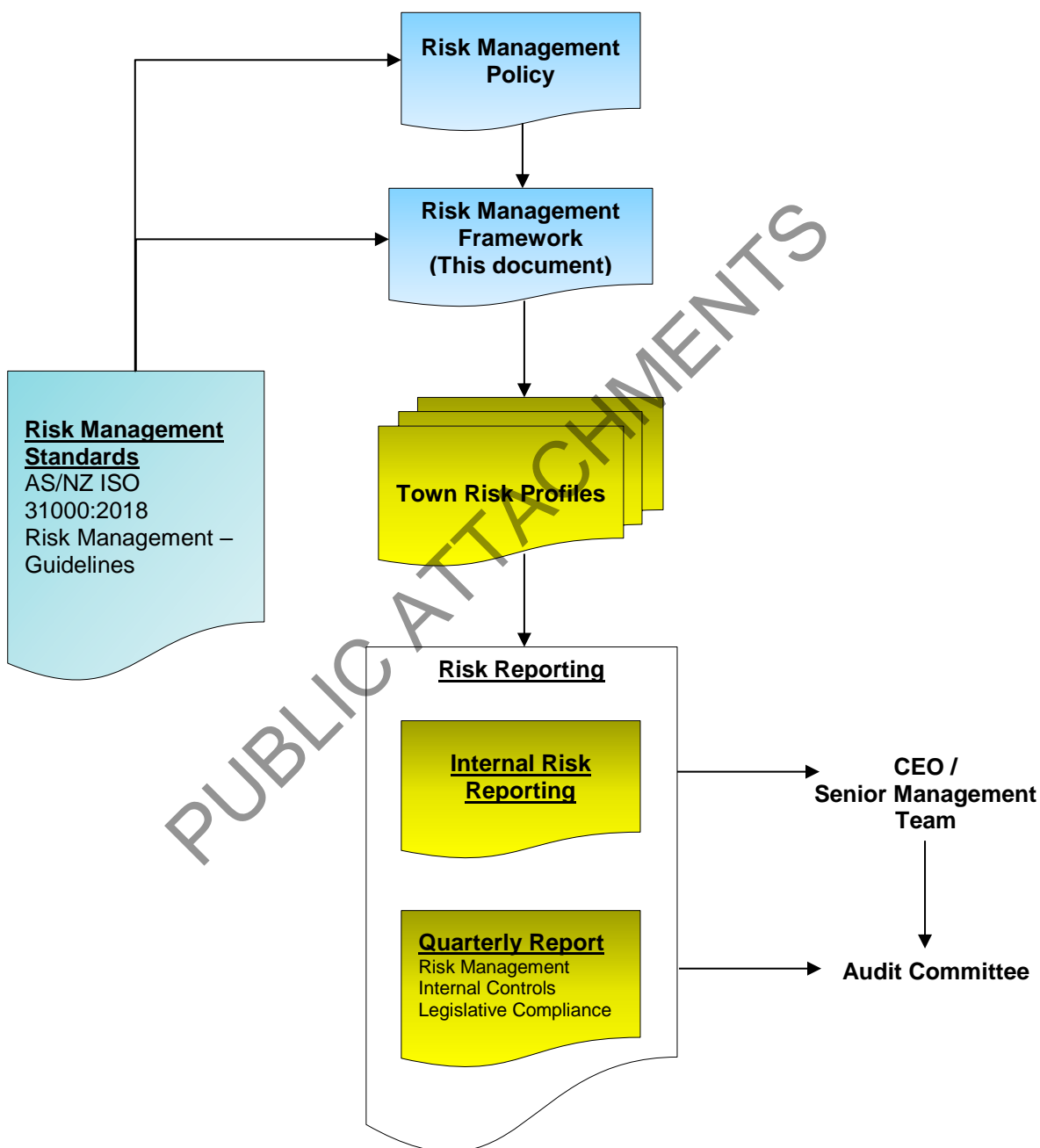


Figure 3: Document Structure

Risk Management Procedures

Each Executive (assigned as the Control Owner), is accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Shire.
- Reviewed on at least an 18 month rotation, or sooner if there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

The risk management process is standardised across all areas of the Shire. The following diagram outlines that process with the following commentary providing broad descriptions of each step.

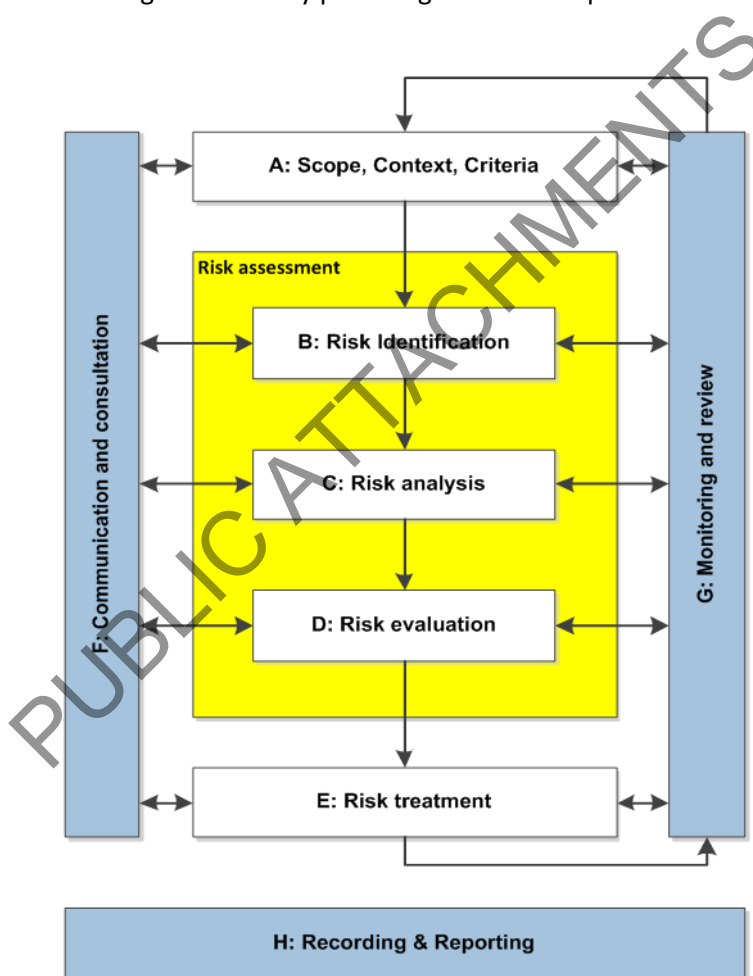


Figure 4: Risk Management Process ISO 31000:2018

A: Scope, Context, Criteria

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

Organisational Criteria

This includes the Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision-making processes.

Scope and Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. Risk sources can be internal or external.

For specific risk assessment purposes the Shire has three levels of risk assessment context:

Strategic Context (known as Strategic Risks)

These are risks that generally occur in the Shire's external environment and may impact the long term viability of the Shire. These are generally managed at the Council level, and are captured within the Shire's Strategic Plan.

Operational Context (known as Operational Risks)

These are risks the Shire faces in the course of conducting its daily business activities, procedures and systems. These are generally managed at by the Executive/Management team however may be reported to Council, particularly those with a heightened risk level. These risks are captured in the Operational Risk Profiles.

Project Context

These are risks that occur which have an impact on meeting a specific project objective. These risks are managed by local teams and are captured in project/activity risk assessments.

Project Risk has two main components:

- Direct refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems), which may prevent the Shire from meeting its objectives.
- Indirect refers to the risks which threaten the delivery of project outcomes.

B: Risk Identification

Once the context has been determined, the next step is to identify risks. This is the process of finding, recognising and describing risks. Risks are described as the point along an event sequence where control has been lost. An event sequence is shown below:

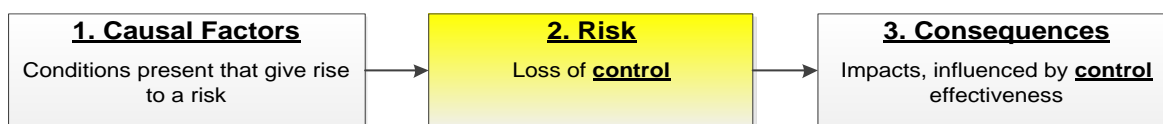


Figure 5: Event (risk) sequence

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, raise the questions listed below and then capture and review the information within each defined Risk Profile. The objective is to identify potential risks that could stop the Shire from achieving its goals. This step is also where opportunities for enhancement or gain across the organisation can be found.

These questions / considerations should be used only as a guide, as unidentified risks can cause major losses through missed opportunities or adverse events occurring. Additional analysis may be required.

Risks can also be identified through other business operations including policy and procedure development, internal and external audits, customer complaints, incidents and systems analysis.

‘Brainstorming’ will always produce a broad range of ideas and all things should be considered as potential risks. Relevant stakeholders are considered to be the subject experts when considering potential risks to the objectives of the work environment and should be included in all risk assessments being undertaken. Key risks can then be identified and captured within the Risk Profiles.

- What can go wrong? / What are areas of uncertainty? (**Risk Description**)
- How may this risk eventuate? (**Potential Causes**)
- What are the current measurable activities that mitigate this risk from eventuating? (**Controls**)
- What are the potential consequential outcomes of the risk eventuating? (**Consequences**)

Risk Description – describe what the risk is and specifically where control may be lost. They can also be described as an event. They are not to be confused with outcomes following an event, or the consequences of an event.

Potential Causes – are the conditions that may present or the failures that may lead to the event, or point in time when control is lost (risk).

Inherent Risk

There are three components to this step:

1. Determine relevant consequence categories and rate the ‘probable worst consequence’ if the risk eventuated with existing controls in place. This is not the worst case scenario but rather a qualitative judgement of the worst scenario that is probable or foreseeable. (Consequence)
2. Determine the likelihood that the ‘probable worst consequence’ will eventuate with existing controls in place.
3. Using the Shire’s Risk Matrix, combine the measures of consequence and likelihood to determine the risk rating. (Risk Rating)

Controls – are measures that modify risk. At this point in the process only existing controls should be considered. They must meet the following three tests to be considered as controls:

1. Is it an object, technological system and / or human action?
2. Does it, by itself, arrest or mitigate an unwanted sequence?
3. Is the required performance specifiable, measureable and auditable?

C: Risk Analysis

To analyse identified risks, the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is now applied.

Step 1 - Consider the effectiveness of key controls

Controls need to be considered from three perspectives:

1. The design effectiveness of each individual key control.
2. The operating effectiveness of each individual key control.
3. The overall or combined effectiveness of all identified key controls.

Design Effectiveness

This process reviews the 'design' of the controls to understand their potential for mitigating the risk without any 'operating' influences. Controls that have inadequate designs will never be effective, no matter if it is performed perfectly every time.

There are four components to be considered in reviewing existing controls or developing new ones:

1. Completeness – The ability to ensure the process is completed once. How does the control ensure that the process is not lost or forgotten, or potentially completed multiple times?
2. Accuracy – The ability to ensure the process is completed accurately, that no errors are made or components of the process missed.
3. Timeliness – The ability to ensure that the process is completed within statutory timeframes or internal service level requirements.
4. Theft or Fraud – The ability to protect against internal misconduct or external theft / fraudulent activities.

It is very difficult to have a single control that meets all the above requirements when viewed against a Risk Profile. It is imperative that all controls are considered so that the above components can be met across a number of controls.

Operating Effectiveness

This process reviews how well the control design is being applied. Similar to above, the best designed control will have no impact if it is not applied correctly.

As this generally relates to the human element of control application there are four main approaches that can be employed by management or the risk function to assist in determining the operating effectiveness and / or performance management.

- Re-perform – this is only applicable for those short timeframe processes where they can be re-performed. The objective is to re-perform the same task, following the design to ensure that the same outcome is achieved.
- Inspect – review the outcome of the task or process to provide assurance that the desired outcome was achieved.
- Observe – physically watch the task or process being performed.
- Inquire – through discussions with individuals / groups determine the relevant understanding of the process and how all components are required to mitigate any associated risk.

Overall Effectiveness

This is the value of the combined controls in mitigating the risk. All factors as detailed above are to be taken into account so that a considered qualitative value can be applied to the 'control' component of risk analysis.

The criterion for applying a value to the overall control is the same as for individual controls and can be found in Appendix A under 'Existing Control Ratings'.

Step 2 – Determine the Residual Risk rating

There are three components to this step:

4. Determine relevant consequence categories and rate the 'probable worst consequence' if the risk eventuated with existing controls in place. This is not the worst case scenario but rather a qualitative judgement of the worst scenario that is probable or foreseeable. (Consequence)
5. Determine how likely it is that the 'probable worst consequence' will eventuate with existing controls in place. (Likelihood)
6. Using the Shire's Risk Matrix, combine the measures of consequence and likelihood to determine the risk rating. (Risk Rating)

D: Risk Evaluation

The risk evaluation process ensures an action (decision) is taken in response to the residual risk. This involves applying the residual risk rating to the Shire's Risk Acceptance Criteria to determine whether the risk is within acceptable levels to the Shire. It will also determine through the use of the Risk Acceptance Criteria, what (if any) high level actions or treatments need to be implemented. In effect, the Risk Acceptance Criteria becomes the Shires risk appetite as follows:

- *The Shire will accept risks with a low residual risk rating*
- *The Shire will accept risks with a moderate residual risk rating with ongoing monitoring of that risk to ensure it does not escalate*
- *The Shire will not accept risks with a high residual risk rating unless it is controlled effectively, managed by senior management and subject to monthly monitoring*
- *The Shire will general not accept risks with an extreme residual risk rating*

If a decision is required outside of the above parameters, Executive approval will be required.

E: Risk Treatment

There are generally two requirements following the evaluation of risks.

1. In all cases, regardless of the residual risk rating; controls that are rated 'Inadequate' must have a treatment plan (action) to improve the control effectiveness to at least 'Adequate'.
2. If the residual risk rating is high or extreme, treatment plans must be implemented to either:
 - a. Reduce the consequence of the risk materialising.
 - b. Reduce the likelihood of occurrence.

(Note: these should have the desired effect of reducing the risk rating to at least moderate)

- c. Improve the effectiveness of the overall controls to 'Effective' and obtain delegated approval to accept the risk as per the Risk Acceptance Criteria.

Once a treatment has been fully implemented, the Deputy CEO is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

F: Communication & Consultation

Effective communication and consultation are essential to ensure that those responsible for managing risk, and those with a vested interest, understand the basis on which decisions are made and why particular treatment / action options are selected or the reasons to accept risks have changed.

As risk is defined as the effect of uncertainty on objectives, consulting with relevant stakeholders assists in the reduction of components of uncertainty. Communicating these risks and the information surrounding the event sequence ensures decisions are based on the best available knowledge.

G: Monitoring & Review

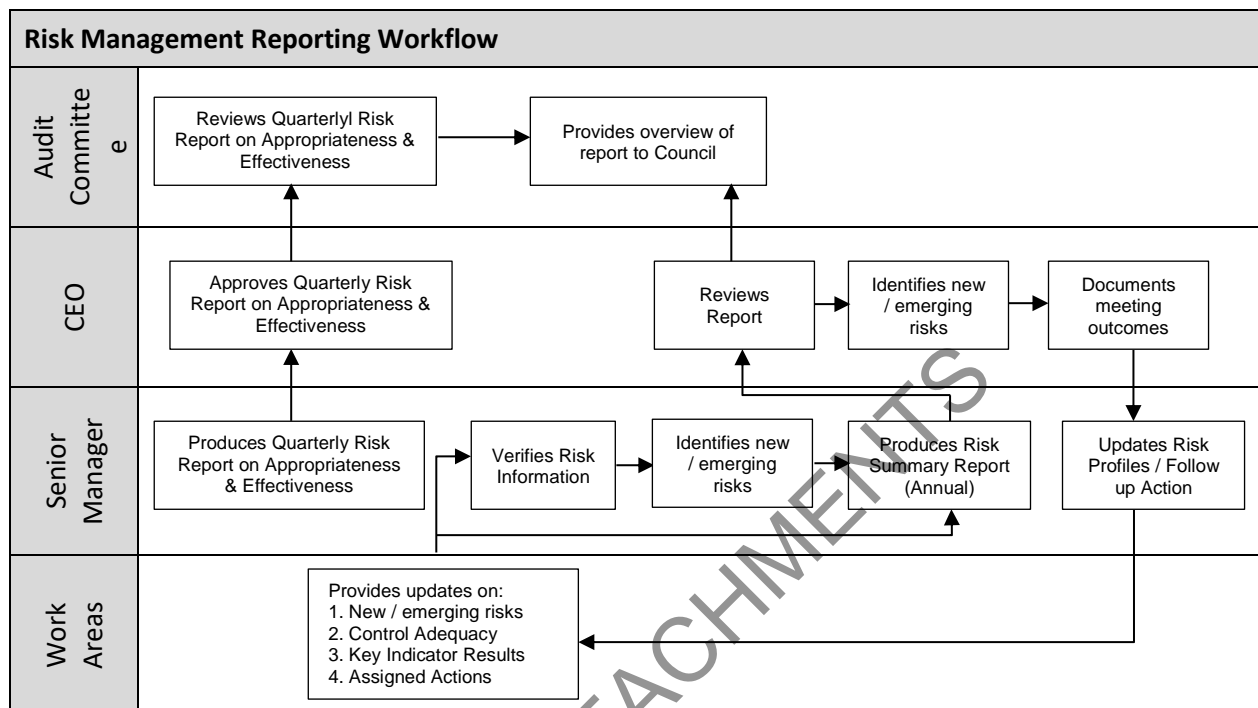
It is essential to monitor and review the management of risks, as changing circumstances may result in some risks increasing or decreasing in significance.

By regularly reviewing the effectiveness and efficiency of controls and the appropriateness of treatment / action options selected, we can determine if the organisation's resources are being put to the best use possible.

During the quarterly reporting process, management are required to review any risks within their area and follow up on controls and treatments / action mitigating those risks. Monitoring and the reviewing of risks, controls and treatments also apply to any actions / treatments to originate from an internal audit. The audit report will provide recommendations that effectively are treatments for risks that have been tested during an internal review.

H: Monitoring, Recording & Reporting

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and any relevant key indicator performance to the senior manager.
- Work through assigned actions and provide relevant updates to the Senior Manager
- Risks / Issues reported to the CEO & Senior Management Team are reflective of the current risk and control environment.

The Senior Manager/s are responsible for:

- Ensuring Shire Risk Profiles are formally reviewed and updated, at least on an 18 month rotation or earlier when there has been a material restructure, change in risk ownership or change in the external environment.
- Annual Risk Reporting for the CEO & Senior Management Team – Contains an overview of the Risk Summary for the Shire.

Audit Committee

- The Audit Committee is responsible for reviewing reports from the Chief Executive Officer on the appropriateness and effectiveness of the Shire’s systems and procedures in relation to risk management, internal control and legislative compliance. The Audit Committee will report to Council the results of that review including a copy of the Chief Executive Officer’s report.

Risk Profiles

Operational Risks

The Shire utilises risk profiles to capture its operational risks. These risks are usually managed and monitored at the Executive/management level. The profiles assessed are:

- Asset Sustainability
- Business and Community Disruption
- Compliance Obligations
- Document Management
- Employment Practices
- Community Engagement
- Environment Management
- Errors, Omissions and Delays
- External Theft and Fraud
- Management of Facilities, Venues and Events
- IT, Communication Systems and Infrastructure
- Misconduct
- Project / Change Management
- Purchasing and Supply
- WHS

For each category, the profile contains the following:

- Risk Description
- Causal Factors
- Potential Outcomes
- Inherent and Residual Risk
- Key Controls / Control Type
- Control Operating Effectiveness
- Risk Evaluation
- Actions and Responsibility

Appendix A – Risk Assessment and Acceptance Criteria

Measures of Consequence							
Type	Health	Financial Impact	Service Interruptions	Compliance	Reputation	Property	Environmental
Insignificant (1)	Near miss / minor first aid injuries	Less than \$10,000	No material service interruption	No noticeable regulatory or statutory impact. Threat of litigation. No effect on contract performance.	Unsubstantiated, low impact, no media involvement Example Gossip, Facebook item seen by limited persons	Inconsequential or no damage.	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries / Lost time injury <30 Days	\$10,000 - \$50,000	Short term temporary interruption – backlog cleared (< 1 day)	Some temporary non compliances. Single minor litigation. Requires formal meeting with contracted party where concern is raised.	Substantiated, low impact, low news profile Example Local paper / Industry news article, Facebook item seen by multiple groups	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Medical type injuries / Lost time injury >30 Days	\$50,001 to \$250,000	Medium term temporary interruption – backlog cleared by additional resources (< 1 week)	Short term non-compliance but with no significant regulatory requirements imposed. Single moderate litigation or numerous minor litigations.	Substantiated, public embarrassment , moderate impact,, moderate news profile. Example State-wide paper, TV News story.	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies

Major (4)	Long-term disability / multiple injuries	\$250,001 to \$1,000,000	Prolonged interruption of services – additional resources; performance affected (< 1 month)	Non-compliance results in termination of service or imposed penalties. Single major litigation.	Substantiated, public embarrassment, high impact, high news profile, Third Party actions Example Australia wide news stories. Regulatory / Political commentary involvement	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	>\$1,000,000	Indeterminate prolonged interruption of services – non-performance (> 1 month)	Non-compliance results in litigation, criminal charges or significant damages or penalties. Numerous major litigations / class action.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, Third Party actions Example World wide news, Focused articles (e.g. 60 minutes). Regulatory / Political oversight and involvement.	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances (>90% chance)	More than once per year
4	Likely	The event will probably occur in most circumstances(>50% chance)	At least once per year
3	Possible	The event should occur at some time(20% chance)	At least once in 3 years
2	Unlikely	The event could occur at some time(<10% chance)	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances(<5% chance)	Less than once in 15 years

Risk Matrix						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Supervisor / Team Leader
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Service Manager (e.g. MFA, MWS, PBU, CESM)
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Executive Team (SMT)
EXTREME	Unacceptable	Risk generally not acceptable	CEO & Council

Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is <u>little</u> scope for improvement.	Processes (Controls) operating as intended and aligned to Policies / Procedures. Subject to ongoing monitoring. Reviewed and tested regularly.
Adequate	There is <u>some</u> scope for improvement.	Processes (Controls) generally operating as intended, however inadequacies exist. Limited monitoring. Reviewed and tested, but not regularly.
Inadequate	There is a <u>need</u> for improvement or action.	Processes (Controls) not operating as intended. Processes (Controls) do not exist, or are not being complied with. Have not been reviewed or tested for some time.

PUBLIC ATTACHMENTS

Shire of Victoria Plains								2023														
Task	Assigned To	Cost	Comment	Start	End	Dur	%	1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9
Corporate Business Plan 2023				1/4/23	3/31/23	63	63															
1. Community				1/4/23	3/31/23	63	63															
1.1 Healthy, connected and safe communities				1/4/23	3/31/23	63	68															
a. Update and achieve strategies in the DAIP	EHO		Draft DAIP to be issued for comment by the end of March. CDO to issue to groups direct	1/4/23	3/31/23	63	67															
b. Support seniors activities	CDO		Commence weekly get togethers at ORB from February	2/1/23	3/31/23	43	100															
d. Annual footpath maintenance, upgrade and extension	MWS	40,000	<ul style="list-style-type: none"> Milner St Footpath 114M Yerecoin Balance to Calingiri tree roots 	1/4/23	3/31/23	63	67															
e. Achieve strategies in the Public Health Plan	EHO		Draft to be issued to public & targeted stakeholders by 31 March	1/4/23	3/31/23	63	67															
f. MoUs with local community organisations implemented	CDO		<ul style="list-style-type: none"> Piawaning MoU - finalise in Feb BPA signed 09/02/23, GSRC issued 22 Feb 2023 CW to check CFC and BPA 	1/4/23	3/31/23	63	50															
1.2 Inclusive community activities, events and initiatives				1/4/23	3/31/23	63	72															
a. Employ a Community Development Officer	CEO	Budget	In place. Role is working to a high level. Grants received YTD = \$148,000	1/4/23	3/31/23	63	100															
b. Source funding and co-ordinate delivery on initiatives that support arts, culture, learning and recreation	CDO	20,000 (G) 50,000 (G) 2,750 (G) 25,000 (G)	<ul style="list-style-type: none"> Implement Safe and Together Program -youth extremism Leveraged Creative & Cultural Planning - Art & Culture Program Be Connect Grant - Approved Walktrails Plan Grant - Submitted 	1/4/23	3/31/23	63	50															
c. Community grant scheme for volunteer groups	CDO		<ul style="list-style-type: none"> Commence next quarter - Two Year Rolling Program? Guidelines posted online 28/02/23 	1/4/23	1/4/23																	
d. Support existing community events to attract people to our communities and businesses	CDO TP/PBS	13,000 (G) 1,000 (G) 4,000 (S)	<ul style="list-style-type: none"> Australia Day - Completed Youth Week - Dining Experience - Approved 02/03/23 Piawaning Boundary Re-alignment. Contour & Feature Survey quotes received 09/02/23 Anzac Day Committee 02/03/23 Lexus Melbourne Cup Tour 	1/4/23	3/31/23	63	67															
1.3 Recreational, social and heritage spaces are safe and activated				1/4/23	3/31/23	63	50															
b. Promote and maintain heritage facilities	CDO	15,000	<ul style="list-style-type: none"> Laura Gray to complete 31/03/23 Grant = \$7,000 Approved Laura to update Council March 	1/4/23	3/31/23	63	50															
c. Provide a community gym	MFA	4,550	Next Quarter - Plan is to increase use - in particular seniors	1/4/23	1/4/23																	
1.4 Support emergency services planning, risk mitigation, response and recovery				1/4/23	3/31/23	63	60															
a. Active leadership and participation in LEMC	CoSO		<ul style="list-style-type: none"> Next meeting is in March Activations during incidents 	1/4/23	3/31/23	63	67															
b. Scenario planning and training	CESM	DFES	<ul style="list-style-type: none"> Volunteer (FCO) training calendar in train CBFCO and DBFCO plans to commence 	1/4/23	3/31/23	63	67															
c. Community Safety Officer provides education and support to residents to prepare for natural disasters and bushfires	CoSO	5,000	<ul style="list-style-type: none"> Storm safety education campaign 	3/1/23	3/31/23	23																
e. Support emergency service volunteer attraction and retention	CESM	40,000 (S) 1,000 (G)	<ul style="list-style-type: none"> As per Engagement Schedule Chiefs Award - March. CDO has applied for National Volunteer Week Grant BFAC Procedures on-hand 	1/4/23	3/31/23	63	67															

Shire of Victoria Plains								2023														
Task	Assigned To	Cost	Comment	Start	End	Dur	%	1/1	8/1	15/1	22/1	29/1	5/2	12/2	19/2	26/2	5/3	12/3	19/3	26/3	2/4	9/4
Corporate Business Plan 2023				4/1/23	31/3/23	63	59															
Environment				4/1/23	31/3/23	63	59															
3.1 Maintain a high standard of environmental health and waste services				4/1/23	31/3/23	63	64															
a. Deliver environmental health services	EHO	40,000	Contract in place - ongoing	4/1/23	31/3/23	63	67															
b. Continue to educate community about waste minimisation and recycling	EHO		Develop program once Waste Management Plans are in place	4/1/23	4/1/23																	
c. Capacity and infrastructure enhancements at our landfill sites	EHO ,MWS	250,000 (G) 35,000 (S)	<ul style="list-style-type: none"> Mogumber landfill fence - completed 3/03/23 CDO is applying for E-Waste Grant - transfer stations Draft waste management plans to be completed by 31 March Working Group - CEO, MWS, EHO to meet in March 	4/1/23	31/3/23	63	67															
d. With the community, forward plan the aesthetics of our cemeteries	MWS, CDO		<ul style="list-style-type: none"> Meet with Bolgart PA in March Meet with Calingiri PA in March MWS has engaged for entry brickwork to be replaced in March Emails sent to PAs re March meeting EHO has arranged for GPR of cemeteries April May at no cost 	4/1/23	31/3/23	63	67															
e. Develop and implement a Water Strategy (Includes development of framework for the strategy and key CWSP grant funding)	CEO/EHO	89,000	<ul style="list-style-type: none"> Waiting on Minister's announcement re awarding of grant funding for improvements to Piawaning Desalination plant EHO to draft next quarter 	4/1/23	31/3/23	63	17															
f. Improve Sewerage Schemes (Forms part of the Rate Review)	EHO, MWS	50,000	<ul style="list-style-type: none"> LRCI 2 - completed by 27/02/23 Rates Strategy adopted 22/02/23. Legal advice required re change of rate status on sewer lines 	4/1/23	31/3/23	63	100															
3.2 Conservation of our natural environment				4/1/23	31/3/23	63	54															
a. Promotion and management of invasive species programs to the community	EHO	4,000 (G)	<ul style="list-style-type: none"> Prepare program next quarter CDO has prepared Highways and Byways Grant re lost vegetation workshop - due March 	4/1/23	4/1/23																	
b. Preparation and management of nature reserves and roadside verges to reduce bushfire risk	MWS, CESM		<ul style="list-style-type: none"> CoSO to develop fire management plan based on BRMS Current MAF Round to be completed in March? 	4/1/23	31/3/23	63	33															
c. Animal control program is reviewed annually	CoSO		<ul style="list-style-type: none"> Correct registration process to be in place by March Program reviewed - checklist and run sheet developed. Developing cooperation agreements with LGs in the region With CDO preparing to apply for Animal Welfare Grant re joint pound re neighbours for animals Developing Firearms Business Case 	4/1/23	31/3/23	63	75															

Shire of Victoria Plains								2023														
Task	Assigned To	Cost	Comment	Start	End	Dur	%	1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9
Corporate Business Plan 2023				1/4/23	3/31/23	63	67															
Civic Leadership				1/4/23	3/31/23	63	67															
4.1 Forward planning and implementation of plans to achieve community priorities				1/4/23	3/31/23	63	67															
a. Deliver quarterly reviews of the Shire Strategic Plan and Corporate Business Plan	CEO	15,000	<ul style="list-style-type: none"> Implement CBP, LTFP, AMP, WFP Audit Committee - March Council - March 	1/4/23	3/31/23	63	67															
b. Active participation in AROC and Avon Midland CZ	CEO	5,000	Attended meetings scheduled in February: AROC - CEO, Zone, RRG	1/4/23	3/31/23	63	67															
4.2 Shire communication is regular, clear and transparent				1/4/23	3/31/23	63	78															
b. Implement the Communications Strategy	CEO		<ul style="list-style-type: none"> Communication, Event and Information Team established Tasks allocated in Feb Met with Market Creations re improvements to website - put to 23/24 Budget 	1/4/23	3/31/23	63	67															
c. Continue to uphold our Customer Service Charter and undertake a survey to measure our performance	MFA	2,500	<ul style="list-style-type: none"> Charter updated Survey due next quarter. However, has been issued 28/02/23 	1/4/23	3/31/23	63	100															
d. Shire newsletter made available online, print and emailed to residents	PA		Ongoing. Newsletters required for February and March	1/4/23	3/31/23	63	66															
4.3 Proactive and well governed shire				1/4/23	3/31/23	63	57															
a. Continue to meet compliance with statutory and regulatory requirements (Calendar, CAR, FMR, R17)	CEO/PA/MFA	23,500	<ul style="list-style-type: none"> Compliance Calendar - March Quarter in place on Monday.com Commence CAR in Feb for March FMR and Reg 17 completed - Reports to Audit Committee - March Budget review - March 2021/2022 Annual Report - Feb 	1/4/23	3/31/23	63	67															
b. Review financial and asset management policies and practices	MFA	15,000	See 4.1.a	1/4/23	3/31/23	63	67															
c. Develop and implement long term financial plan	MFA	15,000	<ul style="list-style-type: none"> See 4.1.a Rates Review adopted Feb OCM 	1/4/23	3/31/23	63	67															
d. Elected members attend professional development	CEO	31,500	Arrange CEO performance review training through WALGA	1/4/23	3/31/23	63	17															
e. Update and implement the Workforce Plan strategies	CEO MFA	20,000 38,000 (G)	<ul style="list-style-type: none"> See 4.1.a Traineeship Managers workshop held 	1/4/23	3/31/23	63	50															
f. Invest in new IT operating system (Altus or Council First)	MFA Council SO Council SO		<ul style="list-style-type: none"> Assess systems - Tango underway 28/02/23 Transition Records first Budget for 23/24 Review of Agenda/Minute Software - Council Info Review of LG Hub - Portal 	1/4/23	3/31/23	63	67															
g. Investigate and implement cybersecurity measures	MFA		<ul style="list-style-type: none"> Online training is ongoing Multi factor authentication completed Silverfern re risk vs cost, improved 	1/4/23	3/31/23	63	67															

Shire of Victoria Plains								2023														
Task	Assigned To	Cost	Comment	Start	End	Dur	%	1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9
Corporate Business Plan 2023				1/4/23	3/31/23	63	66															
Major Projects				1/4/23	3/31/23	63	66															
Capital Projects				1/4/23	3/31/23	63	71															
LRCI 2	EHO	55,000	<ul style="list-style-type: none"> Yerecoin Sewerage Hatch project completed 27/02/23 Mogumber toilets re materials completed Mogumber toilets other works? 	1/4/23	3/31/23	63	67															
LRCI 3	MWS	762,824	<ul style="list-style-type: none"> Bolgart Caravan Park toilets in March Complete Golf Course Rd 	1/4/23	3/31/23	63	67															
LRCI 4	PBS, CEO	381,412 (500,000)	<ul style="list-style-type: none"> Allocations handed down Competitive Road component to be announced April? Concept Plan - see 2.1.h Update Housing Proposal 	1/4/23	3/31/23	63	67															
WSFN	MWS		Mogumber Yarrowindah Road	1/4/23	3/31/23	63	33															
Roads to Recovery	MWS		<ul style="list-style-type: none"> Reseals March -- Glentromie - Yerecoin Rd, Golf Course Rd Old Plains Road Resheeting 	3/1/23	3/31/23	23																
Regional Road Group	MWS		Nil projects this quarter	1/4/23	1/4/23		100															
Calingiri Intersection Realignment Project	CEO, MWS	700,000	<ul style="list-style-type: none"> Land purchase agreement requires adjustment Works deferred to 23/24 Seeking formal approval priority project re WSFN 	1/4/23	3/31/23	63	67															
Plant Replacement Program	MWS	1,000,000	See 2.2.c	1/4/23	3/31/23	63	95															
Mogumber Tip Fence	MWS	35,000	See 3.1.c	1/4/23	3/31/23	63	100															
Water Security Program	MWS, EHO, CDO		Get Piawaning Desalination upgrade underway. Secured grant of \$89,000. See 3.1.e	1/4/23	3/31/23	63	100															
Operational Projects				1/4/23	3/31/23	63	61															
Mitigation Activity Fund	CESM, MWS, MAF Coordinator	250,000	\$38,000 approved. Project needs to be redesigned.	1/4/23	3/31/23	63	33															
Waste Management Plans	MWS	40,000	See 3.1.c	1/4/23	3/31/23	63	17															
Local Heritage Survey	CDO	15,000	See 1.3.b	1/4/23	3/31/23	63	50															
AGRN962	CEO, MWS	4,250,000	Review of opening up claim sent to Main Roads WA	1/4/23	3/31/23	63	33															
Draw Down Loan \$1.5M	MFA	1,500,000	Loan approved and paid 23/02/23	1/4/23	3/31/23	63	100															
Re-introduce Transport Licensing	MFA	See 4.2.c	<ul style="list-style-type: none"> Agreement executed Staff training in April/May 	1/4/23	3/31/23	63	100															
Secure Bendigo Bank ATM	MFA, CEO		<ul style="list-style-type: none"> Proposal received Agreement signed 7/02/23 	1/4/23	2/28/23	40	100															
Implement Bridges Maintenance Program	MWS	45,000	<ul style="list-style-type: none"> Yerecoin Glentromie completed Bolgart Bridge - LRCI 3 Regular reports to Alli MRWA 	1/4/23	1/31/23	20	75															
Road Maintenance Program	MWS		<ul style="list-style-type: none"> Ongoing School Bus Routes completed Drainage extension to Old Plains Rd Bend SLK 7.12 Verge spraying underway 	1/4/23	3/31/23	63	67															

Shire of Victoria Plains								2023														
Task	Assigned To	Cost	Comment	Start	End	Dur	%	1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9
Corporate Business Plan 2023				1/4/23	3/31/23	63	62															
Economy				1/4/23	3/31/23	63	62															
2.1 Support the Diverse Industry Across the Shire				1/4/23	3/31/23	63	42															
g. Demonstrated progress towards securing consistent supply of water across the Shire	MWS	89,000	See 3.1e	1/4/23	3/31/23	63	17															
h. Maintain and upgrade housing stock	PBS	5,000	<ul style="list-style-type: none"> JD developing concept plan for Reserve DP158777/42 re staff housing and caravan park SF and JD met 24/02/23 to progress plan. 	1/4/23	3/31/23	63	67															
2.2 Safe and efficient transport network enables economic growth				1/4/23	3/31/23	63	78															
a. Active participation in the Wheatbelt Secondary Freight Network group	CEO		<ul style="list-style-type: none"> SF and SB met with John Nuttal and Peter Hall 16/02/23 to vary 22/23 program and Calingiri Intersection. Presentation to SC in April/May 	1/4/23	3/31/23	63	67															
b. Demonstrated achievement of our 10yr Road Plans	MWS		<ul style="list-style-type: none"> Monitoring to start Next Quarter Planning to be finalised March 	1/4/23	1/4/23																	
c. Equipment replacement as per our Plant and Equipment Schedule	MWS	1,000,000	<ul style="list-style-type: none"> Final touches to occur in Feb Auction items in Feb 	1/4/23	3/31/23	63	100															
d. Stormwater infrastructure activities completed annually	MWS	108,000	<ul style="list-style-type: none"> LRCI 3 - Culvert Program Old Plains Rd Elbow in March Toodyay Bindi Bindi Rd - Calingiri Intersection prep work 	1/4/23	3/31/23	63	67															
e. RAV Network assessment is completed	ENG	10,000	Undertake next quarter	1/4/23	1/4/23																	
2.3 Visitors have a positive experience across our communities				1/4/23	3/31/23	63	67															
a. Shire owned gardens and verges maintained and enhanced	MWS	Budget Allocation	Ongoing maintenance. No projects. Work is based on seasonal approach. Going well	1/4/23	3/31/23	63	67															
b. Regular cleaning, maintenance and improvements of public toilets	PBS, CSO, MWS		<ul style="list-style-type: none"> New arrangement re Calingiri public toilets to commence 1 Feb Mogumber toilets need work 	1/4/23	3/31/23	63	67															
c. Consistent online visitor information and promotion of our attractions	CDO, PA	0	<ul style="list-style-type: none"> Visitor online promotion discussed with Market Creations - Model on Toodyay - Budget 23/24 Purchased 10 additional support hours ORB - visitor information in place 	1/4/23	3/31/23	63	67															
d. Upgrade of Bolgart Caravan Park Ablution block	MWS	221,000	LRCI 3 - Finish by end of March	1/4/23	3/31/23	63	67															
f. Install RV Dump Point in Bolgart	EHO		See 2.3.d. Price up install next quarter	1/4/23	1/4/23	1																
g. Implement townscape, visitor and signage plan	MWS, CDO	40,000	<ul style="list-style-type: none"> LRCI 3 - Boundary signs and cemeteries. There is also the Calingiri town sign? Email issued to Progress Associations 28/02/23 	1/4/23	3/31/23	63	67															

Victoria Plains – Compliance Audit Return

Commercial Enterprises by Local Governments				
No	Reference	Question	Response	Comments
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 2022?	N/A	
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 2022?	N/A	
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 2022?	N/A	
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 2022?	N/A	
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	

Delegation of Power/Duty				
No	Reference	Question	Response	Comments
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes	
2	s5.16	Were all delegations to committees in writing?	No	Both the CEO performance review committee and the CEO recruitment committee received their delegations at the first meetings in 2022. The behavioral complaints committee did not meet until Feb 2023.
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	Yes	
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	

5	s5.18	Has council reviewed delegations to its committees in the 2021/2022 financial year?	Yes	
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 Local Government Act 1995?	Yes	
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	
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	
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	
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2021/2022 financial year?	Yes	
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 Local Government (Administration) Regulations 1996, regulation 19?	N/A	

Disclosure of Interest				
No	Reference	Question	Response	Comments
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 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	N/A	
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 the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	N/A	
3	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	Yes	
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	

5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Yes	
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	
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 of the Local Government Act 1995?	Yes	
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 of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes	
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	Yes	
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 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	
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 of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	N/A	NIL Gifts
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	
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	N/A	
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	N/A	
15	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?	N/A	

16	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 section 5.71A(1) of the Local Government Act 1995 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	
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?	N/A	
18	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	
19	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) of the Local Government Act 1995?	No	
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employee of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	

Disposal of Property				
No	Reference	Question	Response	Comments
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) of the Local Government Act 1995 (unless section 3.58(5) applies)?	N/A	
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section	N/A	

		3.58(4) of the Act, in the required local public notice for each disposal of property?		
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Elections				
No	Reference	Question	Response	Comments
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 in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes	
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 in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	N/A	No gifts recorded
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 regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes	

Finance				
No	Reference	Question	Response	Comments
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 Local Government Act 1995?	Yes	

2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?	Yes	
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022?	Yes	
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	
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?	N/A	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	N/A	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit?	Yes	

Local Government Employees				
No	Reference	Question	Response	Comments
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes	
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	Yes	
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 under section 5.36(4) of the Local Government Act 1995?	Yes	

4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	
5	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	

Official Conduct				
No	Reference	Question	Response	Comments
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	
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) of the Local Government Act 1995?	N/A	
3	s5.121(2)	Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?	N/A	
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	

Tenders for Providing Goods and Services				
No	Reference	Question	Response	Comments
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (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	
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 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 regulation 11(1) of the Regulations?	Yes	

3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	No	Reg 11 (2) (b) applies. WALGA Preferred Supplier Program.
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	
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	
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes	
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	
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?	No	
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	
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	
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	N/A	
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	

13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	
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 Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A	
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 Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?	N/A	
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	
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 Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	
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 Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	
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	
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	
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	

22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	N/A	
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Integrated Planning and Reporting				
No	Reference	Question	Response	Comments
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	3/08/2022
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	12/08/2019
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	

Optional Questions				
No	Reference	Question	Response	Comments
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 the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2022? If yes, please provide the date of council's resolution to accept the report.	Yes	17/07/2022
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 Local Government (Audit) Regulations 1996 regulation 17 within the three financial	Yes	17/07/2022

		years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report.		
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	N/A	No disclosures
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	
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) of the Local Government Act 1995?	Yes	
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	
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?	Yes	
8	s6.4(3)	By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?	Yes	
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	

 Chief Executive Officer

 Date

Mayor/President

Date

PUBLIC ATTACHMENTS

Overview

The policies in Section 3 are designed to assist with the provision of financial management:

- Council Policy Manual 2018 – Policy 3.1 Purchasing Framework requires a review of purchasing thresholds and the need to streamline processes for low value items whilst retaining appropriate levels of governance and control.
- Purchasing thresholds in terms of R11 have increased from \$150,000 to \$250,000
- All dollar values are quoted as Ex. GST.
- SoVP Council Policy Manual 2018

The following are comments regarding the policies in Section 3 of the SoVP Council Policy Manual 2018:

Policy No.	Title	Statutory Reference	Comment	Recommendation
3.1	Purchasing Framework	LG Act 3.57 LG (Functions and General) Regulations 1996 – 11A	<ol style="list-style-type: none"> 1. Less than \$1,500 - Quotations not required for items of minor recurrent nature, such as groceries, stationery, hardware, mechanical, reticulation consumables etc. 2. Employee must be satisfied that the price is competitive. 3. \$1,500 to less than \$5,000. 4. \$5,000 to less than \$10,000. 5. \$10,000 to less than \$50,000. 6. \$50,000 to less than \$150,000. 7. \$150,000 and above <p>Where the value of the goods and services to be procured is over \$150,000 (excluding GST) the Council is required to publicly invite open tenders.</p>	<ol style="list-style-type: none"> a. The threshold be lifted to \$2,000 due to general price increase of goods and services b. Corporate Credit Card can be used, i.e. no requirement for a purchase order to be issued. c. Purchases over \$2,000 must have a purchase order issued. d. \$2,001 to \$10,000 e. \$10,001 to \$40,000 f. \$40,001 to \$100,000 g. \$100,001 to \$249,999 <p>Where the value of the goods and services to be procured is or over \$250,000 (excluding GST) the Council is required to publicly invite open tenders unless exempted under R11 (2).</p>

Policy No.	Title	Statutory Reference	Comment	Recommendation
	WALGA Preferred Supplier or State Government Common Use Agreement thresholds –	LG (Functions and General) Regulations 1996 – 11 (2)	<p>\$150,000 and over - Obtain at least three written quotations containing price and specification of goods and services. Refer to Council for decision unless prior delegation to CEO</p> <p><i>Being on the preferred supplier panel means the supplier has already gone through the tender process.</i></p> <p><i>Whilst it may be prudent to obtain additional quotes, Council's purchasing policy should not be mandated to go over and above legislative requirements.</i></p>	\$250,000 and over – May obtain additional quotations containing price and specifications of goods and services.
3.1(d)	Specific requirements for tenders	LG (Functions and General) Regulations 1996 – 11 (1)	Where the value of the goods and services to be procured is over \$150,000 (excluding GST) the Council is required to publicly invite open tenders.	Where the value of the goods and services to be procured is, or over \$250,000 (excluding GST) the Council is required to publicly invite open tenders.
	Tender Exemption	LG (Functions and General) Regulations 1996 – 11 (2)	<i>Policy currently lists exemptions but its not clear if this is all of them and additional work will be required where LG (F&G) regulations change</i>	<p>2.Tender Exemption</p> <p>In some instances public tenders or quotation procedures are not required, regardless of the value of expenditure. The permitted exemptions are stipulated in the Local Government (Functions and General) Regulations 1996 r.11 (2) and include but not limited to:</p> <ul style="list-style-type: none"> • Expenditure authorised in an emergency. • Associated with a state of emergency. • Obtained through the WALGA Preferred Supplier Program. <p>Shire Officers considering the application of an exemption are to consult with senior finance personnel to ascertain if exemptions qualify and if so, that this is well documented including the applicable exemption under R11 (2) of the Local Government (Functions and General) Regulations 1996.</p>
	Tender Acceptance			

Policy No.	Title	Statutory Reference	Comment	Recommendation
3.2	Regional Price and Content Preference		<p>All tenders and procurement over \$150,000 are to be presented to Council for decision.</p> <p>Maximum reduction value per purchase - \$30,000</p> <p><i>Increase in the LG (F&G) Regulations 1996 R24D to \$50,000</i></p>	<p>All tenders and procurement that are equal to, or exceed \$250,000 are to be presented to Council for decision.</p> <p>Maximum reduction value per purchase - \$50,000</p>
3.3	Credit Cards – including store, fuel and debit cards		<p>4. Use by Persons other than the Cardholder</p> <p>a) Cardholders must not allow their card to be used by other persons per card conditions of use, even in absences.</p> <p><i>With the mernge of on line purchasing for necessity (e.g. COVID) the current policy is restrictive. Given, only senior management hold corporate credit cards, this also means time will be taken up with paperwork and actual procurement on minor items.</i></p> <p><i>Schedule 3.3(c) – Purchasing using Credit Cards also seems to be in conflict or at least ambiguous with 4 (a).</i></p> <p>9. Use of Cards Corporate Credit Cards or Debit Cards must not be used to purchase fuel products for Shire vehicles unless in exceptional circumstances – a fuel card should be used for this purpose where possible.</p> <p><i>Whilst understanding the use of a fuel card allows controls to ensure a shire asset is being filled, not all service stations accept fuel cards and there is an added fee cost to the shire.</i></p>	<p>4. Use by Persons other than the Cardholder</p> <p>a) Providing Schedule 3.3(c) – Purchasing using Credit Cards is complied with, personnel may use a Corporate Credit Card for purchases.</p> <p>b) Cardholders still have full responsibility for the use of the card and must ensure 3.3 (c) is complied with. Breaches of this condition will result in the Shire being liable for any unauthorised transactions and may result in disciplinary action, including but not limited to, repayment of the purchase personally.</p> <p>Recommend this be at the CEO’s discretion:</p> <p>9. Use of Cards Corporate Credit Cards or Debit Cards may be used to purchase fuel products upon approval of the CEO and provided it can be demonstrated as being used in a shire asset upon request.</p>

Colin Ashe

Manager Finance and Administration

13 Feb 2023



3.4 Investment

Responsible Areas	Finance and Administration
Responsible Officer	Manager Finance and Administration
Affected Staff	CEO, Manager Finance and Administration, Finance Coordinator

Objective

To take a conservative approach to the investment of the Shire of Victoria Plains surplus funds, but with a focus to add value, whilst ensuring that its liquidity requirements are being met.

Scope

Local Governments are required to ensure that they have effective and accountable systems in place to safeguard the Shire's financial resources. This includes the development of proper systems to authorise, verify and record the investment of monies in appropriate financial institutions.

Policy

The Chief Executive Officer shall be responsible for the management of the Council's funds and for reporting to the Council on these affairs.

Not less than two quotations shall be obtained from authorised institutions whenever an investment is proposed. The best quote on the day is to be determined taking into consideration administrative and banking costs as well as giving due regard to the limitations set in this policy.

In determining the term of maturity of any financial investment, regard shall be had to the cash flow needs of the Council, the intended purpose of the funds to be invested, prevailing interest rates and trends, and such other matters that would be appropriate in exercising the level of care, diligence and skill required by subsection 18(1) of the Trustee Act 1962.

Funds must be invested in an authorised institution as defined in this policy in Australian currency only. The types of investments that can be made are:

- Interest bearing deposits
- Bank accepted / endorsed bank bill.

Definitions

Authorised institution includes any of the following institutions

- Commonwealth Bank – CBA
- National Australia Bank – NAB
- Australia and New Zealand Bank – ANZ
- Westpac Banking Corporation
- Bankwest
- Suncorp Metway Bank
- Bank of Queensland – BoQ
- Adelaide Bank / Bendigo Bank
- Macquarie Bank

Relevant management practices/documents

Nil

Legislation/local law requirements

All investments are to be made in accordance with

- Local Government Act 1995 – Section 6.14
- The Trustees Amendment Act 1962 – re, Part III Investments (as amended 1997)
- Local Government Financial Management Regulations 1996 (19,28 and 49)
- Australian Accounting Standards

Office Use Only			
Relevant delegations	3.3		
Initial Council adoption	Date	17 October 2018	Resolution #
Last reviewed	Date	28 February 2023	Resolution #
Next review due	Date		

PUBLIC ATTACHMENTS

OfficeUseOnly			
Relevant delegations			
Initial Council adoption	Date	Insert datehere	Resolution#
Last reviewed	Date	Insert datehere	Resolution#
Next reviewdue	Date	Insert datehere	

PUBLIC ATTACHMENTS



3.6 Debt Management

Responsible Areas	Finance
Responsible Officer	Manager Finance and Administration
Affected Staff	CEO, Finance Staff

Objective

To assist the CEO with conducting debt collection in a clear, efficient and consistent manner to improve transparency and reduce the likelihood of unrecoverable debts.

This policy provides a framework for the recovery of debts that incorporates effective and flexible payment arrangements in order to achieve Council's budgetary objectives, whilst giving all due consideration and assistance to ratepayers and debtors who display a genuine commitment to clearing their debt.

Scope

This policy applies to any person or organisation owing rates, charges, fees or other debts to the Shire of Victoria Plains.

Policy

1. In order for the Shire of Victoria Plains to operate effectively it must manage and control overdue accounts to reduce the likely occurrence of unrecoverable debts and to ensure consistency across all debt collection activities.
2. Council recognises that under Regulation 5 (1)(a) of the *Local Government (Financial Management) Regulations 1996* the CEO is directly responsible for establishing efficient systems and procedures for the proper collection of all money owing to the Shire of Victoria Plains including debt recovery practices. This includes requirements in line with legislation and with due regard to ensuring that debt collection is carried out in a fair and equitable manner.
3. The Shire of Victoria Plains observes separate practices used for the collection of general debts and those attributed to outstanding rates.

General Debts

All general debts older (including sundry debtors) than 180 days and over \$5,000 must be presented by the CEO to Council with a report outlining actions taken by the administration to recover the debt and proposing a way forward in terms of debt recovery.

The CEO may implement, for this purpose, an Executive Policy related to general debtor management outlining the Shire's credit terms and debt collection practices. Making at least two attempts to contact a debtor before submitting the debt to the Shire's debt collection agency is considered appropriate.

Outstanding Rates

General Requirements

Rate notices are due 35 days from the issue date in accordance with the *Local Government Act 1995*.

Amounts that remain outstanding past the prescribed due date will have daily interest applied as detailed on the rates notice. This requirement may be waived through further Council Policy or decision on the grounds of financial hardship or exceptional circumstances (declaration of a State of Emergency or a natural hazard).

Details of outstanding rates do not need to be presented to Council each month.

The CEO must present a report to Council on all rates that are overdue by more than 36 months or in excess of \$5,000. This report must detail all actions taken by the Shire to recover the debt and provide Council with a proposed way forward, noting that provisions exist under Section 6.64 of the *Local Government Act 1995* for the recovery of unpaid rates.

Executive Policy

The CEO may implement, for the collection of outstanding rates, an Executive Policy that encapsulates the following:

Payment by Instalments

The Administration to determine what portion of the full rates bill being paid would constitute a rate payers intention to pay by instalments if they have not paid the full first instalment amount by the due date – this portion must be a suitable percentage of the first instalment amount listed on the rates notice e.g. 20%.

Pensioner/Seniors Rebate

Ratepayers who have provided evidence of their pensioner or seniors rebate eligibility have until 30 June to make payment on their rates without incurring any interest penalties under the *Rates and Charges (Rebates and Deferments) Act 1992*, however their ESL and waste service charges must still be paid in full by the due date.

If it is determined that the ratepayer is not a pensioner/senior and has not made a suitable payment to be deemed to be paying by instalments, and rates remain outstanding then:

- I. 14 days after the rates notice due date, the ratepayer must be issued with a final notice requesting they contact the Shire to make payment or enter into a payment arrangement.
- II. 30 days after issuing final notices the Shire must review all outstanding rates and issue a letter of demand to all ratepayers with no payment arrangement or evidence of suitable payments being made to the Shire.
- III. Within 14 days of issuing letters of demand the Shire must attempt to make contact with the ratepayer via phone, email or another method that may involve consulting other agencies, to try and facilitate payment.
- IV. 60 days after the rates being due the Shire must instruct their debt collection agency to issue letters of demand to all ratepayers with overdue rates and no approved payment arrangement.

Pursuit of Rates

The Administration to manage how the Shire will pursue rates overdue for more than 60 days.

The Administration to Issue notices to lessees/tenants, where the property owner of a leased or rented property on which rates and service charges have been outstanding for more than 90 days, cannot be located or refuses to settle rates and service charges owed. This is in line with the provisions under Section 6.60 of the *Local Government Act 1995*. The lessee or tenant would be required to pay to the Shire the rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

Definitions

Debt: A sum of money owed or due to the Shire. This may be a rate, fee or charge or other debt.

Rates: Amounts owed to a local government based on charges laid upon the rateable land within its district.

Payment Arrangement: A bilateral agreement between the Shire and an individual/organisation to facilitate the repayment of overdue money owed to the Shire.

ESL: Emergency Services Levy.

Relevant management practices/documents

To be developed

Legislation/local law requirements

Local Government Act 1995: Part 6, Division 4, Clause 6.13 – Interest on money owing to local governments

Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.45 – Options for payment of rates and service charges

Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.51 - Accrual of interest on overdue rates or service charges

Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.56 - Rates or service charges recoverable in court

Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.60 - Local government may require lessee to pay rent

Local Government Act 1995: Part 6, Division 6, Subdivision 6, Clause 6.64 - Actions to be taken

Local Government (Financial Management) Regulations 1996: Regulations 5 and 11

Rates and Charges (Rebates and Deferments) Act 1992

Departmental Guideline Possession of Land For Recovery of Rates and Service Charges

Office Use Only			
Relevant delegations	Delegation 3.6 – Write Off of Sundry Debts (CEO up to \$100)		
Initial Council adoption	Date	28 April 2020	Resolution #
Last reviewed	Date	28 February 2023	Resolution #
Next review due	Date		



3.7 Panels of Pre-Qualified Suppliers

Responsible Areas	Administration
Responsible Officer	Chief Executive Officer
Affected Staff	Nil

OBJECTIVE

To set out the Shire's policy with respect to the establishment of panels of pre-qualified suppliers (contract panels) in accordance with Part 4, Division 3 of the *Local Government (Functions and General) Regulations 1996*.

STATUTORY CONTEXT

Head of Power:	<i>Local Government Act 1995</i>
Subsidiary Legislation:	<i>Local Government (Functions and General) Regulations 1996 Division 3 – Panels of Pre-qualified suppliers</i>
Influencing Legislation:	<i>State Records Act 2000</i>

CORPORATE CONTEXT

Policy manual	3.1 – Purchasing Framework
---------------	----------------------------

POLICY STATEMENT

Definitions

Contract Panel:	Is a panel made up of pre-qualified suppliers. May also be referred to as "panel" throughout the policy.
Pre-qualified Supplier:	A supplier who meets the requirements (specification) to be on a contract panel.
Shire:	Means the Shire of Victoria Plains.
Time Period:	The minimum time period a contract panel is established for is two (2) years.

General

The Shire may establish panels of pre-qualified suppliers where:

- Goods and/or services are likely to be purchased on a continuing and regular basis
- There are sufficient suppliers and a competitive market for the goods or services concerned
- The scope of activity for the goods and/or services covered by the procurement activity is assessed to be of low risk
- There are efficiencies that will be gained by establishing a panel and;
- The Shire has the capacity and capability to establish a panel and manage the risks associated with doing so.

Before establishing a contract panel

Before establishing a contract panel, the Shire must satisfy itself that there is, or will be a continuing need for the particular goods and services to be supplied by pre-qualified suppliers. This may be done by searching records for the frequency, type and cost of goods supplied or work undertaken in two (2) or more prior financial years.

What must be included in the written specification

Council (or the CEO if delegated authority) must approve a specification before seeking submissions for the establishment of a contract panel. The specifics will vary depending on the nature of each panel, but as a minimum each specification must include:

Key requirements

- The specification requirements in Policy 3.1 - Purchasing Framework applies in the first instance
- The scope of goods or services covered
- The potential volume of work that may be procured under the panel
- A stipulation that there is no guarantee that the Shire will purchase goods or services from pre-qualified suppliers on a panel
- The time period covered, which shall be for a minimum period of two (2) years
- The criteria for deciding how applications will be assessed and accepted
- The Shire employee or other person who will manage the panel and contracts on behalf of the Shire
- The process to remove a prequalified supplier from a panel
- What record keeping requirements a panel member is to meet and;
- That the Shire may vary the information referred to in:
 - Invitations for submission to join a panel and;
 - Schedule 1 attached to this policy.

When the panel has been established

- How quotes will be obtained from pre-qualified suppliers. This must be in accordance with the Shire's criteria under Policy 3.1 – Purchasing Framework.
- Any particular contract entered into with a pre-qualified supplier must not be for longer than 24 months. including any options to extend it. Subject to these factors, each panel specification will set out whether the Shire intends to:
 - Obtain quotations from each pre-qualified supplier on the panel with respect to all purchases; or
 - Purchase goods or services exclusively from any pre-qualified supplier appointed to the panel, and under what circumstances (e.g. what provisions will apply where a panel member is unable to or declines to supply the goods or services and the Shire might then move to the next highest ranked pre-qualified supplier); or
 - Develop a ranking system for the supply of goods or services with work awarded in accordance with a set process and which could be rotational, subject to a time constraint or any other matter relevant to the goods or services supplied.
- How pre-qualified suppliers will be invited to quote for the goods and services that they are expected to supply – which will be by email unless exceptional circumstances apply such as an IT outage, power interruption or emergency;

How the Shire will communicate with pre-qualified suppliers in a clear, consistent and regular way - which will be by email unless exceptional circumstances apply such as an IT outage, power interruption or emergency. Information sent to one supplier must be provided to all if quotes or proposals are being sought from more than one panel member; and

- The number of pre-qualified suppliers the Shire intends to put on panel.

Invitations for submissions to join a panel

Once a specification has been approved, State-wide public notice is to be given inviting applications to join a panel. Regulation 24AE provides for a minimum of 14 days for submissions, unless there is an emergency or genuine urgency involved.

Each invitation must:

- Include a brief description of the goods or services required;
- Identity a person from whom more detailed information may be obtained, including the list of detailed information. The list of detailed information is set out in Schedule 1 to this policy;
- Where applications may be submitted;
- The date and time after which applications cannot be submitted.

Receiving, opening and assessing applications to join or form a panel

Regulation 24AF provides that Regulation 16 applies to the receipt and opening of applications to join a panel.

Regulation 24AI requires the Shire to notify applications of the outcome of their application to join a panel.

Record keeping requirements

Tender Register

Information about panels must be recorded in the Shire's tenders register in accordance with Regulation 24AG. This includes:

- A brief description of the goods or services required;
- A copy of the State-wide public advertisement inviting applications;
- The name of each application received and opened;
- The name of the successful applicant; and
- The pricing schedule, or a summary of the amount of the consideration sought.

Records for each Panel and Contracts Awarded

Although Policy 3.1 – Purchasing Framework sets out the record keeping requirements for purchasing matters, the CEO will ensure other information as set out below is kept on file for each Panel as follows:

- Initiation documentation which justifies the need for a Panel to be created and approval of the draft specification by Council (or the CEO under delegated authority)
- A copy of the State-wide public advertisement inviting applications;
- Requests for applications documentation;
- Copies of applications received;
- Evaluation and negotiation documentation, including clarifications sought
- Approval and award documentation;
- Correspondence to applicants notifying of the establishment and composition of the panel;
- Subject to the provisions of each panel, requests for quotation sought pre-qualified

- suppliers and contracts awarded to panel members; and
- Purchase orders issued under the contract.

Information with regards to the panel offerings, including details of suppliers appointed to the panel, must be kept up to date, consistent and made available for access by all employees of the Shire.

Contract management and monitoring panel performance

The CEO is responsible for ensuring that contracts established with pre-qualified suppliers are performed in accordance with the specification. As a minimum, the criteria regarding contract monitoring and/or performance measurement is set out in Policy 3.1 – Purchasing Framework.

APPLICATION

Applies to those who are deemed suitable as pre-qualified suppliers.

HISTORY

OCM 26 February 2020: New Policy

NOTES

Schedule 1

To satisfy Regulation 24AD (5) of the Regulations, when establishing a panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the panel must also prescribe references to:

- (a) The Shire’s written policy re prequalified suppliers and purchasing framework;
- (b) Such information the Shire decides should be disclosed to those interested in applying to the Panel;
- (c) The detailed specifications of the goods or services to be supplied;
- (d) The criteria for deciding which applications to joining the Panel should be accepted;
- (e) An explanation how the panel will operate;
- (f) Whether or not the Shire intends to buy the goods exclusively from pre-qualified suppliers on the
- (g) A statement to the effect that there is not a guarantee that the Shire will purchase goods or services from pre-qualified suppliers on the Panel;
- (h) The period for which the Panel will be established;
- (i) The number of pre-qualified suppliers the local government intends to put to the panel.

Office Use Only			
Relevant delegations	3.7, 3.8		
Initial Council adoption	Date	26 February 2020	Resolution#
Last reviewed	Date	28 February 2023	Resolution#
Next review due	Date		



3.8 Financial Hardship Policy

Responsible Areas	Administration
Responsible Officer	Manager Finance and Administration
Affected Staff	Finance Staff

Objective

This Financial Hardship Policy outlines how the Shire of Victoria Plains (“we”) will assist a residential customer (“you”) who cannot pay a debt (including water services) because of financial hardship. The Shire of Victoria Plains recognises that from time to time, challenges will arise and result in financial hardship for our ratepayers.

This Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding.

Scope

This policy recognises the requirements of the applicable legislation (see the statutory listing including the relevant orders in the Legislation/Local Law Requirements section of this policy) and applies to:

1. Outstanding rates and service charges as at the date of adoption of this policy; and
2. Any other financial debt in excess of \$500

This Policy is not intended to provide rate relief to ratepayers who are not able to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

Policy

1. Payment difficulties, hardship and vulnerability¹

Payment difficulties, or short term financial hardship, occur where a change in a person’s circumstances result in an inability to pay a rates or service charge debt.

Financial hardship occurs where a person is unable to pay rates and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be it they are a property owner, tenant, business owner etc.

2. Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Sickness or recovery from sickness;
- Unanticipated circumstances such as caring for and supporting extended family.

¹ Adapted from the Ombudsman Western Australia publication, **Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance**: <http://www.ombudsman.wa.gov.au/>

- loss of your or a family member's primary income;
- spousal separation or divorce;
- loss of a spouse or loved-one;
- physical or mental health issues;
- a chronically ill child;
- budget management issues associated with a low income; and
- other unforeseen factors affecting your capacity to pay, such as a reduction in income or an increase in non-discretionary spending.

3. Identifying Customers in Financial Hardship

If you think you may be in financial hardship we encourage you to contact us as soon as possible. You may ask your financial counsellor to contact us on your behalf.

We will assess within three business days whether we consider you to be in financial hardship. If we cannot make our assessment within three business days, we will communicate this with you and advise of a new timeframe.

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying our statutory responsibilities.

4. Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act are of an agreed frequency and amount. These arrangements will consider the following:

5. That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
6. The payment arrangement will establish a known end date that is realistic and achievable;
7. The ratepayer will be responsible for informing the Shire of Victoria Plains of any change in circumstance that jeopardises the agreed payment schedule.

In the case of severe financial hardship, we reserve the right to consider waiving additional charges or interest (excluding the late payment interest applicable to the Emergency Services Levy).

8. Interest Charges

A ratepayer that meets the Financial Hardship Criteria and enters into a payment arrangement may request a suspension or waiver of interest charges. Applications will be assessed on a case by case basis.

9. Deferral of Rates

Deferral of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;

- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.

10. Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the 3rd due payment, then we will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any Rates and Service Charge debts that remain outstanding on 1 July each year, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of that financial year (1 July – 30 June).

Rates and service charge debts that remain outstanding at the end of the financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

11. Review

We will establish a mechanism for review of decisions made under this policy, and advise the applicant of their right to seek review and the procedure to be followed.

12. Communication and Confidentiality

We will maintain confidential communications at all times and we undertake to communicate with a nominated support person or other third party at your request.

We will advise ratepayers of this policy and its application, when communicating in any format (i.e. verbal or written) with a ratepayer that has an outstanding rates or service charge debt.

We recognise that applicants for hardship consideration are experiencing additional stressors, and may have complex needs. We will provide additional time to respond to communication and will communicate in alternative formats where appropriate. We will ensure all communication with applicants is clear and respectful.

13. Useful Information

Redirection of rate notice: We will advise you of your right to have your rate notice redirected to another person if you are absent or ill.

Financial counselling:

Financial counsellors may offer free, independent information to help you take control of your financial situation.

The Financial Counsellors' Association of WA (FCAWA) can refer you to a financial counsellor in your area. Alternatively, you can call the Financial Counselling Helpline. The Helpline provides a free confidential service for all Western Australians with financial problems and queries.

Website: www.fcawa.org

Financial Counselling Helpline: 1800 007 007

Definitions

Nil

Relevant management practices/documents

Executive Policy regarding Debt Management/Recovery

Procedures regarding Debt Management/Recovery

Legislation/local law requirements

Local Government Act 1995 – s6.49

Local Government (Financial Management) Regulations 1996

Office Use Only			
Relevant delegations	Delegations 3.4; 3.5 & 3.6		
Initial Council adoption	Date	27 May 2020	Resolution #
Last reviewed	Date	27 July 2022	Resolution #
Next review due	Date	June 2023	