



## MINUTES

### CERTIFICATION OF CONFIRMATION OF COMMITTEE MEETING MINUTES

7 MARCH 2013

I, Cr David Färdig, hereby certify that the following minutes [pages 1 to 33] of the Meeting of **AUDIT COMMITTEE** held on 7 March 2013 were confirmed at a meeting of the Committee held on 6 June 2013.

  
\_\_\_\_\_  
Signature

Cr David Färdig

**Person presiding at the Committee Meeting held on 6 June 2013**

## AUDIT COMMITTEE

### MINUTES

7 March 2013

(REF: COMMITTEES-15106)

A meeting of the Audit Committee was held at the EMRC Administration Office, 1<sup>st</sup> Floor, 226 Great Eastern Highway, BELMONT WA 6104 on **Thursday, 7 March 2013**. The meeting commenced at **5:00pm**.

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## 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 5:00pm.

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

### Councillor Attendance

Cr Janet Powell ( <b>Chairman</b> )	EMRC Member	City of Belmont
Cr David Färdig ( <b>Deputy Chairman</b> )	EMRC Member	City of Swan
Cr Gerry Pule	EMRC Member	Town of Bassendean
Cr Graham Pittaway OAM	EMRC Member	City of Bayswater
Cr Frank Lindsey	EMRC Member	Shire of Kalamunda
Cr Tony Cuccaro (Deputising for Cr Pilgrim)	EMRC Member	Shire of Mundaring

### Apologies

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

Mr Peter Schneider	Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr David Ameduri	Manager Financial Services
Ms Terri-Ann Ashton	Manager Administration & Compliance
Ms Mary-Ann Winnett	Personal Assistant to Director Corporate Services (Minutes)

## 3 DISCLOSURE OF INTERESTS

Nil

## 4 ANNOUNCEMENT BY THE CHAIRMAN OR PERSON PRESIDING WITHOUT DISCUSSION

Nil

## 5 APPLICATION FOR LEAVE OF ABSENCE

Nil

## 6 PRESENTATIONS

Nil



**7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**7.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 6 SEPTEMBER 2012**

That the Minutes of the Audit Committee meeting held 6 September 2012, which have been distributed, be confirmed.

**AC RESOLUTION(S)**

MOVED CR PULE

SECONDED CR LINDSEY

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 6 SEPTEMBER 2012, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

**CARRIED UNANIMOUSLY**

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

Nil

**9 QUESTIONS WITHOUT NOTICE**

Nil

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

Nil

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

Nil



## **12 REPORTS OF OFFICERS/AUDITORS**

### **12.1 HALF YEAR BUDGET REVIEW 2012/2013**

**REFERENCE: COMMITTEES-15233**

#### **PURPOSE OF REPORT**

The purpose of this report is to provide Council, via the Audit Committee, with an overview of the Eastern Metropolitan Regional Council's (EMRC's) 2012/2013 budget review for adoption and subsequent submission to the Department of Local Government.

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

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

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

That Council, by an absolute majority in accordance with the provisions of Local Government (Financial Management) Regulation 33A, adopts the review of the 2012/2013 budget and approve its submission to the Department of Local Government within 30 days.

#### **SOURCE OF REPORT**

Director Corporate Services  
Manager Financial Services

#### **BACKGROUND**

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

Clause 33A also states that within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the Council who is to consider the review submitted to it and is to determine, by absolute majority, whether or not to adopt the review, any parts of the review or any recommendation made to the review.

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

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



*Item 12.1 continued*

## **REPORT**

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

The EMRC currently undertakes forecast reviews in November and January of each financial year with changes incorporated within the financial report submitted to Council at its next ordinary meeting.

### **Format of Budget Review**

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

A review of the tonnages budgeted to be received at the Red Hill Waste Management Facility is also undertaken. Tonnage budgets are reviewed to provide a forecast of volumes expected to be received by 30 June 2013. These forecasts, when calculated against the appropriate disposal rates, provide financial forecasts relating to the following:

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

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

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

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

EMRC Officers undertook the latest review based on the actual financial data provided for the period ended 31 December 2012. The financial report relating to the period ended 31 January 2013 will be submitted to Council at its meeting to be held on 21 March 2013. Variances reported in that report will be based on the budget review as specified within the body of this report. This is undertaken as part of the EMRC's ongoing budget and forecast review process and in accordance with Council's adopted criteria.

In accordance with the process followed in previous years, the original budget is not updated with the revised forecasts, as relevant regulations require the end of year results to be compared to the original adopted annual budget, rather than the reviewed budget. The original budget is not updated due to the current inability of the financial system to retain the "budget spreads" that have been manually adjusted since adoption of the budget.

Each nature and type code within the financial system is allocated a predetermined spread depending on the general nature of the expenditure or income. For example, salaries budgets are spread in accordance with the timing of the actual fortnightly payroll, telephone expenses are spread evenly throughout the year to reflect the nature of the billing, whilst vehicle registration costs are spread to July and December.



*Item 12.1 continued*

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

As outlined earlier in the report significant time and effort is allocated throughout the year following adoption of the annual budget to ensure that the year to date monthly budget allocations reflect the actual timing of expenditure to be incurred and income to be received.

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

• (Increase) / Decrease in Operating Income/Other Revenues:	\$2,142,176
• Increase / (Decrease) in Operating Expenditure/Other Expenses:	(\$43,076)
• (Increase) / Decrease in Realised/Unrealised gain or loss from change in fair value of investments:	(\$919,052)
• (Increase) / Decrease in Change in net assets from operations:	\$1,180,048
• Increase / (Decrease) in Capital Expenditure:	(\$4,137,596)
• Increase / (Decrease) in expenditure:	(\$2,957,548)

Provided below is a summary of changes to original budget provisions to reflect the forecast budget as at 30 June 2013. Comments are provided for significant variances using Council's adopted criteria of 10% or \$10,000, which ever is the greater, as a guide:

**Operating Income/Other Revenues**

User Charges

- Current Budget: \$35,972,544      Forecast Budget: \$36,424,617      Variance: \$452,073;      1.26%

Special Charges

- Current Budget: \$391,680      Forecast Budget: \$354,861      Variance: (\$36,819);      (9.40%)

Contributions

- Current Budget: \$655,113      Forecast Budget: \$644,893      Variance: (\$10,220);      (1.56%)

Operating Grants

- Current Budget: \$1,434,588      Forecast Budget: \$1,359,993      Variance: (\$74,595);      (5.20)%

Interest Municipal Cash & Investments

- Current Budget: \$238,334      Forecast Budget: \$355,596      Variance: \$117,262;      49.20%

The year end forecast for Interest on Municipal Funds is above the annual budget provision by \$117,262 or 49.20%. This represents the value of change in the accrued interest as at 30 June 2013 that has been reallocated to Interest on Restricted Assets.

Reimbursements

- Current Budget: \$927,282      Forecast Budget: \$962,140      Variance: \$34,858;      3.76%

Other Income

- Current Budget: \$1,743,837      Forecast Budget: \$1,754,108      Variance: \$10,271;      0.59%



*Item 12.1 continued*

Secondary Waste Charge (Other Revenues)

- Current Budget: \$5,590,416      Forecast Budget: \$5,322,672      Variance: (\$267,744);      (4.79%)

Operating Grants (Other Revenues)

- Current Budget: \$2,250,000      Forecast Budget: \$0      Variance: (\$2,250,000);      (100.00%)

The decrease in Operating Grants is attributable to the protracted nature of the grant application process with AusIndustry for the construction of the pyrolysis plant at the Resource Recovery Park located at Hazelmere. The amount will be carried forward into the 2013/2014 financial year.

Interest Restricted Cash Investments (Other Revenues)

- Current Budget: \$2,133,360      Forecast Budget: \$2,016,098      Variance: (\$117,262);      (5.50%)

Reimbursements (Other Revenues)

- Current Budget: \$50      Forecast Budget: \$50      Variance: \$0;      0.00%

Proceeds from Sale of Assets (Other Revenues)

- Current Budget: \$690,226      Forecast Budget: \$690,226      Variance: \$0;      0.00%

**Operating Expenditure**

Salary Expenses

- Current Budget: \$9,157,202      Forecast Budget: \$8,099,375      Variance: \$1,057,827;      11.55%

The variance in salary expenses is attributable to the budgeted positions that have not been filled together with a lower forecast of overtime costs compared to budget. This relates primarily to the waste management operations where savings in salary expenses for this location have been partially offset by an increase in contract labour expenses.

Contract Expenses

- Current Budget: \$7,356,790      Forecast Budget: \$8,548,955      Variance: (\$1,192,165);      (16.20%)

Significant variances to Contract Expenses are attributable to:

- An additional \$600,000 that has been forecast for the removal and crushing of lateritic caprock at the Redhill Waste Management Facility. This was outlined in a report to Council at its meeting on 6 December 2012 (Ref: Committees-15034).
- An increase in Waste Management contract material and labour expenses of \$453,442 which is offset by a forecast reduction in wages and salaries. Other Contract Expenses for projects in Waste Services contribute a further \$41,201 to the variance.
- An increase in Regional Development contract material and labour expenses of \$195,640 which is partially offset by a forecast reduction in wages and salaries of \$110,789.
- These increases are partially offset by a reduction in forecast Contract Expenses for various Corporate Services activities (\$67,068) and Environmental Services activities (\$33,550).

Material Expenses

- Current Budget: \$1,198,814      Forecast Budget: \$1,156,758      Variance: \$42,056;      3.51%

Utility Expenses

- Current Budget: \$255,582      Forecast Budget: \$252,128      Variance: \$3,454;      1.35%





*Item 12.1 continued*

<u>Fuel Expenses</u>			
•	Current Budget: \$777,328	Forecast Budget: \$775,028	Variance: \$2,300; 0.30%
<u>Finance Fees and Interest Expenses</u>			
•	Current Budget: \$15,300	Forecast Budget: \$19,650	Variance: (\$4,350); (28.43%)
<u>Insurance Expenses</u>			
•	Current Budget: \$255,252	Forecast Budget: \$262,903	Variance: (\$7,651); (3.00%)
<u>Depreciation Expenses</u>			
•	Current Budget: \$6,062,103	Forecast Budget: \$6,073,840	Variance: (\$11,737); (0.19%)
<u>Miscellaneous Expenses (incl. landfill levy expenditure)</u>			
•	Current Budget: \$12,948,600	Forecast Budget: \$12,989,495	Variance: (\$40,895); (0.32%)
<u>Provision Expenses</u>			
•	Current Budget: \$122,526	Forecast Budget: \$111,870	Variance: \$10,656; 8.70%
<u>Costs Allocated</u>			
•	Current Budget: (\$309,590)	Forecast Budget: (\$289,507)	Variance: (\$20,083); (6.49%)
<u>Salary Expenses (Other Expenses)</u>			
•	Current Budget: \$312,116	Forecast Budget: \$247,261	Variance: \$64,855; 20.78%
The variance is due to the timing of recruiting for a vacant staff position and a lower than budgeted staff utilisation by the Resource Recovery Project.			
<u>Contract Expenses (Other Expenses)</u>			
•	Current Budget: \$749,600	Forecast Budget: \$647,600	Variance: \$102,000; 13.61%
The variation is due to the timing of Resource Recovery Project consultancy contracts which will be carried forward into the 2013/2014 financial year.			
<u>Material Expenses (Other Expenses)</u>			
•	Current Budget: \$27,050	Forecast Budget: \$24,456	Variance: \$2,594; 9.59%
<u>Utility Expenses (Other Expenses)</u>			
•	Current Budget: \$3,200	Forecast Budget: \$2,500	Variance: \$700; 21.88%
<u>Insurance Expenses (Other Expenses)</u>			
•	Current Budget: \$2,337	Forecast Budget: \$1,250	Variance: \$1,087; 46.51%
<u>Depreciation Expenses (Other Expenses)</u>			
•	Current Budget: \$11,720	Forecast Budget: \$11,720	Variance: \$0; 0.00%
<u>Miscellaneous Expenses (Other Expenses)</u>			
•	Current Budget: \$104,555	Forecast Budget: \$72,055	Variance: \$32,500; 31.08%
This variance relates to a lower than budgeted cost of the Resource Recovery Project Study Tour which was undertaken in October 2012.			
<u>Carrying Amount of Assets Disposed Of (Other Expenses)</u>			
•	Current Budget: \$525,138	Forecast Budget: \$525,293	Variance: (\$155); (0.03%)



*Item 12.1 continued*

Costs Allocated (Other Expenses)

- Current Budget: \$254,590      Forecast Budget: \$254,507      Variance: \$83;      0.03%

**Realised/Unrealised (Gain)/Loss from Change in Fair Value of Investments**

Unrealised (Gain)/Loss

- Current Budget: \$0      Forecast Budget: (\$21,862)      Variance: (\$21,862);

Realised (Gain)/Loss

- Current Budget: \$0      Forecast Budget: \$940,914      Variance: \$940,914;

Unrealised gains or losses represent a fair market value measurement of the financial instruments during the period in which they are held, i.e. marked to market. It should be noted that actual gains or losses on financial instruments will not be realised until such time as the individual investments are sold.

No budget provision was included in the original budget as it is not possible to budget for an unrealised gain or loss from the change in fair value of investments. These valuations are dictated by market factors and as such a budget provision cannot be ascertained.

The above variance of \$940,914 is attributable to the realised gain on the disposal of 4 x CDO's.

**Capital Expenditure**

- Current Budget: \$24,090,652      Forecast Budget: \$19,953,056      Variance: \$4,137,596;      17.18%

Significant variances to current capital budgets are attributable to:

- A reduction of \$3,024,000 for the construction of the pyrolysis structure, inclusive of infrastructure, plant and equipment costs, at the Hazelmere site which will be carried forward into the 2013/2014 financial year. This is attributable to the protracted nature in the grant application process with AusIndustry and the need to defer the timing of this expenditure until the grant is received.
- A reduction of \$600,000 for the construction of the C & I Building (\$450,000) and the weighbridge (\$150,000) associated with the Resource Recovery Park project at the Hazelmere site which will be carried forward into the 2013/2014 financial year. This is attributable to the need to obtain quotations for the design work and to conduct an audit of the waste stream.
- A reduction of \$450,000 for the construction of a water storage dam at the Red Hill Waste Disposal Facility with the capital expenditure being carried forward into the 2013/2014 financial year. The water storage dam was originally planned to be sited to the east of the current landfill, but, following the acquisition of Lots 8, 9 and 10 at Red Hill, a redesign is required to ensure access to the water within those lots.
- A reduction of \$150,000 for the construction of a Class III leachate pond at the Red Hill Waste Disposal Facility with the capital expenditure being carried forward into the 2013/2014 financial year. The construction of the proposed leachate pond has been deferred until the effectiveness of the floating covers project has been determined.
- An increase of \$131,618 for capital expenditure for works associated with the leachate project at the Red Hill Waste Disposal Facility as a result of tenders that were received for the manufacture and installation of floating leachate pond covers that were higher than the budget provision. This was previously reported to Council at its 6 December 2012 meeting (Ref: Committees-14954).
- A reduction of \$130,000 for the construction of siltation ponds at the Red Hill Waste Disposal Facility with the capital expenditure being carried forward into the 2013/2014 financial year. The construction of the siltation pond has been deferred until the Red Hill Farm Stage 2 Class III Cell has been completed.



*Item 12.1 continued*

- o An increase of \$123,000 for the purchase of land at the Red Hill Waste Management Facility. This variance relates to the Deed of Call interest payment costs associated with the purchase of Lots 8, 9 and 10 at Red Hill. It was budgeted that settlement would occur in September 2012. This is offset by the interest earned on the principal up to the settlement date in December 2012.

**STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 4 - Good Governance

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

**FINANCIAL IMPLICATIONS**

Nil

**SUSTAINABILITY IMPLICATIONS**

Nil

ATTACHMENT(S)

1. Income Statement by Nature and Type (Ref: Committees-15283)
2. Capital Expenditure Statement (Ref: Committees-15284)
3. Balance Sheet (Ref: Committees-15285)
4. Statement of Cash and Investments (Ref: Committees-15286)

VOTING REQUIREMENT

Absolute Majority

**RECOMMENDATION(S)**

That Council, by an absolute majority in accordance with the provisions of Local Government (Financial Management) Regulation 33A, adopts the review of the 2012/2013 budget and approve its submission to the Department of Local Government within 30 days.

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

**AUDIT COMMITTEE RECOMMENDATION(S)**

MOVED CR PITTAWAY

SECONDED CR LINDSEY

That Council, by an absolute majority in accordance with the provisions of Local Government (Financial Management) Regulation 33A, adopts the review of the 2012/2013 budget and approve its submission to the Department of Local Government within 30 days.

**CARRIED UNANIMOUSLY**



## STATEMENT OF COMPREHENSIVE INCOME

### Nature and Type

Year to Date				JANUARY 2013				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance		Forecast	Budget	Variance	
<b>Operating Income</b>											
(\$20,309,074)	(\$21,118,325)	(\$809,251)	(U)	User Charges	(\$36,424,617)	(\$35,972,544)	\$452,073				(F)
(\$211,031)	(\$228,487)	(\$17,456)	(U)	Special Charges	(\$354,861)	(\$391,680)	(\$36,819)				(U)
(\$587,924)	(\$594,320)	(\$6,396)	(U)	Contributions	(\$644,893)	(\$655,113)	(\$10,220)				(U)
(\$686,787)	(\$657,472)	\$29,315	(F)	Operating Grants	(\$1,359,993)	(\$1,434,588)	(\$74,595)				(U)
(\$226,416)	(\$219,093)	\$7,323	(F)	Interest Municipal Cash Investments	(\$355,596)	(\$238,334)	\$117,262				(F)
(\$479,070)	(\$531,574)	(\$52,504)	(U)	Reimbursements	(\$962,140)	(\$927,282)	\$34,858				(F)
(\$641,001)	(\$913,842)	(\$272,841)	(U)	Other	(\$1,754,108)	(\$1,743,837)	\$10,271				(F)
<b>(\$23,141,304)</b>	<b>(\$24,263,113)</b>	<b>(\$1,121,809)</b>	<b>(U)</b>	<b>Total Operating Income</b>	<b>(\$41,856,208)</b>	<b>(\$41,363,378)</b>	<b>\$492,830</b>				<b>(F)</b>
<b>Operating Expenditure</b>											
\$4,489,291	\$5,328,015	\$838,724	(F)	Salary Expenses	\$8,099,375	\$9,157,202	\$1,057,827				(F)
\$2,874,655	\$3,687,818	\$813,163	(F)	Contract Expenses	\$8,548,955	\$7,356,790	(\$1,192,165)				(U)
\$457,948	\$619,393	\$161,445	(F)	Material Expenses	\$1,156,758	\$1,198,814	\$42,056				(F)
\$135,877	\$148,840	\$12,963	(F)	Utility Expenses	\$252,128	\$255,582	\$3,454				(F)
\$471,507	\$453,362	(\$18,145)	(U)	Fuel Expenses	\$775,028	\$777,328	\$2,300				(F)
\$11,117	\$8,918	(\$2,199)	(U)	Finance Fees and Interest Expenses	\$19,650	\$15,300	(\$4,350)				(U)
\$159,842	\$173,975	\$14,133	(F)	Insurance Expenses	\$262,903	\$255,252	(\$7,651)				(U)
\$3,096,013	\$3,536,001	\$439,988	(F)	Depreciation Expenses	\$6,073,840	\$6,062,103	(\$11,737)				(U)
\$7,256,208	\$7,518,672	\$262,464	(F)	Miscellaneous Expenses	\$12,989,495	\$12,948,600	(\$40,895)				(U)
\$54,714	\$61,262	\$6,548	(F)	Provision Expenses	\$111,870	\$122,526	\$10,656				(F)
(\$160,570)	(\$173,602)	(\$13,032)	(U)	Costs Allocated	(\$289,507)	(\$309,590)	(\$20,083)				(U)
<b>\$18,846,601</b>	<b>\$21,362,654</b>	<b>\$2,516,053</b>	<b>(F)</b>	<b>Total Operating Expenditure</b>	<b>\$38,000,495</b>	<b>\$37,839,907</b>	<b>(\$160,588)</b>				<b>(U)</b>
<b>(\$4,294,703)</b>	<b>(\$2,900,459)</b>	<b>\$1,394,244</b>	<b>(F)</b>	<b>OPERATING RESULT FROM NORMAL ACTIVITIES</b>	<b>(\$3,855,713)</b>	<b>(\$3,523,471)</b>	<b>\$332,242</b>				<b>(F)</b>
Surplus	Surplus				Surplus	Surplus					

## Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies; and
5. Miscellaneous Expenses - includes the Landfill Levy expense of \$5,350,048 as at 31 January 2013.

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

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

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



# STATEMENT OF COMPREHENSIVE INCOME

## Nature and Type

**JANUARY 2013**

Year to Date				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
<b>Other Revenues</b>							
(\$3,143,469)	(\$3,314,230)	(\$170,761)	(U)	(\$5,322,672)	(\$5,590,416)	(\$267,744)	(U)
\$0	\$0	\$0	(F)	\$0	(\$2,250,000)	(\$2,250,000)	(U)
(\$1,235,821)	(\$1,244,439)	(\$8,618)	(U)	(\$2,016,098)	(\$2,133,360)	(\$117,262)	(U)
(\$45)	(\$28)	\$17	(F)	(\$50)	(\$50)	\$0	(F)
(\$169,818)	(\$172,018)	(\$2,200)	(U)	(\$690,226)	(\$690,226)	\$0	(F)
<b>(\$4,549,153)</b>	<b>(\$4,730,715)</b>	<b>(\$181,562)</b>	<b>(U)</b>	<b>(\$8,029,046)</b>	<b>(\$10,664,052)</b>	<b>(\$2,635,006)</b>	<b>(U)</b>
<b>Other Expenses</b>							
\$124,328	\$180,054	\$55,726	(F)	\$247,261	\$312,116	\$64,855	(F)
\$166,183	\$436,553	\$270,370	(F)	\$647,600	\$749,600	\$102,000	(F)
\$15,335	\$15,729	\$394	(F)	\$24,456	\$27,050	\$2,594	(F)
\$1,230	\$1,862	\$632	(F)	\$2,500	\$3,200	\$700	(F)
\$680	\$1,358	\$678	(F)	\$1,250	\$2,337	\$1,087	(F)
\$5,936	\$6,825	\$889	(F)	\$11,720	\$11,720	\$0	(F)
\$39,276	\$50,833	\$11,557	(F)	\$72,055	\$104,555	\$32,500	(F)
\$43,658	\$45,284	\$1,626	(F)	\$525,293	\$525,138	(\$155)	(U)
\$160,570	\$148,319	(\$12,251)	(U)	\$254,507	\$254,590	\$83	(F)
<b>\$557,195</b>	<b>\$886,817</b>	<b>\$329,622</b>	<b>(F)</b>	<b>\$1,786,642</b>	<b>\$1,990,306</b>	<b>\$203,664</b>	<b>(F)</b>
<b>Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments</b>							
\$21,862	\$0	(\$21,862)	(U)	\$21,862	\$0	(\$21,862)	(U)
(\$940,914)	\$0	\$940,914	(F)	(\$940,914)	\$0	\$940,914	(F)
<b>(\$919,052)</b>	<b>\$0</b>	<b>\$919,052</b>	<b>(F)</b>	<b>(\$919,052)</b>	<b>\$0</b>	<b>\$919,052</b>	<b>(F)</b>
<b>(\$4,911,010)</b>	<b>(\$3,843,898)</b>	<b>\$1,067,112</b>	<b>(F)</b>	<b>(\$7,161,456)</b>	<b>(\$8,673,746)</b>	<b>(\$1,512,290)</b>	<b>(U)</b>
Surplus	Surplus			Surplus	Surplus		
<b>(\$9,205,713)</b>	<b>(\$6,744,357)</b>	<b>\$2,461,356</b>	<b>(F)</b>	<b>(\$11,017,169)</b>	<b>(\$12,197,217)</b>	<b>(\$1,180,048)</b>	<b>(U)</b>
Surplus	Surplus			Surplus	Surplus		



# CAPITAL EXPENDITURE STATEMENT

**JANUARY 2013**

Year to Date			Full Year		
Actual	Budget	Variance	Forecast	Budget	Variance

On (F) = Favourable variation  
Order (U) = Unfavourable variation

## Governance and Corporate Services

\$160,433	\$299,607	\$139,174 (F)	\$204,318	<b>Purchase Vehicles - Ascot Place</b> ( 24440/00 )	\$513,617	\$513,617	\$0 (F)
\$45,667	\$28,931	(\$16,736) (U)	\$0	<b>Purchase Furniture Fittings &amp; Equipment - Corporate Services</b> ( 24510/01 )	\$49,600	\$49,600	\$0 (F)
\$12,278	\$386,011	\$373,733 (F)	\$22,508	<b>Purchase Information Technology &amp; Communication Equipment</b> ( 24550/00 )	\$645,000	\$665,600	\$20,600 (F)
\$36,364	\$11,662	(\$24,702) (U)	\$0	<b>Purchase Art Works</b> ( 24620/00 )	\$40,000	\$20,000	(\$20,000) (U)
\$28,115	\$57,631	\$29,516 (F)	\$36,023	<b>Capital Improvement Administration Building - Ascot Place</b> ( 25240/01 )	\$95,161	\$98,800	\$3,639 (F)
\$3,639	\$0	(\$3,639) (U)	\$0	<b>Upgrade Security Equipment - Ascot Place</b> ( 25530/01 )	\$3,639	\$0	(\$3,639) (U)
<b>\$286,495</b>	<b>\$783,842</b>	<b>\$497,347 (F)</b>	<b>\$262,850</b>		<b>\$1,347,017</b>	<b>\$1,347,617</b>	<b>\$600 (F)</b>



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2013

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

## Environmental Services

\$0	\$1,162	\$1,162	(F)	\$0	Purchase Office Equipment - Environmental Services ( 24510/05 )	\$1,000	\$2,000	\$1,000	(F)
\$0	\$875	\$875	(F)	\$0	Purchase Office Furniture and Fittings - Environmental Services ( 24610/05 )	\$1,000	\$1,500	\$500	(F)
<b>\$0</b>	<b>\$2,037</b>	<b>\$2,037</b>	<b>(F)</b>	<b>\$0</b>		<b>\$2,000</b>	<b>\$3,500</b>	<b>\$1,500</b>	<b>(F)</b>

## Regional Development

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

## Risk Management

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

## Resource Recovery

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



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2013

Year to Date				Full Year					
Actual	Budget	Variance		On (F) = Favourable variation Order (U) = Unfavourable variation	Forecast	Budget	Variance		
<b>Resource Recovery</b>									
\$0	\$0	\$0	(F)	\$0	Construct and Commission Resource Recovery Park - Pyrolysis Building ( 24259/05 )	\$0	\$263,000	\$263,000	(F)
\$0	\$0	\$0	(F)	\$0	Construct and Commission Resource Recovery Park - Weighbridge ( 24392/02 )	\$0	\$150,000	\$150,000	(F)
\$22,488	\$0	(\$22,488)	(U)	\$18,890	Construct and Commission Resource Recovery Park - Infrastructure ( 24399/01 )	\$35,000	\$636,000	\$601,000	(F)
\$0	\$0	\$0	(F)	\$0	Construct and Commission Resource Recovery Park - Plant & Equipment ( 24410/03 )	\$0	\$2,160,000	\$2,160,000	(F)
\$0	\$1,162	\$1,162	(F)	\$0	Purchase Office Equipment - Resource Recovery ( 24510/07 )	\$1,000	\$2,000	\$1,000	(F)
\$0	\$1,162	\$1,162	(F)	\$0	Purchase Other Equipment - Resource Recovery ( 24590/07 )	\$500	\$2,000	\$1,500	(F)
\$281	\$2,912	\$2,631	(F)	\$1,490	Purchase Office Furniture and Fittings - Resource Recovery ( 24610/07 )	\$2,500	\$5,000	\$2,500	(F)
<b>\$22,769</b>	<b>\$5,236</b>	<b>(\$17,533)</b>	<b>(U)</b>	<b>\$20,380</b>		<b>\$89,000</b>	<b>\$3,748,000</b>	<b>\$3,659,000</b>	<b>(F)</b>

## Waste Management

\$6,712,713	\$6,619,015	(\$93,698)	(U)	\$0	Purchase Waste Management Land - Midland Brick ( 24150/02 )	\$6,742,015	\$6,619,015	(\$123,000)	(U)
\$0	\$10,000	\$10,000	(F)	\$0	Purchase Waste Management Land - Hazelmere ( 24150/04 )	\$10,000	\$10,000	\$0	(F)
\$0	\$45,000	\$45,000	(F)	\$660	Construct Waste Management Facility Buildings - Red Hill Landfill Facility ( 24250/01 )	\$167,772	\$98,886	(\$68,886)	(U)





# CAPITAL EXPENDITURE STATEMENT

JANUARY 2013

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

## Waste Management

\$4,100	\$23,000	\$18,900	(F)	\$0	Construct Waste Management Facility Buildings - Hazelmere ( 24250/02 )	\$78,000	\$78,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Construct Weighbridge Office - Hazelmere ( 24250/03 )	\$8,000	\$8,000	\$0 (F)
\$0	\$16,400	\$16,400	(F)	\$0	Construct Storage Shed for Mattresses - Hazelmere ( 24250/05 )	\$16,400	\$16,400	\$0 (F)
\$0	\$100,000	\$100,000	(F)	\$0	Construct Mobile workshop - Red Hill Landfill Facility ( 24250/06 )	\$100,000	\$100,000	\$0 (F)
\$300	\$20,000	\$19,700	(F)	\$0	Construct Lunchroom and Ablution Block - Red Hill Landfill Facility ( 24250/07 )	\$20,000	\$20,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Construct Waste Management Facility Buildings - Other - Hazelmere ( 24259/02 )	\$5,000	\$5,000	\$0 (F)
\$12,750	\$12,750	\$0	(F)	\$0	Upgrade Power - Redhill Landfill Facility ( 24259/03 )	\$12,750	\$12,750	\$0 (F)
\$30,161	\$323,591	\$293,430	(F)	\$3,733,499	Construct Class III Cell Farm Stage 2 - Red Hill Landfill Facility ( 24310/11 )	\$4,144,800	\$4,144,800	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Construct Class III Cell Stage 14 - Red Hill Landfill Facility ( 24310/12 )	\$270,000	\$270,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0	Construct Class III Leachate Pond - Red Hill Landfill Facility ( 24320/01 )	\$0	\$150,000	\$150,000 (F)
\$9,344	\$0	(\$9,344)	(U)	\$531,163	Leachate Project - Red Hill Landfill Facility ( 24320/02 )	\$546,618	\$415,000	(\$131,618) (U)
\$0	\$0	\$0	(F)	\$0	Construct Siltation Ponds - Red Hill Landfill Facility ( 24350/00 )	\$0	\$130,000	\$130,000 (F)
\$0	\$0	\$0	(F)	\$0	Construct Stormwater Control Pond - Red Hill Farm Stage I ( 24350/01 )	\$100,000	\$100,000	\$0 (F)



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2013

Year to Date						Full Year		
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
<b>Waste Management</b>								
\$0	\$0	\$0	(F)	\$0		\$60,500	\$60,500	\$0 (F)
\$0	\$233,571	\$233,571	(F)	\$0		\$485,000	\$485,000	\$0 (F)
\$9,040	\$10,000	\$960	(F)	\$33,695		\$50,000	\$500,000	\$450,000 (F)
\$0	\$100,000	\$100,000	(F)	\$0		\$100,000	\$100,000	\$0 (F)
\$0	\$50,000	\$50,000	(F)	\$0		\$50,000	\$50,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0		\$175,000	\$175,000	\$0 (F)
\$117,122	\$100,000	(\$17,122)	(U)	\$45,065		\$286,175	\$286,175	\$0 (F)
\$0	\$30,000	\$30,000	(F)	\$35,386		\$48,846	\$48,846	\$0 (F)
\$0	\$0	\$0	(F)	\$0		\$120,000	\$120,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0		\$70,000	\$70,000	\$0 (F)
\$0	\$0	\$0	(F)	\$0		\$30,000	\$30,000	\$0 (F)
\$1,755,755	\$1,776,500	\$20,745	(F)	\$0		\$1,776,500	\$1,776,500	\$0 (F)
\$503,217	\$715,009	\$211,792	(F)	\$105,345		\$1,503,779	\$1,503,779	\$0 (F)
\$0	\$75,000	\$75,000	(F)	\$0		\$75,000	\$75,000	\$0 (F)



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2013

Year to Date						Full Year			
Actual	Budget	Variance		On (F) = Favourable variation Order (U) = Unfavourable variation		Forecast	Budget	Variance	
<b>Waste Management</b>									
\$127,050	\$133,734	\$6,684 (F)	\$0		<b>Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility ( 24420/00 )</b>	\$263,586	\$263,586	\$0 (F)	
\$25,590	\$16,000	(\$9,590) (U)	\$0		<b>Purchase / Replace Minor Plant and Equipment - Hazelmere ( 24420/02 )</b>	\$30,000	\$30,000	\$0 (F)	
\$58,870	\$64,400	\$5,530 (F)	\$5,500		<b>Purchase Minor Plant and Equipment - Cardboard Recycling Project ( 24420/03 )</b>	\$142,100	\$142,100	\$0 (F)	
\$154,812	\$119,205	(\$35,607) (U)	\$0		<b>Purchase / Replace Vehicles - Red Hill Landfill Facility ( 24430/00 )</b>	\$145,770	\$145,770	\$0 (F)	
\$109	\$550	\$441 (F)	\$0		<b>Purchase / Replace Office Equipment - Engineering / Waste Management ( 24510/02 )</b>	\$550	\$550	\$0 (F)	
\$0	\$6,333	\$6,333 (F)	\$0		<b>Purchase / Replace Office Equipment - Red Hill Landfill Facility ( 24510/08 )</b>	\$19,000	\$19,000	\$0 (F)	
\$275,699	\$371,360	\$95,661 (F)	\$24,188		<b>Purchase Fire Fighting System/Equipment - Hazelmere ( 24520/07 )</b>	\$371,360	\$371,360	\$0 (F)	
\$0	\$1,000	\$1,000 (F)	\$0		<b>Purchase / Replace Fire Fighting Equipment - Red Hill Landfill Facility ( 24520/08 )</b>	\$1,000	\$1,000	\$0 (F)	
\$0	\$143,600	\$143,600 (F)	\$643		<b>Purchase / Replace Security System - Red Hill Waste Management Facility ( 24530/08 )</b>	\$143,600	\$143,600	\$0 (F)	
\$0	\$11,000	\$11,000 (F)	\$0		<b>Purchase / Replace Security System - Hazelmere ( 24530/10 )</b>	\$11,000	\$11,000	\$0 (F)	
\$9,736	\$167,000	\$157,264 (F)	\$0		<b>Purchase / Replace Other Equipment - Red Hill Landfill Facility ( 24590/00 )</b>	\$283,150	\$283,150	\$0 (F)	
\$11,066	\$2,000	(\$9,066) (U)	\$0		<b>Purchase / Replace Miscellaneous Equipment - Hazelmere ( 24590/02 )</b>	\$12,000	\$2,000	(\$10,000) (U)	



# CAPITAL EXPENDITURE STATEMENT

JANUARY 2013

Year to Date				Full Year					
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance		
<b>Waste Management</b>									
\$0	\$0	\$0	(F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management ( 24590/03 )	\$3,000	\$3,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Office Furniture and Fittings-Engineering and Waste Management ( 24610/03 )	\$3,500	\$3,500	\$0	(F)
\$1,081	\$1,100	\$19	(F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility ( 24610/08 )	\$5,768	\$5,768	\$0	(F)
\$349	\$1,500	\$1,151	(F)	\$0	Purchase Office Furniture and Fittings-Hazelmere ( 24610/10 )	\$1,500	\$1,500	\$0	(F)
\$0	\$1,000	\$1,000	(F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme ( 24690/01 )	\$1,000	\$1,000	\$0	(F)
\$0	\$0	\$0	(F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility ( 25253/00 )	\$2,000	\$2,000	\$0	(F)
\$0	\$60,000	\$60,000	(F)	\$0	Refurbish Waste Transfer Station Building - Red Hill Landfill Facility ( 25259/01 )	\$0	\$80,000	\$80,000	(F)
\$0	\$0	\$0	(F)	\$0	Refurbish Plant - Red Hill Landfill Facility ( 25410/00 )	\$20,000	\$20,000	\$0	(F)
<b>\$9,818,864</b>	<b>\$11,359,618</b>	<b>\$1,540,754</b>	<b>(F)</b>	<b>\$4,515,145</b>		<b>\$18,512,039</b>	<b>\$18,988,535</b>	<b>\$476,496</b>	<b>(F)</b>
<b>\$10,128,127</b>	<b>\$12,152,469</b>	<b>\$2,024,342</b>	<b>(F)</b>	<b>\$4,798,374</b>	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>\$19,953,056</b>	<b>\$24,090,652</b>	<b>\$4,137,596</b>	<b>(F)</b>



# STATEMENT OF FINANCIAL POSITION

## JANUARY 2013

Actual June 2012	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year		
			Forecast	Budget	Variance
<b>Current Assets</b>					
\$4,614,448	\$3,135,661	Cash and Cash Equivalents	\$3,706,709	\$3,688,839	\$17,870 (F)
\$43,144,608	\$44,107,302	Investments	\$41,854,766	\$38,913,852	\$2,940,914 (F)
\$2,930,193	\$4,619,308	Trade and Other Receivables	\$2,930,193	\$2,930,193	\$0 (F)
\$44,528	\$53,546	Inventories	\$44,528	\$44,528	\$0 (F)
\$108,495	\$257,657	Other Assets	\$108,495	\$108,495	\$0 (F)
<b>\$50,842,271</b>	<b>\$52,173,473</b>	<b>Total Current Assets</b>	<b>\$48,644,690</b>	<b>\$45,685,906</b>	<b>\$2,958,784 (F)</b>
<b>Current Liabilities</b>					
\$4,251,981	\$2,886,866	Trade and Other Payables	\$4,251,981	\$4,251,981	\$0 (F)
\$1,190,512	\$1,190,512	Provisions	\$1,206,095	\$1,206,095	\$0 (F)
<b>\$5,442,493</b>	<b>\$4,077,378</b>	<b>Total Current Liabilities</b>	<b>\$5,458,076</b>	<b>\$5,458,076</b>	<b>\$0 (F)</b>
<b>\$45,399,778</b>	<b>\$48,096,095</b>	<b>Net Current Assets</b>	<b>\$43,186,614</b>	<b>\$40,227,830</b>	<b>\$2,958,784 (F)</b>
<b>Non Current Assets</b>					
\$9,255,511	\$15,968,224	Land	\$16,007,526	\$15,914,526	\$93,000 (F)
\$4,870,225	\$4,832,904	Buildings	\$5,152,136	\$5,879,889	(\$727,753) (U)
\$10,102,339	\$8,722,799	Structures	\$13,968,422	\$15,328,167	(\$1,359,745) (U)
\$8,070,794	\$7,781,885	Plant	\$9,403,456	\$11,563,456	(\$2,160,000) (U)
\$538,428	\$510,417	Equipment	\$1,610,140	\$1,622,198	(\$12,058) (U)
\$148,164	\$143,123	Furniture and Fittings	\$185,984	\$168,916	\$17,068 (F)
\$412,861	\$3,436,130	Work in Progress	\$412,861	\$412,861	\$0 (F)
<b>\$33,398,321</b>	<b>\$41,395,480</b>	<b>Total Non Current Assets</b>	<b>\$46,740,524</b>	<b>\$50,890,012</b>	<b>(\$4,149,488) (U)</b>
<b>Non Current Liabilities</b>					
\$1,654,786	\$3,142,548	Provisions	\$1,766,656	\$1,777,312	\$10,656 (F)
<b>\$1,654,786</b>	<b>\$3,142,548</b>	<b>Total Non Current Liabilities</b>	<b>\$1,766,656</b>	<b>\$1,777,312</b>	<b>\$10,656 (F)</b>
<b>\$77,143,313</b>	<b>\$86,349,027</b>	<b>Net Assets</b>	<b>\$88,160,482</b>	<b>\$89,340,530</b>	<b>(\$1,180,048) (U)</b>
<b>Equity</b>					
\$32,442,815	\$32,442,816	Accumulated Surplus/Deficit	\$32,442,815	\$32,442,815	\$0 (F)
\$44,700,498	\$44,700,498	Cash Backed Reserves	\$44,700,498	\$44,700,498	\$0 (F)
<b>\$0</b>	<b>\$9,205,713</b>	<b>Net change in assets from operations</b>	<b>\$11,017,169</b>	<b>\$12,197,217</b>	<b>(\$1,180,048) (U)</b>
<b>\$77,143,313</b>	<b>\$86,349,027</b>	<b>Total Equity</b>	<b>\$88,160,482</b>	<b>\$89,340,530</b>	<b>(\$1,180,048) (U)</b>



# CASH AND INVESTMENTS

## JANUARY 2013

Actual June 2012	Actual Year to Date		Full Year		
			Forecast	Budget	Variance
<b>Municipal Cash and Investments</b>					
4,611,198	3,132,411	Cash at Bank - Municipal Fund 01001/00	3,703,459	3,685,589	17,870 (F)
1,250	1,250	Cash on Hand - Ascot Place 01019/00	1,250	1,250	0 (F)
200	200	Cash on Hand - Walliston/Mathieson & Coppin Road Transfer Stations 01019/01	200	200	0 (F)
1,800	1,800	Cash on Hand - Red Hill / Hazelmere 01019/02	1,800	1,800	0 (F)
1,051,499	4,625,484	Investments - Municipal Fund 02021/00	635,871	768,627	(132,755) (U)
<b>5,665,946</b>	<b>7,761,145</b>	<b>Total Municipal Cash</b>	<b>4,342,580</b>	<b>4,457,465</b>	<b>(114,885) (U)</b>
<b>Restricted Cash and Investments</b>					
1,211,123	1,246,653	Restricted Investments - Plant and Equipment 02022/01	107,141	107,138	3 (F)
1,697,942	1,747,753	Restricted Investments - Site Rehabilitation Red Hill 02022/02	1,889,978	1,889,977	0 (F)
2,913,350	131,636	Restricted Investments - Future Development 02022/03	280,812	199,812	81,000 (F)
526,688	542,139	Restricted Investments - Environmental Monitoring Red Hill 02022/04	551,808	551,808	0 (F)
195,912	201,659	Restricted Investments - Environmental Insurance Red Hill 02022/05	168,770	168,770	0 (F)
12,071	12,425	Restricted Investments - Risk Management 02022/06	12,649	12,649	0 (F)
362,862	373,507	Restricted Investments - Class IV Cells Red Hill 02022/07	440,104	438,690	1,414 (F)
17,913	18,439	Restricted Investments - Regional Development 02022/08	20,196	210,564	(190,368) (U)
33,522,665	31,491,192	Restricted Investments - Secondary Waste Processing 02022/09	36,103,620	34,797,053	1,306,567 (F)
3,517,865	3,621,065	Restricted Investments - Class III Cells 02022/10	1,481,582	1,612,433	(130,851) (U)
60,945	62,733	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	63,862	63,862	0 (F)
0	(46,455)	Restricted Investments - Accrued Interest 02022/19	0	0	0 (F)
(2,607,389)	(601,485)	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	(601,485)	(2,607,389)	2,005,904 (F)
661,162	680,558	Restricted Investments - Long Service Leave 02022/90	699,858	699,858	0 (F)
<b>42,093,109</b>	<b>39,481,819</b>	<b>Total Restricted Cash</b>	<b>41,218,894</b>	<b>38,145,225</b>	<b>3,073,669 (F)</b>
<b>47,759,055</b>	<b>47,242,963</b>	<b>TOTAL CASH AND INVESTMENTS</b>	<b>45,561,474</b>	<b>42,602,690</b>	<b>2,958,784 (F)</b>

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



## 12.2 COMPLIANCE AUDIT RETURN 2012

**REFERENCE: COMMITTEES-15280**

### PURPOSE OF REPORT

The purpose of the report is to present to Council for adoption the Compliance Audit Return (CAR) for the year ended 31 December 2012.

### KEY ISSUES AND RECOMMENDATION(S)

- Each local government is required to complete a compliance audit return at the end of each calendar year.
- The CAR is required to be reviewed by the Audit Committee (AC) before being adopted by Council, certified by the Chairman and Chief Executive Officer (CEO) and submitted to the Director General of the Department of Local Government, by 31 March 2013.

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

That Council adopts the draft Compliance Audit Return 2012, that it be certified by the Chairman and Chief Executive Officer and be submitted to the Director General, Department of Local Government by 31 March 2013.

### SOURCE OF REPORT

Director Corporate Services  
Manager Administration and Compliance

### BACKGROUND

The audit and applicable return is completed in accordance with the requirements of regulation 14 and 15 of the *Local Government (Audit) Regulations 1996*. It is a compliance audit for the period 1 January to 31 December 2012 against the requirements included in the Compliance Audit Return for that period.

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

### REPORT

The Compliance Audit Return, as required by the Local Government Act 1995 (the Act) and relevant Regulations, was received from the Director General of the Department of Local Government with Departmental Circular No 34-2012 (the circular) on 19 December 2012.

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

The 2012 CAR continues in the reduced format introduced in 2011, with the areas of compliance restricted to those considered high risk.

A satisfactory level of compliance was achieved. The details and explanations applicable to the completion of the return appear in the relevant comment sections of the CAR.



*Item 12.2 continued*

After the Compliance Audit Return has been adopted by Council a certified copy of the Return, along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit, is to be submitted to the Director General of the Department of Local Government by 31 March 2013.

**STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 4 – Good Governance

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

**FINANCIAL IMPLICATIONS**

Nil

**SUSTAINABILITY IMPLICATIONS**

Nil

**MEMBER COUNCIL IMPLICATIONS**

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

ATTACHMENT(S)

Local Government Compliance Audit Return from 1 January 2012 to 31 December 2012  
(Ref: Committees-15292)

VOTING REQUIREMENT

Simple Majority

**RECOMMENDATION(S)**

That Council adopts the draft Compliance Audit Return 2012, that it be certified by the Chairman and Chief Executive Officer and be submitted to the Director General, Department of Local Government by 31 March 2013.





*Item 12.2 continued*

Cr Cuccaro congratulated EMRC officers on the level of compliance.

**AC RECOMMENDATION(S)**

MOVED CR PULE

SECONDED CR FÄRDIG

That Council adopts the draft Compliance Audit Return 2012, that it be certified by the Chairman and Chief Executive Officer and be submitted to the Director General, Department of Local Government by 31 March 2013.

**CARRIED UNANIMOUSLY**



Eastern Metropolitan Regional Council - Compliance Audit Return Regional Local Government 2012

<b>Commercial Enterprises by Local Governments</b>					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) Functions & General Regulation 7,9	Has the local government prepared a business plan for each major trading undertaking in 2012.	N/A		Terri-Ann Ashton
2	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2012.	N/A		Terri-Ann Ashton
3	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2012.	N/A		Terri-Ann Ashton
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2012.	N/A		Terri-Ann Ashton
5	s3.59(5)	Did the Council, during 2012, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Terri-Ann Ashton

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<b>Delegation of Power / Duty</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A		Terri-Ann Ashton	
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A		Terri-Ann Ashton	
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A		Terri-Ann Ashton	
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A		Terri-Ann Ashton	
5	s5.18	Has Council reviewed delegations to its committees in the 2011/2012 financial year.	Yes		Terri-Ann Ashton	
6	s5.42(1),5.43 Administration Regulation 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Terri-Ann Ashton	
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Terri-Ann Ashton	
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Terri-Ann Ashton	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	N/A		Terri-Ann Ashton	
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		Terri-Ann Ashton	
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Terri-Ann Ashton	
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2011/2012 financial year.	Yes		Terri-Ann Ashton	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Terri-Ann Ashton	

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



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Terri-Ann Ashton
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Terri-Ann Ashton
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Terri-Ann Ashton
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2012.	Yes		Terri-Ann Ashton
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2012.	Yes		Terri-Ann Ashton
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Terri-Ann Ashton
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Terri-Ann Ashton
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Terri-Ann Ashton
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Terri-Ann Ashton
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Terri-Ann Ashton
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Terri-Ann Ashton
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Terri-Ann Ashton



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

### Disposal of Property

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

### Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Terri-Ann Ashton
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Terri-Ann Ashton
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Terri-Ann Ashton
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Terri-Ann Ashton
5	S7.3, s7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Terri-Ann Ashton
6	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2012 received by the local government within 30 days of completion of the audit.	Yes		Terri-Ann Ashton
7	s7.9(1)	Was the Auditor's report for 2011/2012 received by the local government by 31 December 2012.	Yes		Terri-Ann Ashton



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

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



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

<b>Tenders for Providing Goods and Services</b>						
No	Reference	Question	Response	Comments	Respondent	
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	No	A panel of preferred suppliers for Labour Hire under Tender 2009-03 was in place throughout the year, however a supplier outside this panel was utilised due to the inability of existing panelists to supply the labour required. The total expenditure for the supplier exceeded \$100,000 and as soon as this was identified the use of the supplier was terminated. EMRC has commenced the process of re-tendering for the provision of the service.	Terri-Ann Ashton	





No	Reference	Question	Response	Comments	Respondent
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes		Terri-Ann Ashton
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Terri-Ann Ashton
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14,15 & 16.	Yes		Terri-Ann Ashton
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		Terri-Ann Ashton
6	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Terri-Ann Ashton
7	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Terri-Ann Ashton
8	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Terri-Ann Ashton
9	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Terri-Ann Ashton
10	F&G Reg 21 & 22	Did the local governments' advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Terri-Ann Ashton
11	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Terri-Ann Ashton
12	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Terri-Ann Ashton
13	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Terri-Ann Ashton



No	Reference	Question	Response	Comments	Respondent
14	F&G Reg 24E	Where the local government gave regional price preference in relation to a tender process, did the local government comply with requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Terri-Ann Ashton
15	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Terri-Ann Ashton

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### **13 REPORTS OF DELEGATES**

Nil

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

Nil

### **15 GENERAL BUSINESS**

Nil

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

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

#### **“2.3 Meetings**

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

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

#### **Future Meetings 2013**

Thursday	4	April (if required)	at	EMRC Administration Office
Thursday	9	May (if required)	at	EMRC Administration Office
Thursday	6	June	at	EMRC Administration Office
Thursday	4	July (if required)	at	EMRC Administration Office
Thursday	8	August (if required)	at	EMRC Administration Office
Thursday	5	September	at	EMRC Administration Office
Thursday	10	October (if required)	at	EMRC Administration Office
Thursday	21	November (if required)	at	EMRC Administration Office

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

There being no further business the meeting was closed at 5:25pm.