



## **MINUTES**

### **CERTIFICATION OF CONFIRMATION OF AUDIT COMMITTEE MINUTES**

**7 MARCH 2019**

I, Cr Melissa Mykytiuk hereby certify that the minutes from the Audit Committee Meeting held on 7 March 2019 pages (1) to (36) were confirmed at a Committee meeting held on 6 June 2019.



Signature

Cr Melissa Mykytiuk  
**Person presiding at Meeting**

## AUDIT COMMITTEE

### MINUTES

7 March 2019

(REF: D2019/03160)

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 2018**. The meeting commenced at **6:24pm**.

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## 1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Chairman opened the meeting at 6:24pm, welcomed those in attendance and acknowledged the traditional custodians of the land on which the meeting was held and paid respects to the elders past, present and future.

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

### Councillor Attendance

Cr Melissa Mykytiuk ( <b>Chairman</b> )	EMRC Member	Town of Bassendean
Cr Geoff Stallard ( <b>Deputy Chairman</b> )	EMRC Member	City of Kalamunda
Cr Sally Palmer	EMRC Member	City of Bayswater
Cr David Lavell	EMRC Member	Shire of Mundaring
Cr David McDonnell	EMRC Member	City of Swan

### EMRC Officers

Mrs Wendy Harris	Acting Chief Executive Officer
Mr Hua Jer Liew	Director Corporate Services
Mr Stephen Fitzpatrick	Director Waste Services
Mr David Ameduri	Manager Financial Services
Ms Annette Rakich	Acting Executive Assistant to the CEO (Minutes)

## 3 DISCLOSURE OF INTERESTS

Nil

## 4 ANNOUNCEMENTS BY THE CHAIRMAN OR PRESIDING MEMBER WITHOUT DISCUSSION

### Chairman's Announcement

At the October 2018 Audit Committee meeting, the Independent Auditors Report (IAR) provided by the Office of Auditor General for the 2017/2018 Annual Financial Report has taken a strict interpretation of the standard benchmark for the Asset Sustainability Ratio (ASR) set by the then Department of Local Government and consequently reported that:

*"In accordance with the Local Government (Audit) Regulations 1996 I report that:*

- (i) In my opinion, the following material matter indicates significant adverse trends in the financial position or the financial management practices of the Council:*
  - a. The Asset Sustainability Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the last three years...."*

Consistent with the application of Australian Accounting Standards Board's AASB 101 para 19, the EMRC believes that the compliance with the requirement to report on the ASR would be so misleading that it would conflict with the objective of the financial statements.

The EMRC has written to the Director General of the Department of Local Government, Sport and Cultural Industries, seeking an exemption from being required to report on the ASR in the Annual Financial Report on the basis that reporting it will provide a misleading interpretation by the user of the annual financial report.



*Item 4 continued*

In their reply the Department has advised that the *Local Government Act 1995* (the Act) and associated regulations do not provide any statutory power to exempt a local government from complying with the regulation. Accordingly, the Department is unable to grant the EMRC's request.

The Department advises that the EMRC may be able to clarify its situation in regard to the Asset Sustainability Ratio. In accordance with s.7.12A(4)(a) of the Act which requires a local government to prepare a report addressing any matters identified as "significant" by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of the matters.

A follow-up discussion with the OAG confirms the audit finding on ASR as "significant" and accordingly, the EMRC officers will be preparing a report as prescribed and will be required to provide a copy of the report to the Minister for the Department of Local Government and publish a copy of the report on EMRC's website.

**5 PETITIONS, DEPUTATIONS AND PRESENTATIONS**

Nil

**6 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**

**6.1 MINUTES OF AUDIT COMMITTEE MEETING HELD ON 4 OCTOBER 2018**

That the Minutes of the Audit Committee meeting held 4 October 2018, which have been distributed, be confirmed.

**AC RESOLUTION(S)**

MOVED CR LAVELL

SECONDED CR MCDONNELL

THAT THE MINUTES OF THE AUDIT COMMITTEE HELD ON 4 OCTOBER 2018, WHICH HAVE BEEN DISTRIBUTED, BE CONFIRMED.

**CARRIED UNANIMOUSLY**

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

Nil

**8 QUESTIONS BY MEMBERS WITHOUT NOTICE**

Nil

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

Nil

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

Nil



## **11 REPORTS OF EMPLOYEES**

### **11.1 HALF YEAR BUDGET REVIEW 2018/2019**

**REFERENCE: D2019/03161**

#### **PURPOSE OF REPORT**

The purpose of this report is to provide Council, via the Audit Committee, with details of the Eastern Metropolitan Regional Council's (EMRC's) 2018/2019 budget review for adoption and subsequent submission to the Department of Local Government and Communities.

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

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

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

That Council, by an absolute majority in accordance with the provisions of the *Local Government (Financial Management) Regulations 1996* r.33A, adopts the review of the 2018/2019 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 30 days.

#### **SOURCE OF REPORT**

Director Corporate Services

#### **BACKGROUND**

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

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

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

Submitted to each meeting of Council is a financial report and summaries which provide an overview of year to date budget performance for operating activities and capital works. Variances greater than 10% or \$20,000, whichever is the greater, within each nature and type category on the Statement of Comprehensive Income are reported on in the body of the report. Also included are end of year forecasts by nature and type for operating activities and end of year forecasts for each capital works project. These forecasts are reviewed regularly in order to provide an accurate forecast of the end of year result.

The half year budget review was undertaken during January/February 2019 and is reflected in this report.



*Item 11.1 continued*

## **REPORT**

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

### **Format of Budget Review**

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

A review of the tonnages budgeted to be received at the Red Hill Waste Management Facility is also undertaken. Tonnage budgets are reviewed to provide a forecast of volumes expected to be received by 30 June 2019. These forecasts, when calculated against the previously adopted disposal rates, provide financial forecasts relating to the following:

- Income from normal operations (including landfill levy);
- Secondary Waste Income;
- Landfill Levy Expenditure;
- Waste Education Levy Income; and
- Cell usage and depreciation.

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

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

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

EMRC officers undertook the latest review based on the actual financial data provided for the period ended 31 December 2018. The financial report relating to the period ended 31 January 2019 will be submitted to Council at its meeting to be held on 21 March 2019. Variances reported in that report will be based on the budget review as specified within the body of this report. This is undertaken as part of the EMRC's ongoing budget and forecast review process and in accordance with Council's adopted criteria.

In accordance with the process followed in previous years, the original budget is not updated with the revised forecasts, as relevant regulations require the end of year results to be compared to the original adopted annual budget, rather than the reviewed budget.

Whilst it is accepted that many costs are incurred generally within a specific pattern, many are not. These include significant costs incurred relating to operating and capital projects, which depend solely on the timing of when the project is undertaken.



*Item 11.1 continued*

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

Increase / (Decrease) in Operating Income/Other Revenues:	\$ 1,329,967
(Increase) / Decrease in Operating Expenditure/Other Expenses:	\$ 2,637,092
Increase / (Decrease) in Other Comprehensive Income:	\$ (302,794)
Increase / (Decrease) in Change in net assets from operations:	\$ 3,664,265
(Increase) / Decrease in Capital Expenditure:	\$ 3,520,026
(Increase) / Decrease in overall expenditure:	\$ 7,184,291

Provided below is a summary of changes between the original budget and the forecast for the financial year ending 30 June 2019. Comments are provided for significant variances using Council's adopted criteria of 10% or \$20,000, whichever is the greater, as a guide:

**Operating Income/Other Revenues**

User Charges

- Current Budget: \$30,773,307      Forecast Budget: \$33,546,843      Variance: \$2,773,536;      9.01%

Special Charges

- Current Budget: \$445,165      Forecast Budget: \$480,550      Variance: \$35,385;      7.95%

Contributions

- Current Budget: \$488,557      Forecast Budget: \$526,192      Variance: \$37,635;      7.70%

Operating Grants

- Current Budget: \$382,426      Forecast Budget: \$389,726      Variance: \$7,300;      1.91%

Interest Municipal Cash & Investments

- Current Budget: \$400,000      Forecast Budget: \$336,000      Variance: (\$64,000);      (16.00%)

The full year forecast for Interest on Municipal Funds is \$64,000 (16.00%) below the budget of \$400,000. This is attributable to the lower level of funds now held in the Municipal Fund and is partially offset by the expected increase in interest earning on Restricted Cash Investments (\$2,792,300 compared to a budget of \$2,371,599) together with a higher average interest rate expected to be received (2.71% as at 31 January 2019 compared to the budgeted rate of 2.60%).

Reimbursements

- Current Budget: \$776,185      Forecast Budget: \$650,436      Variance: (\$125,749);      (16.20%)

The full year forecast for Reimbursements is \$125,749 (16.20%) below the budget of \$776,185. This is attributable to a lower level of reimbursements compared to budget relating to the Coppin & Mathieson Transfer Stations.

Other Income

- Current Budget: \$3,041,744      Forecast Budget: \$2,872,843      Variance: (\$168,901);      (5.55%)



*Item 11.1 continued*

User Charges (Other Revenues)

- Current Budget: \$1,012,500      Forecast Budget: \$87,021      Variance: (\$925,479);      (91.41%)

The full year forecast for User Charges (Other Revenues) is below the annual budget by \$925,479 (91.41%). The variance is due to the lower level of tonnages forecast to be received at the Hazelmere C&I facility. This is offset by a forecast reduction in expenditure relating to this project.

Secondary Waste Charge (Other Revenues)

- Current Budget: \$4,833,223      Forecast Budget: \$5,217,400      Variance: \$384,177;      7.95%

Interest Restricted Cash Investments (Other Revenues)

- Current Budget: \$2,371,599      Forecast Budget: \$2,792,300      Variance: \$420,701;      17.74%

The full year forecast for Interest on Restricted Cash Investments is \$420,701 (17.74%) above the budget of \$2,371,599. This is attributable to the higher level of funds available for investment as at 30 June 2018, additional funds invested during 2018/2019 compared to budget and a higher average interest rate expected to be received for the 2018/2019 financial year (2.71% as at 31 January 2019 compared to the budgeted rate of 2.60%).

Reimbursements (Other Revenues)

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

Proceeds from Sale of Assets (Other Revenues)

- Current Budget: \$274,418      Forecast Budget: \$219,773      Variance: (\$54,645);      (19.91%)

The full year forecast for Proceeds from Sale of Assets (Other Revenues) is \$54,645 below the budget of \$274,418. The variance relates specifically to the timing of various items of plant and vehicles previously budgeted for change over during the 2018/2019 financial year that have been forecast not to be changed over as they will not attain the specified change over criteria.

Other (Other Revenues)

- Current Budget: \$1,010,112      Forecast Budget: \$20,119      Variance: (\$989,993);      (98.01%)

The full year forecast for Other Revenues is below the annual budget by \$989,993 (98.01%). This variance relates to the forecast low sale of products (\$20,000 compared to a budget of \$245,670) from the Hazelmere C&I Project due to the lower level of tonnages forecast to be received through the facility and resulting recoverable material available for sale, as well as a \$0 forecast for electricity sales (compared to a budget of \$764,442) due to the delay in the commissioning of the Wood Waste to Energy (WWtE) facility.

**Other Comprehensive Income**

Other Comprehensive Income

- Current Budget: \$0      Forecast Budget: \$302,794      Variance: (\$302,794);      n/a

As a result of a change to the *Local Government (Financial Management) Regulations 1996 (Reg. 17A.5)* which states: "An asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5,000", the amount of \$302,794 was written back and recognised in the Statement of Comprehensive Income.

This value represents the net of the acquisition cost of the assets less the accumulated depreciation and assets revaluation reserve values applicable to these assets.





*Item 11.1 continued*

**Operating Expenditure/Other Expenses**

Salary Expenses

- Current Budget: \$8,519,311      Forecast Budget: \$7,503,014      Variance: \$1,016,297;      11.93%

The full year forecast for Salary Expenses is below the annual budget by \$1,016,297 (11.93%). The variance is attributable to the timing of filling vacant positions and budgeted positions that will not to be filled by year end.

Contract Expenses

- Current Budget: \$5,484,741      Forecast Budget: \$5,138,094      Variance: \$344,647;      6.29%

Material Expenses

- Current Budget: \$1,787,559      Forecast Budget: \$948,801      Variance: \$838,758;      46.92%

The full year forecast for Material Expenses is below the annual budget by \$838,758 (46.92%). The variance relates to the forecast low level of material required (\$21,500 compared to a budget of \$718,080) for the encapsulation of Class V material in concrete resulting from the low level of Class V material forecast to be received. This is specifically due to the delay in the availability of the Class IV Cell. Also attributable is the deferment of the new waste project (\$0 compared to a budget of \$140,000) which has been forecast to be commissioned during the 2019/2020 financial year.

Utility Expenses

- Current Budget: \$302,318      Forecast Budget: \$359,299      Variance: (\$56,981);      (18.85%)

The full year forecast for Utility Expenses is above the annual budget by \$56,981 (18.85%). The variance is attributable to a forecast increase in electricity usage for the Red Hill Landfill Facility (\$100,000 compared to a budget of \$72,567) and an increase in electricity usage relating to the Hazelmere Woodwaste Project grinder (\$150,000 compared to a budget of \$120,000).

Fuel Expenses

- Current Budget: \$643,908      Forecast Budget: \$720,027      Variance: (\$76,119);      (11.82%)

The full year forecast for Fuel Expenses is above the annual budget by \$76,119 (11.82%). The variance is attributable to a forecast increase in the use of distillate (\$679,430 compared to a budget of \$604,268) as a result of additional plant utilisation due to the forecast increase in tonnages during 2018/2019.

Insurance Expenses

- Current Budget: \$237,806      Forecast Budget: \$244,000      Variance: (\$6,194);      (2.60%)

Depreciation Expenses

- Current Budget: \$4,634,193      Forecast Budget: \$4,075,901      Variance: \$558,292;      12.05%

The full year forecast for Depreciation Expenses is \$558,292 (12.05%) below the budget of \$4,634,193. This is attributable to the lower level of forecast and actual capital expenditure to-date (actual as at 31 January 2019 of \$3,280,996 and a full year forecast of \$16,431,877 compared to a budget of \$19,951,903) together with changes to the asset life of EMRC's structures/infrastructure class of assets in accordance with accounting standards following valuations undertaken in June 2018 have contributed to the lower expenditure.



*Item 11.1 continued*

Miscellaneous Expenses (incl. landfill levy expenditure)

- Current Budget: \$13,499,714      Forecast Budget: \$15,792,170      Variance: (\$2,292,456);      (16.98%)

The full year forecast Miscellaneous Expenses is \$2,292,456 (16.95%) above the budget of \$13,499,714. This variance is attributable to a higher than budgeted landfill levy payable (\$14,923,412 compared to a budget of \$12,484,695) as a result of higher tonnages forecast to be received by year end.

Provision Expenses

- Current Budget: \$202,373      Forecast Budget: \$240,522      Variance: (\$38,149);      (18.85%)

The full year forecast Provision Expenses is \$38,149 (18.85%) below the budget of \$202,373. These provisions relate to provisions for Site Rehabilitation and Environmental Monitoring and are based on the level of tonnages received. The variance is attributable to higher tonnages forecast to be received by year end.

Costs Allocated

- Current Budget: (\$1,192,699)      Forecast Budget: (\$715,262)      Variance: (\$477,437);      40.03%

The full year forecast for Cost Allocations is \$477,437 (40.03%) below the budget of \$1,192,699. This variance relates specifically to the internal costs allocated between the Resource Recovery C&I Project and the Red Hill Landfill Facility Class III cell. This variance is offset against Costs Allocated (Other Expenses).

Salary Expenses (Other Expenses)

- Current Budget: \$855,131      Forecast Budget: \$367,050      Variance: \$488,081;      57.08%

The full year forecast for Salary Expenses (Other Expenses) is below the annual budget by \$488,081 (57.08%). The variance is attributable to the low level of activity in the Hazelmere C & I facility (\$98,925 compared to a budget of \$541,066) due to the lower level of tonnages forecast to be received through the facility.

Contract Expenses (Other Expenses)

- Current Budget: \$1,510,454      Forecast Budget: \$475,340      Variance: \$1,035,114;      68.53%

The full year forecast for Contract Expenses (Other Expenses) is \$1,035,114 (68.53%) below the budget of \$1,510,454. The variance relates to the timing of contract/management expenses for the WWtE Project (\$188,689 compared to a budget of \$1,207,418) which is not due to be commissioned until approximately May/June 2019.

Material Expenses (Other Expenses)

- Current Budget: \$126,850      Forecast Budget: \$21,350      Variance: \$105,500;      83.17%

The full year forecast for Material Expenses (Other Expenses) is \$105,500 (83.17%) below the budget of \$126,850. The variance relates principally to the timing of the WWtE Project (\$10,000 compared to a budget of \$100,000) which is not due to be commissioned until approximately May/June 2019.



*Item 11.1 continued*

Utility Expenses (Other Expenses)

- Current Budget: \$42,800      Forecast Budget: \$14,190      Variance: \$28,610;      66.85%

The full year forecast for Utility Expenses (Other Expenses) is \$28,610 (66.85%) below the budget of \$42,800. The variance relates to the forecast electricity expenses for the Hazelmere C&I Project (\$10,000 compared to a budget of \$30,000) and is attributable to the lower level of tonnages forecast to be received to be received through the facility together with the timing of the WWtE Project (\$2,100 compared to a budget of \$10,300) which is not due to be commissioned until approximately May/June 2019.

Fuel Expenses (Other Expenses)

- Current Budget: \$1,000      Forecast Budget: \$500      Variance: \$500;      50.00%

Insurance Expenses (Other Expenses)

- Current Budget: \$71,894      Forecast Budget: \$22,170      Variance: \$49,724;      69.16%

The full year forecast for Insurance Expenses (Other Expenses) is \$49,724 (69.16%) below the budget of \$71,894. The variance is due to insurance premiums not required to be paid on the Wood Waste to Energy facility which is yet to be completed.

Depreciation Expenses (Other Expenses)

- Current Budget: \$432,660      Forecast Budget: \$112,496      Variance: \$320,164;      74.00%

The full year forecast for Depreciation Expenses (Other Expenses) is \$320,164 (74.00%) below the budget of \$432,660. The variance is due to the timing of the WWtE Project (\$31,000 compared to a budget of \$154,570) which is not due to be commissioned until approximately May/June 2019 as well as the timing and commissioning of capital expenditure associated with the Hazelmere Resource Recovery Park projects.

Miscellaneous Expenses (Other Expenses)

- Current Budget: \$193,175      Forecast Budget: \$32,983      Variance: \$160,192;      82.93%

The full year forecast for Miscellaneous Expenses (Other Expenses) is \$160,192 (82.93%) below the budget of \$193,175. The variance relates to miscellaneous expenses for the Hazelmere C&I Project (\$10,000 compared to a budget of \$40,000) and is attributable to the lower level of tonnages forecast to be received through the facility and the timing of the WWtE Project (\$12,000 compared to a budget of \$112,675) which is not due to be commissioned until approximately May/June 2019.

Carrying Amount of Assets Disposed Of (Other Expenses)

- Current Budget: \$204,121      Forecast Budget: \$200,585      Variance: \$3,536;      1.73%

Costs Allocated (Other Expenses)

- Current Budget: \$1,169,699      Forecast Budget: \$534,686      Variance: \$635,013;      54.29%

The full year forecast for Cost Allocations is \$635,013 (54.29%) below the budget of \$1,169,699. This variance relates primarily to the internal costs allocated between the Resource Recovery C&I Project and the Red Hill Landfill Facility Class III cell. This variance is partially offset against Costs Allocated in the general Operating Expenditure section.



Item 11.1 continued

**Capital Expenditure**

- Current Budget: \$19,951,903      Forecast Budget: \$16,431,877      Variance: \$3,520,026;      17.64%

The Capital Expenditure budgets as at year end were reviewed as part of the half year budget review undertaken during January/February 2019 in order to reflect the actual timing of various projects and match expenditure requirements in relation to tonnage forecasts.

Full Year Capital Expenditure has been forecast to be \$3,520,026 (17.64%) below the budget of \$19,951,903.

Significant reductions to capital budgets where savings have been achieved or where project expenditure has been deferred and/or carried forward include the following:

- Construct Class III Cell - Stage 15B - Red Hill Landfill Facility - \$900,000;
- New Waste Project - Red Hill Landfill Facility - \$850,000;
- Construct Class III Cell - Farm Stage 3 - Red Hill Landfill Facility - \$750,000;
- Construct Class III Leachate Pond - Red Hill Landfill Facility - \$530,000;
- Purchase / Replace Plant - Hazelmere - \$501,276;
- Construct Storage Bunkers for Wood Fines (QA process) - Hazelmere - \$500,000;
- Purchase Resource Recovery Park - C & I Building, Plant and Equipment - \$500,000;
- Purchase / Replace Plant - Red Hill Landfill Facility - \$470,000;
- Capital Improvement - Ascot Place Administration Building - \$195,000;
- Purchase Resource Recovery Park - WWtE, Plant and Equipment - \$150,000;
- Construct Water Storage Dam - Red Hill Landfill Facility - \$150,000; and
- Construct Drainage Diversion & Infrastructures - Red Hill Landfill Facility - \$100,000.

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

- Construct Class III Cell - Stage 14 - Red Hill Landfill Facility - \$1,200,000 (reallocation from Stage 15B and Farm Stage 3);
- Leachate Project - Red Hill Landfill Facility - \$580,000 (\$530,000 reallocated from Class III Leachate Pond);
- Construct Resource Recovery Park - WWtE, Building - \$150,000 (reallocated from WWtE, Plant and Equipment);
- Construct and Commission Resource Recovery Park - Weighbridge - \$142,095;
- Construct and Commission Resource Recovery Park - Commercial Transfer Station - \$100,000; and
- Resource Recovery Park Wood Waste to Energy Utilities/Infrastructure - \$100,000.

**STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 3 - Good Governance

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



*Item 11.1 continued*

## **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	
City of Kalamunda	
Shire of Mundaring	
City of Swan	

## **ATTACHMENT(S)**

1. Statement of Comprehensive Income by Nature and Type (Ref: D2019/03287)
2. Capital Expenditure Statement (Ref: D2019/03288)
3. Statement of Financial Position (Ref: D2019/03289)
4. Statement of Cash and Investments (Ref: D2019/03290)

## **VOTING REQUIREMENT**

Absolute Majority

## **RECOMMENDATION(S)**

That Council, by an absolute majority in accordance with the provisions of the *Local Government (Financial Management) Regulations 1996* r.33A, adopts the review of the 2018/2019 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 30 days.

The Director Corporate Services gave a brief overview of the budget review and discussion ensued.

The Director Corporate Services commended the EMRC staff for their support in the undertaking of a successful half year budget review.



*Item 11.1 continued*

**AC RECOMMENDATION(S)**

MOVED CR LAVELL

SECONDED CR STALLARD

That Council, by an absolute majority in accordance with the provisions of the *Local Government (Financial Management) Regulations 1996* r.33A, adopts the review of the 2018/2019 budget and approves its submission to the Department of Local Government, Sport and Cultural Industries within 30 days.

**CARRIED UNANIMOUSLY**



# STATEMENT OF COMPREHENSIVE INCOME

## Nature and Type

JANUARY 2019

Year to Date				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
<b>Operating Income</b>							
\$19,326,303	\$16,827,967	\$2,498,336	(F)	\$33,546,843	\$30,773,307	\$2,773,536	(F)
\$271,273	\$266,373	\$4,900	(F)	\$480,550	\$445,165	\$35,385	(F)
\$401,556	\$406,577	(\$5,021)	(U)	\$526,192	\$488,557	\$37,635	(F)
\$269,700	\$289,732	(\$20,032)	(U)	\$389,726	\$382,426	\$7,300	(F)
\$225,239	\$233,331	(\$8,092)	(U)	\$336,000	\$400,000	(\$64,000)	(U)
\$340,209	\$370,244	(\$30,035)	(U)	\$650,436	\$776,185	(\$125,749)	(U)
\$906,020	\$1,220,969	(\$314,949)	(U)	\$2,872,843	\$3,041,744	(\$168,901)	(U)
<b>\$21,740,300</b>	<b>\$19,615,193</b>	<b>\$2,125,107</b>	<b>(F)</b>	<b>\$38,802,590</b>	<b>\$36,307,384</b>	<b>\$2,495,206</b>	<b>(F)</b>
<b>Operating Expenditure</b>							
\$4,312,323	\$4,527,784	\$215,461	(F)	\$7,503,014	\$8,519,311	\$1,016,297	(F)
\$1,596,431	\$3,047,910	\$1,451,479	(F)	\$5,138,094	\$5,482,741	\$344,647	(F)
\$477,503	\$494,434	\$16,931	(F)	\$948,801	\$1,787,559	\$838,758	(F)
\$181,446	\$185,281	\$3,835	(F)	\$359,299	\$302,318	(\$56,981)	(U)
\$422,990	\$395,522	(\$27,468)	(U)	\$720,027	\$643,908	(\$76,119)	(U)
\$151,976	\$138,516	(\$13,460)	(U)	\$244,000	\$237,806	(\$6,194)	(U)
\$2,369,798	\$2,550,698	\$180,900	(F)	\$4,075,901	\$4,634,193	\$558,292	(F)
\$8,931,259	\$7,895,266	(\$1,035,993)	(U)	\$15,792,170	\$13,499,714	(\$2,292,456)	(U)
\$145,996	\$128,041	(\$17,955)	(U)	\$240,522	\$202,373	(\$38,149)	(U)
(\$324,315)	(\$340,916)	(\$16,601)	(U)	(\$715,262)	(\$1,192,699)	(\$477,437)	(U)
<b>\$18,265,407</b>	<b>\$19,022,536</b>	<b>\$757,129</b>	<b>(F)</b>	<b>\$34,306,566</b>	<b>\$34,117,224</b>	<b>(\$189,342)</b>	<b>(U)</b>
<b>\$3,474,893</b>	<b>\$592,657</b>	<b>\$2,882,236</b>	<b>(F)</b>	<b>\$4,496,024</b>	<b>\$2,190,160</b>	<b>\$2,305,864</b>	<b>(F)</b>
Surplus	Surplus		<b>OPERATING RESULT FROM NORMAL ACTIVITIES</b>	Surplus	Surplus		

### Notes:

1. User Charges - include member Councils and casual users pertaining to waste, risk management and environmental services fees and charges;
2. Special Charges - Waste Education Levy;
3. Contributions - member Councils' contributions to projects and services;
4. Operating Grants - grant income predominantly from government agencies;
5. Other Operating Income - includes income from the sale of products; and
6. Miscellaneous Expenses - includes the landfill levy expense of \$8,530,773 as at 31 January 2019.

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



# STATEMENT OF COMPREHENSIVE INCOME

## Nature and Type

JANUARY 2019

Year to Date				Full Year			
Actual	Budget	Variance		Forecast	Budget	Variance	
<b>Other Revenues</b>							
\$44,101	\$50,771	(\$6,670)	(U)	User Charges	\$87,021	\$1,012,500	(\$925,479) (U)
\$2,945,246	\$2,892,017	\$53,229	(F)	Secondary Waste Charge	\$5,217,400	\$4,833,223	\$384,177 (F)
\$0	\$0	\$0	(F)	Operating Grants	\$0	\$0	\$0 (F)
\$1,347,421	\$1,383,389	(\$35,968)	(U)	Interest Restricted Cash Investments	\$2,792,300	\$2,371,599	\$420,701 (F)
\$0	\$28	(\$28)	(U)	Reimbursements	\$50	\$50	\$0 (F)
\$32,500	\$49,618	(\$17,118)	(U)	Proceeds from Sale of Assets	\$219,773	\$274,418	(\$54,645) (U)
\$6,407	\$11,676	(\$5,269)	(U)	Other	\$20,119	\$1,010,112	(\$989,993) (U)
<b>\$4,375,675</b>	<b>\$4,387,499</b>	<b>(\$11,824)</b>	<b>(U)</b>	<b>Total Other Revenues</b>	<b>\$8,336,663</b>	<b>\$9,501,902</b>	<b>(\$1,165,239) (U)</b>
<b>Other Expenses</b>							
\$200,022	\$215,353	\$15,331	(F)	Salary Expenses	\$367,050	\$855,131	\$488,081 (F)
\$58,981	\$154,468	\$95,487	(F)	Contract Expenses	\$475,340	\$1,510,454	\$1,035,114 (F)
\$2,888	\$15,406	\$12,518	(F)	Material Expenses	\$21,350	\$126,850	\$105,500 (F)
\$6,719	\$8,512	\$1,793	(F)	Utility Expenses	\$14,190	\$42,800	\$28,610 (F)
\$0	\$294	\$294	(F)	Fuel Expenses	\$500	\$1,000	\$500 (F)
\$12,932	\$12,945	\$13	(F)	Insurance Expenses	\$22,170	\$71,894	\$49,724 (F)
\$45,684	\$52,598	\$6,914	(F)	Depreciation Expenses	\$112,496	\$432,660	\$320,164 (F)
\$4,192	\$13,154	\$8,962	(F)	Miscellaneous Expenses	\$32,983	\$193,175	\$160,192 (F)
\$64,026	\$66,616	\$2,590	(F)	Carrying Amount of Assets Disposed Of	\$200,585	\$204,121	\$3,536 (F)
\$267,501	\$320,061	\$52,560	(F)	Costs Allocated	\$534,686	\$1,169,699	\$635,013 (F)
<b>\$662,945</b>	<b>\$859,407</b>	<b>\$196,462</b>	<b>(F)</b>	<b>Total Other Expenses</b>	<b>\$1,781,350</b>	<b>\$4,607,784</b>	<b>\$2,826,434 (F)</b>
<b>\$3,712,730</b>	<b>\$3,528,092</b>	<b>\$184,638</b>	<b>(F)</b>	<b>OPERATING RESULT FROM OTHER ACTIVITIES</b>	<b>\$6,555,313</b>	<b>\$4,894,118</b>	<b>\$1,661,195 (F)</b>
Surplus	Surplus			Surplus	Surplus		
<b>\$7,187,623</b>	<b>\$4,120,749</b>	<b>\$3,066,874</b>	<b>(F)</b>	<b>NET RESULT</b>	<b>\$11,051,337</b>	<b>\$7,084,278</b>	<b>\$3,967,059 (F)</b>
Surplus	Surplus			Surplus	Surplus		
<b>Realised/Unrealised (Gain)/Loss From Change in Fair Value of Investments</b>							
\$0	\$0	\$0	(F)	Unrealised (Gain)/Loss	\$0	\$0	\$0 (F)
\$0	\$0	\$0	(F)	Realised (Gain)/Loss	\$0	\$0	\$0 (F)
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(F)</b>	<b>Total (Gain)/Loss from change in Fair Value of Investments</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 (F)</b>
<b>Other Comprehensive Income</b>							
\$302,794	\$0	(\$302,794)	(U)	Revaluation of Assets/Accumulated Depreciation Reversal	\$302,794	\$0	(\$302,794) (U)
\$0	\$0	\$0	(F)	Other Comprehensive Income	\$0	\$0	\$0 (F)
<b>\$302,794</b>	<b>\$0</b>	<b>(\$302,794)</b>	<b>(U)</b>	<b>Total Other Comprehensive Income</b>	<b>\$302,794</b>	<b>\$0</b>	<b>(\$302,794) (U)</b>
<b>\$6,884,829</b>	<b>\$4,120,749</b>	<b>\$2,764,080</b>	<b>(F)</b>	<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>\$10,748,543</b>	<b>\$7,084,278</b>	<b>\$3,664,265 (F)</b>
Surplus	Surplus			Surplus	Surplus		





# CAPITAL EXPENDITURE STATEMENT

## JANUARY 2019

Year to Date				On (F) = Favourable variation Order (U) = Unfavourable variation		Full Year			
Actual	Budget	Variance				Forecast	Budget	Variance	
Governance and Corporate Services									
\$49,252	\$50,000	\$748	(F)	\$19,320	Purchase Vehicles - Ascot Place ( 24440/00 )	\$175,252	\$208,493	\$33,241	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Furniture Fittings & Equipment - Corporate Services ( 24510/01 )	\$48,000	\$48,000	\$0	(F)
\$15,676	\$25,000	\$9,324	(F)	\$0	Purchase Information Technology & Communication Equipment ( 24550/00 )	\$276,500	\$282,000	\$5,500	(F)
\$0	\$0	\$0	(F)	\$0	Purchase Art Works ( 24620/00 )	\$20,000	\$30,000	\$10,000	(F)
\$0	\$0	\$0	(F)	\$0	Capital Improvement Administration Building - Ascot Place ( 25240/01 )	\$62,000	\$257,000	\$195,000	(F)
\$0	\$0	\$0	(F)	\$0	Upgrade Security Equipment - Ascot Place ( 25530/01 )	\$1,500	\$5,000	\$3,500	(F)
\$64,928	\$75,000	\$10,072	(F)	\$19,320		\$583,252	\$830,493	\$247,241	(F)

# CAPITAL EXPENDITURE STATEMENT

**JANUARY 2019**

Year to Date					Full Year		
Actual	Budget	Variance	On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
<b>Resource Recovery</b>							
\$87,036	\$0	(\$87,036) (U)	\$0	<b>Construct and Commission Resource Recovery Park - Wood Waste to Energy Building ( 24259/05 )</b>	\$150,000	\$0	(\$150,000) (U)
\$0	\$0	\$0 (F)	\$0	<b>Construct and Commission Resource Recovery Park - MRF Building - Hazelmere ( 24259/09 )</b>	\$10,000	\$10,000	\$0 (F)
\$0	\$0	\$0 (F)	\$7,784	<b>Construct and Commission Resource Recovery Commercial Transfer Station - Hazelmere ( 24259/10 )</b>	\$100,000	\$0	(\$100,000) (U)
\$0	\$0	\$0 (F)	\$82,690	<b>Construct and Commission Resource Recovery Park - Weighbridge Office ( 24259/12 )</b>	\$120,000	\$70,000	(\$50,000) (U)
\$74,449	\$75,000	\$551 (F)	\$86,903	<b>Construct and Commission Resource Recovery Park - Weighbridges (x2) ( 24392/02 )</b>	\$367,095	\$225,000	(\$142,095) (U)
\$1,214,126	\$1,300,000	\$85,874 (F)	\$1,504,506	<b>Construct and Commission Resource Recovery Park - Site Infrastructure ( 24399/01 )</b>	\$2,650,000	\$2,650,000	\$0 (F)
\$96,657	\$123,400	\$26,743 (F)	\$42,109	<b>Wood Waste to Energy Utilities/Infrastructure - Resource Recovery Park ( 24399/11 )</b>	\$325,000	\$225,000	(\$100,000) (U)
\$213,869	\$348,800	\$134,931 (F)	\$488,546	<b>Purchase Resource Recovery Park - Wood Waste to Energy Plant &amp; Equipment ( 24410/03 )</b>	\$1,888,407	\$2,038,407	\$150,000 (F)
\$0	\$0	\$0 (F)	\$0	<b>Purchase Resource Recovery Park C &amp; I Building - Plant &amp; Equipment ( 24410/04 )</b>	\$0	\$500,000	\$500,000 (F)
\$0	\$0	\$0 (F)	\$0	<b>Purchase Other Equipment - Resource Recovery ( 24590/07 )</b>	\$2,000	\$2,000	\$0 (F)
<b>\$1,686,136</b>	<b>\$1,847,200</b>	<b>\$161,064 (F)</b>	<b>\$2,212,538</b>		<b>\$5,612,502</b>	<b>\$5,720,407</b>	<b>\$107,905 (F)</b>

# CAPITAL EXPENDITURE STATEMENT

**JANUARY 2019**

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	Construct Waste Management Facility Buildings - Red Hill Landfill Facility ( 24250/01 )	\$30,000	\$30,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Storage Shed - Hazelmere ( 24250/05 )	\$63,000	\$63,000	\$0 (F)
\$7,909	\$0	(\$7,909) (U)	\$0	Construct Waste Management Facility Buildings - Other - Hazelmere ( 24259/02 )	\$7,909	\$0	(\$7,909) (U)
\$0	\$0	\$0 (F)	\$0	Upgrade Power Supply to Transfer Station - Red Hill Landfill Facility ( 24259/14 )	\$0	\$40,000	\$40,000 (F)
\$0	\$0	\$0 (F)	\$0	Upgrade Power Supply to Workshop No 2 - Red Hill Landfill Facility ( 24259/15 )	\$0	\$40,000	\$40,000 (F)
\$78,678	\$0	(\$78,678) (U)	\$14,400	Construct Class III Cell Stage 14 - Red Hill Landfill Facility ( 24310/12 )	\$1,200,000	\$0	(\$1,200,000) (U)
\$0	\$0	\$0 (F)	\$0	Construct Class III Landfill Cell Farm Stage 3 - Red Hill Landfill Facility ( 24310/13 )	\$0	\$750,000	\$750,000 (F)
\$17,536	\$368,800	\$351,264 (F)	\$144,794	Construct Class III Cell Stage 15B - Red Hill Landfill Facility ( 24310/18 )	\$611,222	\$1,511,222	\$900,000 (F)
\$0	\$0	\$0 (F)	\$0	Construct Class III Leachate Pond - Red Hill Landfill Facility ( 24320/01 )	\$0	\$530,000	\$530,000 (F)
\$831,695	\$471,192	(\$360,503) (U)	\$77,124	Leachate Project - Red Hill Landfill Facility ( 24320/02 )	\$1,051,192	\$471,192	(\$580,000) (U)
\$0	\$0	\$0 (F)	\$0	Design and Construct Class IV Cell Stage 2 - Red Hill Landfill Facility ( 24330/04 )	\$500,000	\$500,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0	Construct Stormwater and Siltation Ponds - Red Hill Landfill Facility ( 24350/01 )	\$200,000	\$200,000	\$0 (F)

# CAPITAL EXPENDITURE STATEMENT

**JANUARY 2019**

Year to Date				On Order	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
Actual	Budget	Variance	Forecast			Budget	Variance		
Waste Management									
\$7,050	\$7,100	\$50 (F)	\$0	Construct Roads / Carparks - Red Hill Landfill Facility ( 24370/00 )	\$123,000	\$123,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Access Road to Lots 8 9 10 - Red Hill Landfill Facility ( 24370/02 )	\$15,000	\$15,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Drainage Diversion and Earthworks Infrastructures - Red Hill Landfill Facility ( 24380/00 )	\$100,000	\$200,000	\$100,000 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Water Storage Dams - Red Hill Landfill Facility ( 24393/00 )	\$0	\$150,000	\$150,000 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Perimeter Fencing - Red Hill Landfill Facility ( 24394/00 )	\$4,600	\$4,600	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Litter Fence - Red Hill Farm ( 24394/04 )	\$13,000	\$13,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Litter Fence - Redhill Landfill Facility ( 24394/05 )	\$29,474	\$29,474	\$0 (F)		
\$8,770	\$0	(\$8,770) (U)	\$0	Construct Greenwaste Processing Area - Red Hill Landfill Facility ( 24395/00 )	\$15,000	\$0	(\$15,000) (U)		
\$2,470	\$2,470	\$0 (U)	\$0	Construct Hardstand and Road - Hazelmere ( 24395/01 )	\$51,845	\$51,845	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Monitoring Bores - Red Hill Landfill Facility ( 24396/00 )	\$20,000	\$40,000	\$20,000 (F)		
\$0	\$0	\$0 (F)	\$0	Construct Storage Bunkers for Wood Fines (QA process) - Hazelmere ( 24399/09 )	\$0	\$500,000	\$500,000 (F)		
\$0	\$0	\$0 (F)	\$0	Air Supply lines - Waste Management Structures - Red Hill Landfill Facility ( 24399/10 )	\$50,000	\$50,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	New Waste Project - Red Hill Landfill Facility ( 24399/16 )	\$0	\$850,000	\$850,000 (F)		

# CAPITAL EXPENDITURE STATEMENT

**JANUARY 2019**

Year to Date						Full Year		
Actual	Budget	Variance		On Order	(F) = Favourable variation (U) = Unfavourable variation	Forecast	Budget	Variance
<b>Waste Management</b>								
\$445,000	\$495,000	\$50,000 (F)	\$781,500		<b>Purchase / Replace Plant - Red Hill Landfill Facility ( 24410/00 )</b>	\$3,440,000	\$3,910,000	\$470,000 (F)
\$0	\$0	\$0 (F)	\$0		<b>Purchase / Replace Plant - Hazelmere ( 24410/01 )</b>	\$1,500,000	\$2,001,276	\$501,276 (F)
\$0	\$0	\$0 (F)	\$0		<b>Purchase Plant for Leachate Project - Red Hill Landfill Facility ( 24410/08 )</b>	\$400,000	\$450,000	\$50,000 (F)
\$70,710	\$105,000	\$34,290 (F)	\$97,410		<b>Purchase / Replace Minor Plant and Equipment-Red Hill Landfill Facility ( 24420/00 )</b>	\$322,000	\$382,000	\$60,000 (F)
\$0	\$0	\$0 (F)	\$0		<b>Purchase / Replace Minor Plant and Equipment - Hazelmere ( 24420/02 )</b>	\$19,000	\$19,000	\$0 (F)
\$22,582	\$40,000	\$17,418 (F)	\$0		<b>Purchase Minor Plant for Leachate Project - Red Hill Landfill Facility ( 24420/06 )</b>	\$98,800	\$98,800	\$0 (F)
\$37,531	\$38,000	\$469 (F)	\$38,381		<b>Purchase / Replace Vehicles - Red Hill Landfill Facility ( 24430/00 )</b>	\$80,531	\$40,044	(\$40,487) (U)
\$0	\$0	\$0 (F)	\$0		<b>Purchase / Replace Office Equipment - Red Hill Landfill Facility ( 24510/08 )</b>	\$0	\$4,000	\$4,000 (F)
\$0	\$0	\$0 (F)	\$0		<b>Purchase Fire Fighting System/Equipment - Hazelmere ( 24520/07 )</b>	\$17,700	\$17,700	\$0 (F)
\$0	\$0	\$0 (F)	\$0		<b>Purchase / Replace Security System - Red Hill Waste Management Facility ( 24530/08 )</b>	\$103,000	\$103,000	\$0 (F)
\$0	\$0	\$0 (F)	\$0		<b>Purchase / Replace Security System - Hazelmere ( 24530/10 )</b>	\$51,480	\$51,480	\$0 (F)
\$0	\$10,000	\$10,000 (F)	\$0		<b>Purchase / Replace Other Equipment - Red Hill Landfill Facility ( 24590/00 )</b>	\$83,870	\$93,870	\$10,000 (F)
\$0	\$500	\$500 (F)	\$0		<b>Purchase / Replace Miscellaneous Equipment - Hazelmere ( 24590/02 )</b>	\$2,500	\$2,500	\$0 (F)

# CAPITAL EXPENDITURE STATEMENT

**JANUARY 2019**

Year to Date				On (F) = Favourable variation Order (U) = Unfavourable variation		Full Year			
Actual	Budget	Variance	Forecast			Budget	Variance		
Waste Management									
\$0	\$0	\$0 (F)	\$0	Purchase/Replace Other Equipment - Engineering and Waste Management ( 24590/03 )	\$0	\$2,000	\$2,000 (F)		
\$0	\$0	\$0 (F)	\$0	Purchase / Replace Office Furniture and Fittings - Red Hill Landfill Facility ( 24610/08 )	\$0	\$3,000	\$3,000 (F)		
\$0	\$0	\$0 (F)	\$0	Purchase Office Furniture and Fittings-Hazelmere ( 24610/10 )	\$2,000	\$2,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Purchase Miscellaneous Furniture and Fittings - Red Hill Education Programme ( 24690/01 )	\$8,000	\$1,000	(\$7,000) (U)		
\$0	\$0	\$0 (F)	\$0	Refurbish Environmental Education Centre - Redhill Landfill Facility ( 25253/00 )	\$2,000	\$2,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Refurbish Plant - Red Hill Landfill Facility ( 25410/00 )	\$20,000	\$20,000	\$0 (F)		
\$0	\$0	\$0 (F)	\$0	Refurbish Plant - Hazelmere ( 25410/01 )	\$0	\$35,000	\$35,000 (F)		
\$1,529,932	\$1,538,062	\$8,130 (F)	\$1,153,609		\$10,236,123	\$13,401,003	\$3,164,880 (F)		
\$3,280,996	\$3,460,262	\$179,266 (F)	\$3,385,467	TOTAL CAPITAL EXPENDITURE	\$16,431,877	\$19,951,903	\$3,520,026 (F)		

## JANUARY 2019

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## CASH AND INVESTMENTS JANUARY 2019

Actual June 2018	Actual Year to Date	(F) = Favourable variation (U) = Unfavourable variation	Full Year			
			Forecast	Budget	Variance	
Municipal Cash and Investments						
1,676,751	2,067,795	Cash at Bank - Municipal Fund 01001/00	3,657,408	1,631,205	2,026,203	(F)
3,450	3,450	Cash on Hand 01019/00 - 02	3,450	3,450	0	(F)
9,487,484	10,199,990	Investments - Municipal Fund 02021/00	6,643,076	2,447,076	4,196,000	(F)
11,167,685	12,271,235	Total Municipal Cash	10,303,934	4,081,731	6,222,203	(F)
Restricted Cash and Investments						
3,383,664	3,442,989	Restricted Investments - Plant and Equipment 02022/01	445,929	383,106	62,823	(F)
2,482,057	2,525,574	Restricted Investments - Post Closure Site Rehabilitation Red Hill 02022/02	2,696,588	2,683,542	13,046	(F)
16,089,599	16,371,694	Restricted Investments - Future Development 02022/03	20,263,460	20,327,842	(64,382)	(F)
975,126	992,223	Restricted Investments - Environmental Monitoring Red Hill 02022/04	1,084,560	1,081,210	3,350	(F)
11,844	12,052	Restricted Investments - Environmental Insurance Red Hill 02022/05	13,156	13,129	27	(F)
14,737	14,996	Restricted Investments - Risk Management 02022/06	15,228	15,166	62	(F)
589,575	599,912	Restricted Investments - Class IV Cells Red Hill 02022/07	180,709	171,292	9,417	(F)
328,109	333,861	Restricted Investments - Regional Development 02022/08	400,970	400,342	628	(F)
56,190,599	57,175,773	Restricted Investments - Secondary Waste Processing 02022/09	54,989,764	54,618,921	370,843	(F)
5,929,276	6,033,232	Restricted Investments - Class III Cells 02022/10	6,756,074	6,737,441	18,633	(F)
74,410	75,715	Restricted Investments - Building Refurbishment (Ascot Place) 02022/11	77,094	76,555	539	(F)
273,998	396,438	Restricted Investments - Accrued Interest 02022/19	169,765	169,765	0	(F)
0	0	Restricted Investments - Unrealised Loss/Gain on Investments 02022/20	0	0	0	(F)
910,197	926,155	Restricted Investments - Long Service Leave 02022/90	968,844	963,129	5,715	(F)
87,253,192	88,900,614	Total Restricted Cash	88,062,141	87,641,440	420,701	(F)
98,420,877	101,171,849	TOTAL CASH AND INVESTMENTS	98,366,075	91,723,171	6,642,904	(F)

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

c:\TEMP\1116202GL COUNCIL CASH AND INVESTMENTS STATEMENT.RPT





## **11.2 COMPLIANCE AUDIT RETURN 2018**

**REFERENCE: D2019/03162**

### **PURPOSE OF REPORT**

The purpose of this report is to present to Council for adoption the Compliance Audit Return (CAR) for the year ending 31 December 2018.

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

- Each local government is required to complete a CAR at the end of each calendar year.
- The CAR is required to be reviewed by the Audit Committee (AC) before being adopted by Council, certified by the Chairman and Chief Executive Officer (CEO) and uploaded to the Department of Local Government, Sport and Cultural Industries Smart Hub portal by 31 March 2019.

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

That Council adopts the draft Compliance Audit Return 2018, forming an attachment to this report, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2019.

### **SOURCE OF REPORT**

Director Corporate Services

### **BACKGROUND**

The audit and applicable return is completed in accordance with the requirements of Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*. It is a compliance audit for the period 1 January to 31 December 2018 against the requirements included in the Compliance Audit Return for that period.

Regulation 14 requires the Audit Committee to review the CAR and to report the results of the review to Council prior to adoption by Council.

### **REPORT**

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

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

The review process includes a rigorous assessment being undertaken by responsible officers for each section. It is then input by the Manager Financial Services which is why his name appears on the "respondent" column of the CAR document.

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

After the CAR has been adopted by Council a certified copy of the Return along with the relevant section of the minutes and additional information explaining or qualifying the compliance audit, is to be uploaded to the Department of Local Government, Sport and Cultural Industries Smart Hub portal by 31 March 2019.



*Item 11.2 continued*

## **STRATEGIC/POLICY IMPLICATIONS**

Key Result Area 3 – Good Governance

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

## **FINANCIAL IMPLICATIONS**

Nil

## **SUSTAINABILITY IMPLICATIONS**

Nil

## **MEMBER COUNCIL IMPLICATIONS**

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

## **ATTACHMENT(S)**

Local Government Compliance Audit Return from 1 January 2018 to 31 December 2018  
(Ref: D2019/03291)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION(S)**

That Council adopts the draft Compliance Audit Return 2018, forming an attachment to this report, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2019.

## **AC RECOMMENDATION(S)**

MOVED CR STALLARD

SECONDED CR PALMER

That Council adopts the draft Compliance Audit Return 2018, forming an attachment to this report, that it be certified by the Chairman and Chief Executive Officer and submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2019.

**CARRIED UNANIMOUSLY**



Department of  
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## **Eastern Metropolitan Regional Council - Compliance Audit Return Regional Local Government 2018**

### **Certified Copy of Return**

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

<b>Commercial Enterprises by Local Governments</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2018.	N/A		David Ameduri
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2018.	N/A		David Ameduri
3	s3.59(2)(a)(b)(c) F&G Reg 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 2018.	N/A		David Ameduri
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 2018.	N/A		David Ameduri
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		David Ameduri



<b>Delegation of Power / Duty</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		David Ameduri
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		David Ameduri
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		David Ameduri
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		David Ameduri
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes		David Ameduri
6	s5.42(1), 5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		David Ameduri
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		David Ameduri
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		David Ameduri
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		David Ameduri
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	N/A		David Ameduri
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		David Ameduri
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 2017/2018 financial year.	Yes		David Ameduri
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		David Ameduri

<b>Disclosure of Interest</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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		David Ameduri
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		David Ameduri



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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		David Ameduri
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.	N/A	No newly elected members	David Ameduri
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	N/A	No newly designated employees	David Ameduri
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		David Ameduri
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri



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

### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	N/A		David Ameduri
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		David Ameduri

### 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.	N/A		David Ameduri
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		David Ameduri
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A	Audit was undertaken by the OAG.	David Ameduri
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	N/A	Audit was undertaken by the OAG.	David Ameduri
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes		David Ameduri
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes		David Ameduri
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	No	The Audit Report was received in October 2018 and action is in progress.	David Ameduri



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No	Reference	Question	Response	Comments	Respondent
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	No	The Audit Report was received in October 2018 and action is in progress.	David Ameduri
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	No	The Audit Report was received in October 2018 and action is in progress and is expected to be completed by April 2019.	David Ameduri
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	N/A		David Ameduri
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	N/A		David Ameduri
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	N/A		David Ameduri
13	Audit 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	Remuneration of the cost of the audit to be paid to the OAG was communicated to the EMRC by the OAG.	David Ameduri
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	N/A		David Ameduri



<b>Integrated Planning and Reporting</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	The Corporate Business Plan was adopted on 21 June 2018.	David Ameduri
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No		David Ameduri
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Council adopted the 10 Year Strategic Plan 2017-2027 on 18 August 2016 for implementation.	David Ameduri
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No	No modifications have been made.	David Ameduri
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	The Asset Management Plan was updated and compiled as part of the 2018/2019 Annual Budget deliberation process.	David Ameduri
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	An update of the Long Term Financial Plan was undertaken as part of the 2018/2019 Budget process.	David Ameduri
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	The Workforce Plan was endorsed by the Executive Management Team in November 2018.	David Ameduri





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



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<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
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		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri
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		David Ameduri
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes		David Ameduri

<b>Tenders for Providing Goods and Services</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		David Ameduri
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		David Ameduri
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		David Ameduri
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		David Ameduri



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No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		David Ameduri
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes		David Ameduri
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		David Ameduri
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		David Ameduri
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		David Ameduri
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		David Ameduri
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		David Ameduri
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		David Ameduri
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		David Ameduri
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		David Ameduri
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	No	The EMRC use WALGA	David Ameduri
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	N/A		David Ameduri



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No	Reference	Question	Response	Comments	Respondent
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	N/A		David Ameduri
18	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	N/A		David Ameduri
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A		David Ameduri
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application(s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	N/A		David Ameduri
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	N/A		David Ameduri
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	N/A		David Ameduri
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the 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		David Ameduri
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		David Ameduri
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$150,000 or less.	Yes		David Ameduri



I certify this Compliance Audit return has been adopted by Council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor / President, Eastern Metropolitan  
Regional Council

\_\_\_\_\_  
Signed CEO, Eastern Metropolitan Regional  
Council



## 12 REPORTS OF STRATEGIC RISK STEERING GROUP

Nil

## 13 REPORTS OF DELEGATES

Nil

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

Nil

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

Nil

## 16 FUTURE MEETINGS OF THE AUDIT COMMITTEE

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

### *“4 Meetings*

*4.1 The Audit Committee will meet as required at the discretion of the chairperson of the committee and at least three times per year to coincide with:*

- a. Approval of strategic and annual plans;*
- b. Approval of the annual budget; and*
- c. The auditor’s report on the annual financial report.”*

### **Future Meetings 2019**

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 6:46pm.