



MINUTES

AUDIT AND RISK COMMITTEE MEETING

23 NOVEMBER 2023

TIME: 7.30 PM

CITY OF STIRLING

*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park*



MINDARIE REGIONAL COUNCIL

NOTICE OF MEETING

20 November 2023

Members are advised that the Audit and Risk Committee meeting will be held at the City of Stirling, 25 Cedric Street, Stirling, WA 6065, on Thursday 23 November 2023, at 7.30pm.

Yours faithfully



SCOTT CAIRNS
Chief Executive Officer

AUDIT AND RISK COMMITTEE MEMBERS:

Audit and Risk Committee Members to be appointed at the MRC Special Council meeting to be held on 23 November 2023, at 7.30pm.

MRC REPRESENTATIVES:

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Executive Manager Corporate Services
Ms Sonia Cherico	Human Resources Manager
Ms Deborah Toward	Executive Assistant

VISITORS:

Office of the Auditor General:

Mr Kien Neoh	Director, Financial Audit
Mr Reagan Lau	Assistant Director, Financial Audit

TABLE OF CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	4
2	ATTENDANCE / APOLOGIES.....	4
3	TERMS OF REFERENCE	5
4	DECLARATION OF INTERESTS.....	7
5	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	8
6	REPORTS	9
6.1	ANNUAL FINANCIAL REPORT 2022/2023.....	9
7	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC.....	11
7.1	ANNUAL FINANCIAL REPORT AUDIT PLANNING 2022/2023	11
7.2	AUDIT COMPLETION REPORT	12
7.3	FULL RISK REGISTER	13
7.4	EXTERNAL AUDIT COMMITTEE MEMBER	14
8	NEW BUSINESS	15
9	NEXT MEETING	15
10	CLOSURE	15

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The CEO declared the meeting open at 7.30pm and welcomed officers from the Office of the Auditor General to the meeting.

The CEO invited nominations from the committee for the position of Chair.

- Cr Miles nominated Cr Hatton
- Cr Ferrante nominated Cr Hatton

The CEO asked Cr Hatton if he accepted the nomination.

Cr Hatton accepted the nomination and was declared elected as the Chair of the Audit and Risk Committee, Cr Hatton assumed the position of Chair.

Cr Hatton invited nominations from the committee for the position of Deputy Chair.

Cr Miles nominated Cr Ferrante

Cr Hatton asked Cr Ferrante if he accepted the position of Deputy Chair.

Cr Ferrante accepted the nomination and was declared elected as Deputy Chair.

2 ATTENDANCE / APOLOGIES

ATTENDANCE

AUDIT AND RISK COMMITTEE MEMBERS

Cr Chris Hatton (Chair)	City of Stirling
Cr Joe Ferrante (Deputy Chair)	City of Stirling
Cr Paul Miles	City of Wanneroo

MRC REPRESENTATIVES:

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Executive Manager Corporate Services
Ms Sonia Cherico	Human Resources Manager
Ms Deborah Toward	Executive Assistant

VISITORS:

Office of the Auditor General:

Mr Kien Neoh	Director, Financial Audit
Mr Reagan Lau	Assistant Director, Financial Audit

3 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 26 May 2022, Council adopted the Terms of Reference for the Audit and Risk Committee, as follows:

Terms of Reference – Audit and Risk Committee

1. Objectives of Audit Committee

In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:

- *Support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management and external audit functions and ethical accountability.*
- *Critically examine the annual external audit and liaise with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the local government in managing its financial affairs.*
- *Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations, and present a report to Council on its findings and recommendations.*

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Council's affairs, determining the Council's policies and overseeing the allocation of the Council's finances and resources. The Committee will ensure openness in the Council's financial reporting and will liaise with the Chief Executive Officer (CEO) to ensure the effective and efficient management of the Council's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- *the enhancement of the credibility and objectivity of external financial reporting;*
- *effective management of financial and other risks and the protection of Council assets;*
- *compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;*
- *the provision of an effective means of communication between the OAG, the CEO and the Council.*

2. Powers of the Audit Committee

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate informed decision-making

by Council in relation to the legislative functions and duties of the Council that have not been delegated to the CEO.

3. Membership

The Committee will consist of a minimum of three elected members. The Council may also appoint an external member. All members shall have full voting rights.

External persons appointed to the Committee will be a member of CPA Australia or the Institute of Chartered Accountants (Australia), have the requisite financial, risk, commercial and/or business experience, and will be sufficiently conversant with governance, financial and other reporting requirements to allow them to fulfil the role.

Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum of two years.

Reimbursement of approved expenses will be paid to each external person who is a member of the Committee, up to an annual limit set as part of the annual budget process.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The Council shall provide secretarial and administrative support to the Committee.

4. Meetings

The Committee shall meet at least once a year. Additional meetings shall be convened at the discretion of the presiding person. A quorum of the Committee will be constituted by three members.

Any decision of the Committee is to be made by simple majority.

5. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

6. Duties and Responsibilities

The duties and responsibilities of the Committee will be –

- (a) Provide guidance and assistance to Council as to carrying out the function of the Council in relation to audits.*
 - (b) Review and recommend to Council –*
 - a list of those matters to be audited; and*
 - the scope of the audit to be undertaken.*
 - (c) Meet with the OAG once in each year and provide a report to Council on the matters discussed and outcome of those discussions.*
 - (d) Liaise with the CEO to ensure that the Local Government does everything in its power to –*
 - assist the OAG to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and*
 - ensure that audits are conducted successfully and expeditiously.*
 - (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –*
 - determine if any matters raised require action to be taken by the Council; and*
 - ensure that appropriate action is taken in respect of those matters.*
 - (f) Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG and present the report to Council for*
-

- (g) *adoption prior to the end of the next financial year or six months after the last report prepared by the OAG is received, whichever is the latest in time.*
- (h) *Review the scope of the audit plan and program and its effectiveness.*
- (i) *Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.*
- (j) *Review the level of resources allocated to internal audit and the scope of its authority.*
- (k) *Review reports of internal audits and monitor the implementation of recommendations made by OAG and review the extent to which Council and management reacts to matters raised.*
- (l) *Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.*
- (m) *Review Council's draft annual financial report, focusing on:*
 - *accounting policies and practices;*
 - *changes to accounting policies and practices;*
 - *the process used in making significant accounting estimates;*
 - *significant adjustments to the financial report (if any) arising from the audit process;*
 - *compliance with accounting standards and other reporting requirements; and*
 - *significant variances from prior years.*
- (n) *Consider recommending adoption of the financial report to Council.*
- (o) *Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.*
- (p) *Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council.*
- (q) *Review the annual Compliance Audit Return and report to the Council the results of that review.*
- (r) *Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.*
- (s) *Monitor the progress of any major lawsuits facing the Council.*
- (t) *Perform an annual review of the MRC Risk Management Framework and the full risk register.*
- (u) *Perform a biannual review of the high risks identified in the Council's Risk Register.*

4 DECLARATION OF INTERESTS

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING
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The minutes of the Audit and Risk Committee meetings held on 15 February 2023, can be found at ***Attachment 1***

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 25 February 2023 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

Cr Miles moved, Cr Ferrante seconded

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

6 REPORTS

6.1 ANNUAL FINANCIAL REPORT 2022/2023

Reference:	GF-22-0000525
Attachment(s):	Attachment 3 and 4
Date:	23 November 2023
Responsible Officer:	Executive Manager Corporate Services

BACKGROUND

The *Local Government Act 1995* (the Act) requires every local government to prepare an Annual Report for each financial year and to accept it prior to 31 December following the end of the financial year (section 5.53 and 5.54 of the Local Government Act 1995). The Act also specifies the contents required to be included in the Annual Report. If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

The Mindarie Regional Council (MRC), in accordance with the Local Government Act 1995 Section 5.53, is required to submit an Annual Report.

The annual audit of the Financial Statements for the financial year ended 30 June 2023 has been completed and the Financial Report is now submitted to the Audit Committee for consideration.

The MRC's Financial Report is included as **Attachment 3** to this agenda.

The full Annual Report, including the Financial Report, will be presented to the Council at its Ordinary Council Meeting on 30 November 2023.

DETAIL

The Auditor, in accordance with the Local Government (Audit) Regulations 1996 Sections 10.2 and 10.3 is required to issue an audit report after the completion of the annual audit that expresses an opinion on the financial position and results of the operations of the local government for each financial year.

The Audit Completion Letter from the Auditor General (OAG) is included as part of **Confidential Attachment 4**. The MRC, in accordance with the Local Government (Financial Management) Regulations 1996 Section 51.1, is required to include in the Annual Financial Report a signed Statement of Declaration by the CEO after this report has been audited in accordance with the Local Government Act 1995. This declaration can be found in **Attachment 3**.

STATUTORY IMPLICATIONS

The submission of the Financial Report for 2022/2023 is in conformity with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996.

The Auditor's Report for 2022/2023 conforms to the requirements of the Local Government (Audit) Regulations 1996.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Not applicable.

COMMENT

The Annual Financial Report of the MRC has been prepared in accordance with the requirements of Local Government Act 1995 and applicable Australian Accounting Standards.

Section 51 of the Local Government (Financial Management) Regulations state the following;

(1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.

(2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee recommends that Council accept the Financial Report for year ended 30 June 2023.

Cr Miles moved, Cr Ferrante seconded

The Chair invited the Executive Manager Corporate Services to provide a verbal presentation of the Annual Financial Report.

The Executive Manager Corporate Services presented the Annual Financial Report and took questions from the Committee.

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

In accordance with clause 10.1(h) of the Mindarie Regional Council Meeting Procedures Local Law 2020 and s5.23 of the Local Government Act 1995, the Chair requests the Audit and Risk Committee to meet “behind closed doors” to allow the Committee to consider items 7.1 and 7.2 as the items are of a confidential nature.

No members of the public were present at the meeting.

Moved Cr Miles, Seconded Cr Ferrante

Procedural Motion

1. Closes the meeting to the members of the public at 7.43 pm to consider items 7.1, 7.2, 7.3 and 7.4 in accordance with Section 5.23 of the *Local Government Act 1995*.
2. Permits the MRC Chief Executive Officer, MRC staff, and Officers from OAG, to remain in the meeting during discussions for items 7.1, 7.2, 7.3
3. Permits the MRC Chief Executive Officer and MRC Staff to remain in the meeting for Item 7.4.

7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.	
7.1 ANNUAL FINANCIAL REPORT AUDIT PLANNING 2022/2023	
File No:	
Attachment (s)	Attachment 2 – Annual Financial Audit Planning Summary Year Ended 30 June 2023
Date:	13 November 2023
Responsible Officer:	Executive Manager Corporate Services

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee note its review of the scope and effectiveness of the 2022/2023 Annual Financial Audit Planning Summary issued by the Auditors.

Cr Ferrante moved, Cr Miles Seconded

RESOLVED

That the recommendation be adopted

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.	
7.2 AUDIT COMPLETION REPORT	
File No:	GF-21-0000314
Attachment (s)	Attachment 4 - Auditor General Independent Auditors Report 2023 Attachment 4a - Annual Financial Audit Exit Brief Year ended 30 June 2023 Attachment 4b - Management Representation Letter Year ended 30 June 2023
Date:	13 November 2023
Responsible Officer:	Executive Manager Corporate Services

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council note the Auditor General Independent Auditors Report for year ended 30 June 2023 issued by the Auditors.

That the Audit and Risk Committee recommends that Council note the Annual Financial Audit Exit Brief for year ended 30 June 2023 issued by the Auditors.

That the Audit and Risk Committee recommends that Council note the Representation Letter for the year ended 30 June 2023.

Moved Cr Miles, Seconded Cr Ferrante

The Chair invited Mr Neoh, Director Financial Audit, Office of the Auditor General (OAG), To speak to the item.

Mr Neoh acknowledged the timeliness of the MRC Audit and thanked the CEO and Executive Manager Corporate Services for their assistance during the audit.

Mr Neoh presented to the Committee the key points of the Financial Year 2023 Audit Report and responded to questions from the Committee.

RESOLVED

That the recommendation be adopted
(CARRIED UNANIMOUSLY 3/0)
For: Cr Ferrante, Cr Hatton and Cr Miles
Against: Nil

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

7.3 FULL RISK REGISTER

File No:	GF-22-000089
Attachment (s)	Attachment 5 - Full Risk Register Attachment 5a - Risk Assessment and Acceptance Criteria V3 Attachment 6 - Risk Management Plan and Appetite Statement
Date:	10 November 2023
Responsible Officer:	Chief Executive Officer

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee note the full risk register as presented.

Cr Ferrante moved, Cr Miles Seconded
RESOLVED

That the recommendation be adopted
(CARRIED UNANIMOUSLY 3/0)
For: Cr Ferrante, Cr Hatton and Cr Miles
Against: Nil

The Chair thanked OAG Officers for their time with the MRC Audit and attending the Audit and Risk Committee meeting.

8.30 pm Mr Neoh and Mr Reagan left the meeting.

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

7.4 EXTERNAL AUDIT COMMITTEE MEMBER

File No:	GF-22-0000089
Attachment (s)	Attachment 7 - Candidate Applications
Date:	10 November 2023
Responsible Officer:	Chief Executive Officer

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommend to Council that _____ be appointed as an external audit committee member, subject to their acceptance of the appointment, for the period ending November 2024.

Cr Miles moved, Cr Ferrante Seconded

RESOLVED

That the Audit and Risk Committee recommend to Council that Mr Aswin Kumar be appointed as an external audit committee member, subject to their acceptance of the appointment, for the period ending November 2024.

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

Cr Ferrante moved, Cr Miles Seconded

Procedural Motion:

That Council:

- **Reopen the meeting to members of the public at 8.40 pm**

To re-open the meeting to the public

(CARRIED UNANIMOUSLY 3/0)

For: Cr Ferrante, Cr Hatton and Cr Miles

Against: Nil

Doors re-opened at 8.40 pm, the Chair declared the meeting re-opened. As there were no members of the public present, the Chair noted the resolutions passed behind closed doors.

8 NEW BUSINESS

Nil

9 NEXT MEETING

February 2024 (date to be confirmed)

10 CLOSURE

The Chair closed the meeting at 8.58 pm and thanked the City of Stirling for their hospitality and use of their meeting facilities.

SignedChair

Dated.....day of2023

LIST OF ATTACHMENTS

Attachment	Title	Page Number
1	Unconfirmed minutes Audit & Risk Committee 15 February 2023	17
2	Annual Financial Audit Planning Summary Year Ended 30 June 2023	Contained in Confidential Report
3	MRC Annual Financial Statement Year Ended 30 June 2023	60
4	Auditor General Independent Auditor's Report 2023	Contained in Confidential Report
4a	Annual Financial Audit Exit Brief Year Ended 30 June 2023	Contained in Confidential Report
4b	Management Representation Letter Year Ended 30 June 2023	Contained in Confidential Report
5	Full Risk Register	Contained in Confidential Report
5a	Risk Assessment and Acceptance Criteria V3	Contained in Confidential Report
6	Risk Appetite Statement and Risk Management Plan	Contained in Confidential Report
7	Candidate Applications	Contained in Confidential Report
8	Declaration of Interest Form	99

Unconfirmed minutes Audit and Risk Committee
15.02.2023

Item
5

Attachment 1

Item
5



MINUTES

AUDIT AND RISK COMMITTEE MEETING

WEDNESDAY 15 FEBRUARY 2023

TIME: 4.00 PM

CITY OF STIRLING

Winning Back Waste

Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo

Towns of Cambridge and Victoria Park



CITY OF VINCENT

TABLE OF CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	3
2	ATTENDANCE / APOLOGIES.....	3
3	TERMS OF REFERENCE	4
4	DECLARATION OF INTERESTS	7
5	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	7
5.1	AUDIT AND RISK COMMITTEE MEETING – 01 DECEMBER 2022	7
6	REPORTS	8
6.1	COMPLIANCE AUDIT RETURN 2022.....	8
7	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	10
7.1	CEO REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE REQUIREMENT	11
7.2	HIGH-RISK REGISTER REVIEW	12
8	NEW BUSINESS	13
9	NEXT MEETING.....	13
10	CLOSURE	13

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 4.07 pm.

The Chair, Cr Karen Vernon, attended the meeting by electronic means and made the following announcements:

1. *I authorise myself, Cr Karen Vernon, and Mr Aswin Kumar (independent committee member) to attend the MRC Audit and Risk Committee meeting on 15 February 2023 by electronic means in accordance with Regulation 14C of the Local Government (Administration) Regulations 1996.*
2. *I confirm that I will be in my home office connecting to the meeting via ZOOM, and I am able to participate in the meeting fully and declare that I can maintain confidentiality when the meeting goes 'behind closed doors' during the confidential session;*
3. *I acknowledge Mr Kumar's declaration that he will be connecting to the meeting from his home office via ZOOM, so I consider that he is able to participate in the meeting and note his declaration that he can maintain confidentiality when the meeting goes 'behind closed doors' during the confidential session.*

2 ATTENDANCE / APOLOGIES

AUDIT COMMITTEE MEMBERS

Cr Karen Vernon (Chair) <i>attended electronically</i>	Town of Victoria Park
Cr Frank Cvitan (Deputy Chair)	City of Wanneroo
Cr Paul Miles	City of Wanneroo
Cr Elizabeth Re	City of Stirling
Mr Aswin Kumar <i>attended electronically</i>	External Member

APOLOGIES

Nil

MRC OFFICERS

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Finance Manager
Ms Sonia Cherico	HR Officer
Ms Deborah Toward	PA Executive Support

OBSERVERS

Nil

VISITORS

Nil

3 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 7 July 2005, Council established the Audit Committee under s7.1A of the Local Government Act 1995 and at an Ordinary Council Meeting held on 27 October 2005, Council adopted the Terms of Reference for the operation of the Audit Committee. These terms of reference were subsequently revised by Council at an Ordinary Council Meeting held on 26 May 2022, renaming the Committee to Audit and Risk Committee.

1. Objectives of Audit Committee

In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:

- *Support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management and external audit functions and ethical accountability.*
- *Critically examine the annual external audit and liaise with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the local government in managing its financial affairs.*
- *Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations, and present a report to Council on its findings and recommendations.*

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Council's affairs, determining the Council's policies and overseeing the allocation of the Council's finances and resources. The Committee will ensure openness in the Council's financial reporting and will liaise with the Chief Executive Officer (CEO) to ensure the effective and efficient management of the Council's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- *the enhancement of the credibility and objectivity of external financial reporting;*
- *effective management of financial and other risks and the protection of Council assets;*
- *compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;*
- *the provision of an effective means of communication between the OAG, the CEO and the Council.*

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The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the Council that have not been delegated to the CEO.

3. Membership

The Committee will consist of a minimum of three elected members. The Council may also appoint an external member. All members shall have full voting rights.

External persons appointed to the Committee will be a member of CPA Australia or the Institute of Chartered Accountants (Australia), have the requisite financial, risk, commercial and/or business experience, and will be sufficiently conversant with governance, financial and other reporting requirements so as to allow them to fulfil the role.

Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum of two years.

Reimbursement of approved expenses will be paid to each external person who is a member of the Committee, up to an annual limit set as part of the annual budget process.

The CEO and employees are not members of the committee. The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The Council shall provide secretarial and administrative support to the Committee.

4. Meetings

The Committee shall meet at least once a year. Additional meetings shall be convened at the discretion of the presiding person. A quorum of the Committee will be constituted by three members.

Any decision of the Committee is to be made by simple majority.

5. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

6. Duties and Responsibilities

The duties and responsibilities of the Committee will be –

- (a) Provide guidance and assistance to Council as to carrying out the function of the Council in relation to audits.*
- (b) Review and recommend to Council –*
 - a list of those matters to be audited; and*
 - the scope of the audit to be undertaken.*
- (c) Meet with the OAG once in each year and provide a report to Council on the matters discussed and outcome of those discussions.*
- (d) Liaise with the CEO to ensure that the Local Government does everything in its power to –*
 - assist the OAG to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and*
 - ensure that audits are conducted successfully and expeditiously.*
- (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –*
 - determine if any matters raised require action to be taken by the Council; and*

- *ensure that appropriate action is taken in respect of those matters.*
- (f) *Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG and present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the OAG is received, whichever is the latest in time.*
- (g) *Review the scope of the audit plan and program and its effectiveness.*
- (h) *Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.*
- (i) *Review the level of resources allocated to internal audit and the scope of its authority.*
- (j) *Review reports of internal audits and monitor the implementation of recommendations made by OAG and review the extent to which Council and management reacts to matters raised.*
- (k) *Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.*
- (l) *Review Council's draft annual financial report, focusing on:*
 - *accounting policies and practices;*
 - *changes to accounting policies and practices;*
 - *the process used in making significant accounting estimates;*
 - *significant adjustments to the financial report (if any) arising from the audit process;*
 - *compliance with accounting standards and other reporting requirements;*
and
 - *significant variances from prior years.*
- (m) *Consider recommending adoption of the financial report to Council.*
- (n) *Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.*
- (o) *Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council.*
- (p) *Review the annual Compliance Audit Return and report to the Council the results of that review.*
- (q) *Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.*
- (r) *Monitor the progress of any major lawsuits facing the Council.*
- (s) *Perform an annual review of the MRC Risk Management Framework and the full risk register.*
- (t) *Perform a biannual review of the high risks identified in the Council's Risk Register.*

4 DECLARATION OF INTERESTS

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**5.1 AUDIT AND RISK COMMITTEE MEETING – 01 DECEMBER 2022**

The minutes of the Audit and Risk Committee Meetings of the 01 December 2022, have been circulated to members of the Audit and Risk Committee and can be found in *Attachment 2*.

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meetings held on 01 December 2022 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

**Moved Cr Vernon, Seconded Cr Miles
RESOLVED**

**That the recommendation be adopted.
(CARRIED UNANIMOUSLY 5/0)**

6 REPORTS

6.1	COMPLIANCE AUDIT RETURN 2022
Reference:	GF-22-0000196
Attachment(s):	Attachment 3 - Compliance Audit Return 2022
Date:	15 February 2023
Responsible Officer:	CHIEF EXECUTIVE OFFICER

BACKGROUND

The Local Government (Audit) Regulations 1996 require a Local Government to carry out a compliance audit for the period 1 January to 31 December each year. The Compliance Audit Return is to be adopted by the Council and certified by the Chairperson and the Chief Executive Officer.

The certified Compliance Audit Return is to be forwarded to the Department of Local Government by 31 March 2023

DETAIL

There were no areas of non-compliance noted in this year's compliance return.

The completed audit return is included in ***Attachment 3***.

STATUTORY ENVIRONMENT

Local Government Act 1995 – Part 7.

Local Government (Audit) Regulations 1996 – Regulation 14 and 15.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Not applicable.

COMMENT

Nil.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council endorse the Compliance Audit return for the 2022 calendar year, as presented.

Moved Cr Cvitan, Seconded Cr Re

AMENDMENT

Moved Cr Vernon, Seconded Cr Re

Adding the following words, subject to the following amendments:

- 1) Question 21, in 'disclosure of interests', now has two parts, the answer to which is "Yes".
- 2) Question 4, in 'finance', now has a mandatory comments field, the comments are:
"Audit Report pertaining to FY2021 had 6 findings. 5 out of the 6 findings and recommendations have been resolved (ref Exit meeting doc 1 Dec 2022). One finding is deferred to 2023/24 (the date for review of the LTFP and the AMP has been deferred to 30 June 2023, to coincide with the new SCP)."

Reason for Amendment

To update the document with the latest changes.

(CARRIED UNANIMOUSLY 5/0)

SUBSTANTIVE RECOMMENDATION AS AMENDED

That the Audit and Risk Committee recommends that Council endorse the Compliance Audit return for the 2022 calendar year, as presented, subject to the following amendments:

- 1) Question 21, in 'disclosure of interests', now has two parts, the answer to which is "Yes".
- 2) Question 4, in 'finance', now has a mandatory comments field, the comments are:
"Audit Report pertaining to FY2021 had 6 findings. 5 out of the 6 findings and recommendations have been resolved (ref Exit meeting doc 1 Dec 2022). One finding is deferred to 2023/24 (the date for review of the LTFP and the AMP has been deferred to 30 June 2023, to coincide with the new SCP)."

(CARRIED UNANIMOUSLY 5/0)

7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

In accordance with clause 10.1(h) of the Mindarie Regional Council Meeting Procedures Local Law 2020 and s5.23 of the Local Government Act 1995, the Chair requests the Audit and Risk Committee to meet “behind closed doors” to allow the Committee to consider items 7.1 and 7.2 as the items are of a confidential nature.

No members of the public were present at the meeting.

Moved Cr Vernon, Seconded Cr Cvitan

Procedural Motion

1. Closes the meeting to the members of the public at 4.28 pm to consider items 7.1 and 7.2 in accordance with Section 5.23 of the *Local Government Act 1995*.
2. Permits the MRC Chief Executive Officer and MRC Staff, to remain in the meeting during discussion for these items.

(CARRIED 5/0)

Doors closed at 4.28 pm.

This Report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.	
7.1	CEO REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE REQUIREMENT
File No:	GF-22-0000818
Attachment (s)	Attachment 4 – CEO Review of Risk Management, Internal Controls and Legislative Compliance (tracked changes) Attachment 4a – CEO Review of Risk Management, Internal Controls and Legislative Compliance (clean copy)
Date:	13 February 2023
Responsible Officer:	Chief Executive Officer

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council:

Endorses the CEO’s Review of Risk Management, Internal Controls and Legislative Compliance version 13 February 2023, as presented.

Moved Cr Re, Seconded Cr Cvitan

AMENDMENT

Moved Mr Kumar, seconded Cr Miles

Adding the following words “subject to the following amendment at attachment 4a on page 17, delete the words “at least every 5 years” and insert the words “as required if there are changes in the conditions”.

Reason: To bring it in line with the accounting standards.

(CARRIED UNANIMOUSLY)

SUBSTANTIVE RECOMMENDATION AS AMENDED

That the Audit and Risk Committee recommends that Council:

Endorses the CEO’s Review of Risk Management, Internal Controls and Legislative Compliance version 13 February 2023, as presented, “subject to the following amendment at attachment 4a on page 17, delete the words “at least every 5 years” and insert the words “as required if there are changes in the conditions”.

(CARRIED UNANIMOUSLY 5/0)

This Report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f)(ii) of The <i>Local Government Act 1995</i> as the report deals with matters concerning risks to the MRC.	
7.2	HIGH-RISK REGISTER REVIEW
File No:	GF-20-0000408
Attachment (s)	Attachment 5– High-Risk Register - Review 05.04.2022 Attachment 5a – Risk Criteria Tables
Date:	13 February 2023
Responsible Officer:	Chief Executive Officer

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council:

Endorses the CEO’s Review of the High Risk Register as reviewed on 24 November 2022, as presented.

**Moved Cr Re, Seconded Cr Cvitan
RESOLVED**

**That the recommendation be adopted.
(CARRIED UNANIMOUSLY 5/0)**

**Moved Cr Vernon, seconded Cr Re
Procedural Motion:**

That Committee:

- **Reopen the meeting to members of the public at 4.43 pm**

(CARRIED 5/0)

Doors re-opened at 4.43 the Chair declared the meeting re-opened. As there were no members of the public present, the Chair noted the resolutions passed behind closed doors.

8	NEW BUSINESS
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None

9	NEXT MEETING
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To be arranged

10	CLOSURE
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The Chair closed the meeting at 4.44 pm and thanked the City of Stirling for their hospitality and use of their meeting facilities.

These minutes were confirmed by the Audit and Risk Committee as a true and accurate record of the Audit and Risk Committee meeting held on 15 February 2023.

Signed Chair

Dated..... day of2023

LIST OF ATTACHMENTS

Attachment	Title	Page Number
1	Declaration of Interest Form	15
2	Previous Minutes – 01 December 2022	17
3	Compliance Audit Return 2022	32
4	CEO Review of Risk Management, Internal Controls and Legislative Compliance (tracked changes)	Contained in the Confidential Report
4a	CEO Review of Risk Management, Internal Controls and Legislative Compliance (clean copy)	Contained in the Confidential Report
5	High-Risk Register – Review 24.11.2022	Contained in the Confidential Report
5a	Risk Criteria Tables	Contained in the Confidential Report

Declaration of Interest

Item
4

ATTACHMENT 1

Item
4



Mindarie Regional Council

DECLARATION OF FINANCIAL INTEREST/INTEREST THAT MAY AFFECT IMPARTIALITY

To: **CHIEF EXECUTIVE OFFICER,
MINDARIE REGIONAL COUNCIL**

Name & Position	
Meeting Date	
Item No/ Subject	
Nature of Interest	
Extent of Interest	
Signature	
Date	

Section 5.65(1) of the Local Government Act 1995 states that:

“A member who has an interest in any matter to be discussed at a Council or Committee meeting that will be attended by that member must disclose the nature of the interest:

- (a) in a written notice given to the CEO before the meeting; or
- (b) at the meeting immediately before the matter is discussed

Unconfirmed Minutes
Audit and Risk Committee - 01 December 2022

Item 5.1	ATTACHMENT 2	Item 5.1
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MINUTES

AUDIT AND RISK COMMITTEE MEETING

01 DECEMBER 2022

TIME: 6.30PM

CITY OF WANNEROO

*Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park*



TABLE OF CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	3
2	ATTENDANCE / APOLOGIES.....	4
3	TERMS OF REFERENCE	5
4	DECLARATION OF INTERESTS	5
5	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	5
6	REPORTS	6
6.1	ANNUAL FINANCIAL REPORT 2021/2022	6
7	MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC	9
7.1	ANNUAL FINANCIAL REPORT AUDIT PLANNING 2021/2022	9
7.2	AUDIT COMPLETION REPORT	10
8	NEW BUSINESS	11
9	NEXT MEETING	11
10	CLOSURE	11

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 6.32 pm

The Chair welcomed Mr Kien Neoh and Ms Danielle England, representatives from the Office of the Auditor General (OAG), to the meeting.

The Chair, Cr Karen Vernon, attended the meeting by electronic means and made the following announcements:

- 1. I authorise myself, Cr Karen Vernon, and Mr Aswin Kumar (independent committee member) to attend the MRC Audit and Risk Committee meeting on 01 December 2022 by electronic means in accordance with Regulation 14C of the Local Government (Administration) Regulations 1996.*
- 2. I confirm that I will be in my home office connecting to the meeting via ZOOM, and I am able to participate in the meeting fully and declare that I can maintain confidentiality when the meeting goes 'behind closed doors' during the confidential session;*
- 3. I acknowledge Mr Kumar's declaration that he will be connecting to the meeting from his home office via ZOOM, so I consider that he is able to participate in the meeting and note his declaration that he can maintain confidentiality when the meeting goes 'behind closed doors' during the confidential session.*

2 ATTENDANCE / APOLOGIES

AUDIT COMMITTEE MEMBERS

Cr Karen Vernon (Chair) <i>attended electronically</i>	Town of Victoria Park
Cr Frank Cvitan (Deputy Chair)	City of Wanneroo
Cr Paul Miles	City of Wanneroo
Mr Ash Kumar <i>attended electronically</i>	External Member

APOLOGIES

Cr Elizabeth Re	City of Stirling
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MRC OFFICERS

Mr Scott Cairns	Chief Executive Officer
Ms Adnana Arapovic	Finance Manager
Ms Deborah Toward	PA Executive Support

OBSERVERS

Nil

VISITORS

Mr Kien Neoh	Director, Financial Audit	Office of the Auditor General
Ms Danielle England	Principle Auditor <i>attended electronically</i>	Office of the Auditor General

3 TERMS OF REFERENCE

At an Ordinary Council Meeting held on 7 July 2005 the Audit Committee was established by Council under s7.1A of the Local Government Act 1995 and at an Ordinary Council Meeting held on 27 October 2005, Council adopted the Terms of Reference for the operation of the Audit Committee. A review of the Audit Committee Terms of Reference has been conducted and subsequently revised by Council at an Ordinary Council Meeting held on 26 May 2022, and the Committee renamed the Audit and Risk Committee.

The Committee will operate in accordance with all relevant provisions of the Act, the Local Government (Audit) Regulations 1996, the Local Government (Administration) Regulations 1996 and the Terms of Reference.

As prescribed in Section 16 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee is to provide guidance and assistance to Council on matters relevant to its terms of reference.

Refer to Page 12 for the full Terms of Reference

4 DECLARATION OF INTERESTS

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

The minutes of the Audit and Risk Committee meetings held on 7 and 9 September 2022, can be found at ***Attachment 1 and 1a***

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 07 September and 09 September 2022 be taken as read, confirmed and the Chair invited to sign same as a true record of the proceedings.

Moved Cr Vernon, Seconded Cr Cvitan

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

6	REPORTS
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6.1 ANNUAL FINANCIAL REPORT 2021/2022	
Reference:	GF-21-0000314
Attachment(s):	Attachment 3 and 4
Date:	25 November 2022
Responsible Officer:	Manager Finance

BACKGROUND

The *Local Government Act 1995* (the Act) requires every local government to prepare an Annual Report for each financial year and to accept it prior to 31 December following the end of the financial year (section 5.53 and 5.54 of the Local Government Act 1995). The Act also specifies the contents required to be included in the Annual Report. If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

The Mindarie Regional Council (MRC), in accordance with the Local Government Act 1995 Section 5.53, is required to submit an Annual Report.

The annual audit of the Financial Statements for the financial year ended 30 June 2022 has been completed and the Financial Report is now submitted to the Audit Committee for consideration. The draft Financial Report is included as **Attachment 3** to this agenda.

The full Annual Report, including the Financial Report, will be presented to the Council at its Ordinary Council Meeting on 15 December 2022.

DETAIL

The Auditor, in accordance with the Local Government (Audit) Regulations 1996 Sections 10.2 and 10.3 is required to issue an audit report after the completion of the annual audit that expresses an opinion on the financial position and results of the operations of the local government for each financial year.

The Audit Completion Letter from the Auditor General (OAG) is included as part of **Confidential Attachment 4**. The MRC, in accordance with the Local Government (Financial Management) Regulations 1996 Section 51.1, is required to include in the Annual Financial Report a signed Statement of Declaration by the CEO after this report has been audited in accordance with the Local Government Act 1995. This declaration is on page 1 of **Attachment 3**.

STATUTORY IMPLICATIONS

The submission of the Financial Report for 2021/2022 is in conformity with the requirements of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. The Auditor's Report for 2021/2022 conforms to the requirements of the Local Government (Audit) Regulations 1996.

POLICY IMPLICATIONS

Not applicable.

STRATEGIC IMPLICATIONS

Not applicable.

COMMENT

The Financial Report of the MRC has been prepared in accordance with the requirements of Local Government Act 1995 and applicable Australian Accounting Standards.

Section 51 of the Local Government (Financial Management) Regulations state the following;

(1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.

(2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit and Risk Committee recommends that Council adopt the Financial Report for year ended 30 June 2022.

The Chair invited the Finance Manager, Ms Arapovic, to present an overview of the financial report for the financial year ended 30 June 2022.

The Finance Manager provided a verbal presentation of the Financial Report to the Committee.

On behalf of the Audit and Risk Committee, the Chair thanked the Finance Manager and the team at the MRC for the work on the Annual Financial Report.

Moved Cr Vernon, Seconded Cr Miles

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

In accordance with clause 10.1(h) of the Mindarie Regional Council Meeting Procedures Local Law 2020 and s5.23 of the Local Government Act 1995, the Chair requests the Audit and Risk Committee to meet “behind closed doors” to allow the Committee to consider items 7.1 and 7.2 as the items are of a confidential nature.

No members of the public were present at the meeting.

Moved Cr Vernon, Seconded Cr Cvitan

Procedural Motion

1. Closes the meeting to the members of the public at 6.52pm to consider items 7.1 and 7.2 in accordance with Section 5.23 of the *Local Government Act 1995*.
2. Permits the MRC Chief Executive Officer, MRC staff and Representatives from OAG, to remain in the chamber during discussion for these items.

(CARRIED 4/0)

Doors closed at 6.52 pm

7 MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC
--

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f) (ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

7.1 ANNUAL FINANCIAL REPORT AUDIT PLANNING 2021/2022	
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File No:	GF-21-0000314
Attachment (s)	Attachment 2
Date:	25 NOVEMBER 2022
Responsible Officer:	FINANCE MANAGER

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note its review of the scope and effectiveness of the 2021/2022 Annual Financial Report Audit Planning Summary issued by the Auditors.

The Chair invited officers from the Office of the Auditor General (OAG) to present a verbal report on the conduct of the Financial Year 2022 Audit and the Final Audit Report.

Mr Neoh (OAG) provided a verbal report, acknowledging that there had been some complexities in the Audit and congratulated all the MRC staff involved in the Audit.

The Chair offered Committee Members a private audience with OAG; the Committee considered it was not required.

On behalf of the Committee, the Chair thanked OAG Officers for their work on the MRC Audit.

**Moved Cr Miles, Seconded Cr Cvitan
RESOLVED**

**That the recommendation be adopted.
(CARRIED UNANIMOUSLY 4/0)**

This report is confidential and dealt with in a confidential session, under Section 5.23 (2) (f) (ii) of The *Local Government Act 1995* as the report deals with matters concerning risks to the MRC.

7.2 AUDIT COMPLETION REPORT

File No:	GF-21-0000314
Attachment (s)	Attachment 4 Attachment 4a
Date:	25 NOVEMBER 2022
Responsible Officer:	FINANCE MANAGER

That the Audit and Risk Committee recommends that Council note the Auditor General Independent Auditors Report for year ended 30 June 2022 issued by the Auditors.

That the Audit and Risk Committee recommends that Council note the final exit brief for year ended 30 June 2022 issued by the Auditors.

That the Audit and Risk Committee recommends that Council note the representation letter for the year ended 30 June 2022 issued by the Auditors.

Moved Cr Vernon, Seconded Cr Cvitan

RESOLVED

That the recommendation be adopted.

(CARRIED UNANIMOUSLY 4/0)

Moved Cr Vernon, seconded Cr Miles

Procedural Motion:

That Committee:

- **Reopen the meeting to members of the public at 7.44 pm**

(CARRIED 4/0)

Doors re-opened at 7.45pm, the Chair declared the meeting re-opened. As there were no members of the public present, the Chair noted the resolutions passed behind closed doors.

8 NEW BUSINESS

Nil

9 NEXT MEETING

To be confirmed

10 CLOSURE

The Chair closed the meeting at 7.45 pm and thanked the City of Wanneroo for their hospitality and use of their meeting facilities.

The Chair thanked Committee Members, MRC staff and Officers from the OAG for their attendance.

These minutes were confirmed by the Audit and Risk Committee as a true and accurate record of the Audit and Risk Committee meeting held on 01 December 2022

Signed Chair

Dated..... day of2022

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

(Terms of Reference endorsed Ordinary Council Meeting 26 May 2022)

1. Objectives of Audit Committee

In line with Function 16 of the Local Government (Audit) Regulations 1996, the objective of the Audit and Risk committee is to:

- Support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management and external audit functions and ethical accountability.
- Critically examine the annual external audit and liaise with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the local government in managing its financial affairs.
- Receive and review reports prepared by the Chief Executive Officer in accordance with the Regulations, and present a report to Council on its findings and recommendations.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Council's affairs, determining the Council's policies and overseeing the allocation of the Council's finances and resources. The Committee will ensure openness in the Council's financial reporting and will liaise with the Chief Executive Officer (CEO) to ensure the effective and efficient management of the Council's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- the enhancement of the credibility and objectivity of external financial reporting;
- effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the OAG, the CEO and the Council.

2. Powers of the Audit Committee

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the Council that have not been delegated to the CEO.

3. Membership

The Committee will consist of a minimum of three elected members. The Council may also appoint an external member. All members shall have full voting rights.

External persons appointed to the Committee will be a member of CPA Australia or the Institute of Chartered Accountants (Australia), have the requisite financial, risk, commercial and/or business experience, and will be sufficiently conversant with governance, financial and other reporting requirements so as to allow them to fulfil the role.

Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum of two years.

Reimbursement of approved expenses will be paid to each external person who is a member of the Committee, up to an annual limit set as part of the annual budget process.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The Council shall provide secretarial and administrative support to the Committee.

4. Meetings

The Committee shall meet at least once a year.

Additional meetings shall be convened at the discretion of the presiding person.

A quorum of the Committee will be constituted by three members.

Any decision of the Committee is to be made by simple majority.

5. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council.

6. Duties and Responsibilities

The duties and responsibilities of the Committee will be –

- (a) Provide guidance and assistance to Council as to carrying out the function of the Council in relation to audits.
- (b) Review and recommend to Council –
 - a list of those matters to be audited; and
 - the scope of the audit to be undertaken.
- (c) Meet with the OAG once in each year and provide a report to Council on the matters discussed and outcome of those discussions.

- (d) Liaise with the CEO to ensure that the Local Government does everything in its power to –
- assist the OAG to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - ensure that audits are conducted successfully and expeditiously.
- (e) Examine the reports of the OAG after receiving a report from the CEO on the matters and –
- determine if any matters raised require action to be taken by the Council; and
 - ensure that appropriate action is taken in respect of those matters.
- (f) Review the report prepared by the CEO on any actions taken, in respect of any matters raised in the report of the OAG and present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the OAG is received, whichever is the latest in time.
- (g) Review the scope of the audit plan and program and its effectiveness.
- (h) Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.
- (i) Review the level of resources allocated to internal audit and the scope of its authority.
- (j) Review reports of internal audits and monitor the implementation of recommendations made by OAG and review the extent to which Council and management reacts to matters raised.
- (k) Facilitate liaison between the internal auditor and the OAG to promote compatibility, to the extent appropriate, between their audit programs.
- (l) Review Council's draft annual financial report, focusing on:
- accounting policies and practices;
 - changes to accounting policies and practices;
 - the process used in making significant accounting estimates;
 - significant adjustments to the financial report (if any) arising from the audit process;
 - compliance with accounting standards and other reporting requirements; and
 - significant variances from prior years.
- (m) Consider recommending adoption of the financial report to Council.
- (n) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.
- (o) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council.
- (p) Review the annual Compliance Audit Return and report to the Council the results of that review.
- (q) Consider the CEO review of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews, in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.
- (r) Monitor the progress of any major lawsuits facing the Council.
- (s) Perform an annual review of the MRC Risk Management Framework and the full risk register.
- (t) Perform a biannual review of the high risks identified in the Council's Risk Register.

END

Compliance Audit Return 2022

Item
6.1

ATTACHMENT 3

Item
6.1

Compliance Audit Return 2022

Commercial Enterprises by Local Governments		
No	Reference	Question
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022? NO The MRC is still operating under the provision of landfill services business plan, valid to 2024/25
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2022? N/A
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022? N/A
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022? N/A
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? N/A

Delegation of Power/Duty		
No	Reference	Question
1	s5.16	Were all delegations to committees resolved by absolute majority? N/A
2	s5.16	Were all delegations to committees in writing? N/A
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the <i>Local Government Act 1995</i> ? N/A
4	s5.18	Were all delegations to committees recorded in a register of delegations? N/A
5	s5.18	Has council reviewed delegations to its committees in the 2021/2022 financial year? N/A
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the <i>Local Government Act 1995</i> ? YES
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority? YES
8	s5.42(2)	Were all delegations to the CEO in writing? YES
9	s5.44(2)	Were all delegations by the CEO to any employee in writing? YES
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority? N/A Delegations went to the Ordinary Council meeting 29.9.2022 – delegations were not amended or revoked
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

		YES
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2021/2022 financial year? YES
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19? YES

Disclosure of Interest

No	Reference	Question
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the <i>Local Government Act 1995</i> , did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? N/A
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? N/A
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) of the <i>Local Government Act 1995</i> recorded in the minutes of the meeting at which the disclosures were made? YES
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? YES
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? YES
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return? YES
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> ? YES
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? YES
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i> , did the CEO remove from the register all returns relating to that person? YES
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the <i>Local Government Act 1995</i> been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? YES
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the <i>Local Government Act 1995</i> , in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? YES

12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website? YES
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people? YES
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure? YES
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? N/A
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? N/A
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) of the Local Government Act 1995 recorded in the minutes of the council meeting at which the decision was considered? N/A
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)? YES
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? NO
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? YES
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government in accordance with section 5.51A(1) of the Local Government Act 1995? YES

Disposal of Property

No	Reference	Question
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)? N/A
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property? N/A

Elections

No	Reference	Question
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997? N/A
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? N/A
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? N/A

Finance

No	Reference	Question
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? YES – Established an Audit and Risk Committee
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the <i>Local Government Act 1995</i> , did it do so by absolute majority? N/A
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022? YES FY 2022 report received 05 December 2022 Note : FY 2021 report also received 14 January 2022
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the <i>Local Government Act 1995</i> required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? YES
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? N/A



6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website? YES
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit? YES – Report received 05.12.2022, sent to DLGSC 19.12.2022

Integrated Planning and Reporting

No	Reference	Question
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section? YES adopted 06 April 2017 currently under review and due for completion by 30.06.2023
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section? YES adopted 06 April 2017 currently under review and due for completion by 30.06.2023
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? YES

Local Government Employees

No	Reference	Question
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? N/A no CEO recruitment in 2022 the MRC has not designated any roles as Senior employees
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate? N/A
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the <i>Local Government Act 1995</i> ? N/A
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee? N/A
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? N/A

Official Conduct

No	Reference	Question
1	s5.120	Has the local government designated an employee to be its complaints officer? YES
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the <i>Local Government Act 1995</i> ? N/A - no complaints received
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the <i>Local Government Act 1995</i> ? N/A - no complaints received
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website ? YES - nil complaints

Optional Questions

No	Reference	Question
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three years prior to 31 December 2022? If yes, please provide the date of council's resolution to accept the report. YES Audit Committee 22.07.2021 and to OCM 12.08.2021 via the Members Information Bulletin
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022? If yes, please provide date of council's resolution to accept the report. Yes Reviewed in January 2020, report to Audit Committee 30 Jan 2020 and Ordinary Council meeting held on 27 Feb 2020 (presented through the Members Information Bulletin). Due for a review Qtr 1 2023.
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the <i>Local Government Act 1995</i> , were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act? YES
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events? YES
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i>? YES note that 5.96A(1(a) does not apply to Regional Councils
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members? YES - the policy, training and reporting requirements of MRC Councillors, as required under the Act are fulfilled by their respective councils.
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022? NO - the policy, training and reporting requirements of MRC Councillors, as required under the Act are fulfilled by their respective councils.
8	s6.4(3)	By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022? YES
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income? YES

Tenders for Providing Goods and Services

No	Reference	Question
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? YES
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations? YES Note 1: The MRC procure insurances services from LGIS, a member benefit Scheme without going to tender.

<p>Note 2: One instance while a tender process was live an existing contract for the tendered service exceeded the \$250,000 value before the resolution on the tender was passed by council.</p>		
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	<p>When regulations 11(1), 12(2) or 13 of the Local Government Functions and General Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?</p> <p>YES</p>
4	F&G Reg 12	<p>Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?</p> <p>YES</p>
5	F&G Reg 14(5)	<p>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?</p> <p>YES</p>
6	F&G Regs 15 & 16	<p>Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?</p> <p>YES</p>

7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? YES
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? N/A
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept? YES
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? YES
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22? YES
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? N/A the MRC did not seek procurement related expression of interest in 2022.
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer? N/A the MRC did not seek procurement related expression of interest in 2022.
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24? N/A the MRC did not seek procurement related expression of interest in 2022.
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022.
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application? N/A the MRC did not seek to establish a panel of pre-qualified suppliers in 2022



22 F&G Regs 24E & 24F

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

N/A no regional price preference given in 2022

MRC Annual Financial Report
Year Ended 30 June 2023

Item
6.1

Attachment 3

Item
6.1



MINDARIE REGIONAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

TABLE OF CONTENTS

Statement by the Chief Executive Officer	1
Independent Auditor's Report	2
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Statement of Financial Activity	9
Index of Notes to the Financial Report	10

The Mindarie Regional Council conducts the operations of a local government on behalf of its member councils

Our vision:

Collaborating for a regional Circular Economy

Our Mission

To deliver sustainable waste management options for members

Principal place of business:

1700 Marmion Avenue,
TAMALA PARK WA 6030

**MINDARIE REGIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

Statement by the Chief Executive Officer

The accompanying financial report of the Mindarie Regional Council has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the

13 day of

November

2023



Chief Executive Officer

Scott Cairns

Name of Chief Executive Officer



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023

Mindarie Regional Council

To the Council of the Mindarie Regional Council

Opinion

I have audited the financial report of the Mindarie Regional Council (Council) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended.
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Council for the year ended 30 June 2023 and its financial position at the end of that period.
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Council is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Council's ability to continue as a going concern.
- disclosing, as applicable, matters related to going concern.
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Council.

The Council Members are responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Mindarie Regional Council for the year ended 30 June 2023 included in the annual report on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Council to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 November 2023

**MINDARIE REGIONAL COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**



	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Contributions and reimbursements	2(a)	4,224,742	4,219,742	4,216,397
Fees and charges	2(a)	33,102,536	31,518,890	38,240,997
Interest revenue	2(a)	1,512,800	212,000	154,778
Other revenue	2(a)	271,044	256,401	659,862
		<u>39,111,122</u>	<u>36,207,033</u>	<u>43,272,034</u>
Expenses				
Employee costs	2(b)	(4,707,843)	(4,417,735)	(4,164,419)
Materials and contracts	2(b)	(17,508,295)	(17,920,720)	(37,349,793)
Utility charges		(632,002)	(738,250)	(548,964)
Depreciation/Amortisation	2(b)	(7,606,255)	(6,022,764)	(11,525,324)
Finance costs	2(b)	(1,074,941)	(327,828)	(1,275,947)
Insurance		(684,881)	(1,529,375)	(701,652)
Other expenditure	2(b)	(466,879)	(6,090,607)	(502,953)
		<u>(32,681,096)</u>	<u>(37,047,279)</u>	<u>(56,069,052)</u>
		6,430,026	(840,246)	(12,797,018)
Profit on asset disposals		0	0	210,628
Loss on asset disposals		0	0	(65,239)
		0	0	145,389
Net result for the period		6,430,026	(840,246)	(12,651,629)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	10,263,654	0	20,140,272
Total other comprehensive income for the period	15	10,263,654	0	20,140,272
Total comprehensive income for the period		16,693,680	(840,246)	7,488,643

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

**MINDARIE REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**



	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	20,262,141	7,145,355
Trade and other receivables	5	2,273,228	2,710,144
Other financial assets	4(a)	40,495,910	39,420,410
Inventories	6	15,792	23,889
Other assets	7	1,226,341	981,694
TOTAL CURRENT ASSETS		64,273,412	50,281,492
NON-CURRENT ASSETS			
Property, plant and equipment	8	31,577,144	34,006,184
Infrastructure	9	62,543,977	55,115,539
Right-of-use assets	11(a)	6,203,572	6,476,940
TOTAL NON-CURRENT ASSETS		100,324,693	95,598,663
TOTAL ASSETS		164,598,105	145,880,155
CURRENT LIABILITIES			
Trade and other payables	12	4,144,896	4,318,590
Lease liabilities	11(b)	628,560	559,266
Employee related provisions	13	754,925	727,921
TOTAL CURRENT LIABILITIES		5,528,381	5,605,777
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	6,161,220	6,332,939
Employee related provisions	13	141,000	112,885
Rehabilitation provisions	14	20,052,694	17,807,424
TOTAL NON-CURRENT LIABILITIES		26,354,914	24,253,248
TOTAL LIABILITIES		31,883,295	29,859,025
NET ASSETS		132,714,810	116,021,130
EQUITY			
Retained deficit		(29,893,807)	(35,597,552)
Reserve accounts	25	19,493,371	18,767,090
Council Contributions	16	89,085,726	89,085,726
Revaluation surplus	15	54,029,520	43,765,866
TOTAL EQUITY		132,714,810	116,021,130

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

**MINDARIE REGIONAL COUNCIL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**



	NOTE	RETAINED DEFICIT \$	COUNCIL CONTRIBUTIONS	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		(23,933,584)	4,085,726	19,754,751	23,625,594	23,532,487
Comprehensive income for the period						
Net result for the period		(12,651,629)	0	0	0	(12,651,629)
Council Contributions		0	85,000,000	0	0	85,000,000
Other comprehensive income for the period	15	0	0	0	20,140,272	20,140,272
Total comprehensive income for the period		(12,651,629)	85,000,000	0	20,140,272	92,488,643
Transfers from reserve accounts	25	2,091,625	0	(2,091,625)	0	0
Transfers to reserve accounts	25	(1,103,964)	0	1,103,964	0	0
Balance as at 30 June 2022		(35,597,552)	89,085,726	18,767,090	43,765,866	116,021,130
Comprehensive income for the period						
Net result for the period		6,430,026	0	0	0	6,430,026
Council Contributions		0	0	0	0	0
Other comprehensive income for the period	15	0	0	0	10,263,654	10,263,654
Total comprehensive income for the period		6,430,026	0	0	10,263,654	16,693,680
Transfers from reserve accounts	25	98,550	0	(98,550)	0	0
Transfers to reserve accounts	25	(824,831)	0	824,831	0	0
Balance as at 30 June 2023		(29,893,807)	89,085,726	19,493,371	54,029,520	132,714,810

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

**MINDARIE REGIONAL COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**



NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Contributions and reimbursements	4,224,742	4,216,397
Fees and charges	33,655,229	39,460,451
Interest revenue	939,304	78,231
Goods and services tax received	2,782,222	10,440,264
Other revenue	271,044	656,680
	<u>41,872,541</u>	<u>54,852,023</u>
Payments		
Employee costs	(4,776,643)	(4,107,470)
Materials and contracts	(17,328,430)	(25,931,227)
Payment for RRF Facility	0	(50,189,280)
Utility charges	(632,002)	(548,964)
Finance costs	(331,820)	(879,845)
Insurance paid	(684,880)	(1,157,719)
Goods and services tax paid	(2,785,569)	(10,336,310)
Other expenditure	(466,879)	(502,953)
	<u>(27,006,223)</u>	<u>(93,653,768)</u>
Net cash provided by (used in) operating activities	14,866,318	(38,801,745)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	8(a) (97,215)	(4,061,359)
Payments for construction of infrastructure	9(a) (10,334)	0
Payment for purchases of RRF property and infrastructure	0	(33,959,469)
Members Equity Contributions	0	85,000,000
Proceeds for financial assets at amortised cost	(1,075,500)	(7,113,057)
Proceeds from sale of property, plant & equipment	0	610,384
Net cash provided by (used in) investing activities	(1,183,049)	40,476,499
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for principal portion of lease liabilities	24(a) (566,483)	(506,322)
Net cash provided by (used In) financing activities	(566,483)	(506,322)
Net increase (decrease) in cash held	13,116,786	1,168,432
Cash at beginning of year	7,145,355	5,976,923
Cash and cash equivalents at the end of the year	20,262,141	7,145,355

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

**MINDARIE REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**



NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES			
Revenue from operating activities			
Contributions and reimbursements	4,224,742	4,219,742	4,216,397
Fees and charges	33,102,536	31,518,890	38,240,997
Interest revenue	1,512,800	212,000	154,778
Other revenue	271,044	256,401	659,862
Profit on asset disposals	0	0	210,628
	<u>39,111,122</u>	<u>36,207,033</u>	<u>43,482,662</u>
Expenditure from operating activities			
Employee costs	(4,707,843)	(4,417,735)	(4,164,419)
Materials and contracts	(17,508,295)	(17,920,720)	(16,652,220)
RRF Expenses	0	0	(20,697,573)
Utility charges	(632,002)	(738,250)	(548,964)
Depreciation	(7,606,255)	(6,022,764)	(11,525,324)
Finance costs	(1,074,941)	(327,828)	(1,275,947)
Insurance	(684,881)	(1,529,375)	(701,652)
Other expenditure	(466,879)	(6,090,607)	(502,953)
Loss on asset disposals	0	0	(65,239)
Loss on revaluation of non-current assets	(17,512)	0	0
	<u>(32,698,608)</u>	<u>(37,047,279)</u>	<u>(56,134,291)</u>
Non-cash amounts excluded from operating activities	23(a) 8,427,132	6,694,901	11,802,785
Amount attributable to operating activities	<u>14,839,646</u>	<u>5,854,655</u>	<u>(848,844)</u>
INVESTING ACTIVITIES			
Inflows from investing activities			
Proceeds from disposal of assets	0	0	610,384
	<u>0</u>	<u>0</u>	<u>610,384</u>
Outflows from investing activities			
Purchase of plant and equipment	8(a) (54,835)	0	(1,638,421)
Purchase of land and buildings	8(a) (25,279)	(150,000)	(12,002,169)
Purchase of computer equipment	8(a) (17,101)	(45,000)	(172,534)
Purchase and construction of infrastructure	9(a) (10,334)	(7,145,062)	(24,208,065)
	<u>(107,549)</u>	<u>(7,340,062)</u>	<u>(38,021,189)</u>
Amount attributable to investing activities	<u>(107,549)</u>	<u>(7,340,062)</u>	<u>(37,410,805)</u>
FINANCING ACTIVITIES			
Inflows from financing activities			
Transfers from reserve accounts	25 98,550	7,340,062	2,091,625
	<u>98,550</u>	<u>7,340,062</u>	<u>2,091,625</u>
Outflows from financing activities			
Payments for principal portion of lease liabilities	24(a) (566,483)	(330,550)	(506,322)
Transfers to reserve accounts	25 (824,831)	(596,079)	(1,103,964)
	<u>(1,391,314)</u>	<u>(926,629)</u>	<u>(1,610,286)</u>
Amount attributable to financing activities	<u>(1,292,764)</u>	<u>6,413,433</u>	<u>481,339</u>
MOVEMENT IN SURPLUS OR DEFICIT			
Surplus or deficit at the start of the financial year	23(b) 27,195,812	27,921,500	64,974,122
Amount attributable to operating activities	14,839,646	5,854,655	(848,844)
Amount attributable to investing activities	(107,549)	(7,340,062)	(37,410,805)
Amount attributable to financing activities	(1,292,764)	6,413,433	481,339
Surplus or deficit	<u>23(b) 40,635,145</u>	<u>32,849,526</u>	<u>27,195,812</u>

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

**MINDARIE REGIONAL COUNCIL
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

INDEX

	page	
Note 1	Basis of Preparation	8
Note 2	Revenue and Expenses	9
Note 3	Cash and Cash Equivalents	10
Note 4	Other Financial Assets	11
Note 5	Trade and Other Receivables	11
Note 6	Inventories	12
Note 7	Other Assets	13
Note 8	Property, Plant and Equipment	14
Note 9	Infrastructure	16
Note 10	Fixed Assets	18
Note 11	Leases	20
Note 12	Trade and Other Payables	22
Note 13	Employee Related Provisions	23
Note 14	Rehabilitation Provisions	24
Note 15	Revaluation Surplus	25
Note 16	Council Contributions	26
Note 17	Restrictions over Financial Assets	26
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	26
Note 19	Contingent Liabilities	27
Note 20	Related Party Transactions	28
Note 21	Events Occurring After the End of the Reporting Period	29
Note 22	Other Significant Accounting Policies	30
Note 23	Determination of Surplus or Deficit	32
Note 24	Lease Liabilities	33
Note 25	Reserve accounts	33
Note 26	Financial Activity Information and Member Charges	34

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

1. BASIS OF PREPARATION

The financial report of the Mindarie Regional Council which is a Band 3 local government comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 1054 Australian Additional Disclosures paragraph 16

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Mindarie Regional Council to measure any vested improvements at zero cost

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

There is no impact to the financial position of the Mindarie Regional Council (MRC) with regard to the above amendments to the FM Regulations as the MRC does not have any vested land.

The local government reporting entity

All funds through which the Mindarie Regional Council (MRC) controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the Mindarie Regional Council (MRC) as a single unit, all transactions and balances between those funds (for example, loan and transfers between funds) have been eliminated.

Judgements and estimates

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

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

A key forecasting variable is the expected tonnes to landfill. Estimates of future tonnes have been based on the expected population growth forecasts for each of the member councils. There is inherent volatility in these estimates as they are subject to changes in consumer behavior, advances in technology and intervention by State Government through mechanisms such as the landfill levy.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful lives of non-current assets.

Landfill Cells

There are three general components of landfill cell construction:

- Cell excavation and development,
- Cell liner costs, and
- Cell capping costs.

All cell excavation and development costs, cell liner costs and cell capping costs are capitalised and depreciated over the useful life of the cell, based on the volumetric consumption of the air space in the cell. Once a cell has been capped and is no longer available for use, the costs associated with the cell are written off.

Amortisation on excavation assets

The calculation of amortisation on the excavation assets is based on specific estimates and judgements on the total capital costs and capacity of the landfill site. The amortisation rate charged is reviewed regularly and is based on an average cost per tonne. The cost per tonne is arrived at after taking into account a standard engineering cost per cubic metre of landfill and the estimated density of the waste. The amortisation expense is arrived at by applying the amortisation rate to the actual tonnages sent to landfill during the period.

Rehabilitation Provision

The rehabilitation provision is based on specific estimates and judgements with regard to the rehabilitation of the landfill cells as and when they reach the end of their useful life. A periodic review of the provision is conducted and the provision altered to reflect the findings.

Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and interpretations were implied, became mandatory and were applicable to MRC's operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

It is not expected these standards will have material impact on the financial reports

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows.

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of revenue recognition
Contributions and reimbursements	Reimbursement of MRC's administration and governance expenses by members.	No obligation	Monthly in advance	None	Upon issue of invoice
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Gas Power Generation Income	Landfill gas (LFG) from the decomposition of organic material in landfills.	Single point in time	Not applicable	None	On sale of renewable energy certificates

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Other	Total
	\$	\$	\$
Contributions and reimbursements	0	4,224,742	4,224,742
Fees and charges	25,677,374	7,425,162	33,102,536
Interest revenue	0	1,512,800	1,512,800
Other revenue	0	271,044	271,044
Total	25,677,374	13,433,748	39,111,122

For the year ended 30 June 2022

Nature	Contracts with customers	Other	Total
	\$	\$	\$
Contributions and reimbursements		4,216,397	4,216,397
Fees and charges	32,637,995	5,603,002	38,240,997
Interest revenue		154,778	154,778
Other revenue		659,862	659,862
Total	32,637,995	10,634,039	43,272,034

Fees and charges

	2023 Actual	2022 Actual
	\$	\$
Member Council Charges	24,861,274	32,037,486
Casual Fees	7,425,162	5,603,001
Gas Power Generation Income	816,100	600,510
	33,102,536	38,240,997

Interest revenue

	2023 Actual	2022 Actual
	\$	\$
Interest on reserve account funds	537,926	145,925
Other interest revenue	974,874	8,853
	1,512,800	154,778

(b) Expenses

Auditors remuneration

	2023 Actual	2022 Actual
	\$	\$
- Audit of the Annual Financial Report	125,818	111,000
- Additional prior year audit fees	25,200	46,920
	151,018	157,920

Employee Costs

	2023 Actual	2022 Actual
	\$	\$
Employee benefit costs	4,408,116	3,863,117
Other employee costs	299,727	301,302
	4,707,843	4,164,419

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	Note	2023	2022
		Actual	Actual
		\$	\$
Materials and contracts			
Consultants and Contracts		368,751	434,108
Communications and Public Consultation		31,134	29,549
Landfill Expenses		1,244,379	1,292,610
Office Expenses		196,107	160,492
Information Systems Expenses		238,196	347,739
Building Maintenance		426,136	518,465
Plant and Vehicles Operating and Hire		1,044,953	827,538
Government Levies		13,958,639	13,041,718
Resource Recovery Facility (RRF) Expenses		0	20,697,574
		<u>17,508,295</u>	<u>37,349,793</u>
Depreciation			
Buildings		200,908	388,441
Buildings - RRF		1,339,074	1,085,005
Service Concession Asset		0	640,738
Furniture and Office Equipment		18,917	27,104
Computing Equipment		33,165	86,919
Vehicles and Mobile Plant		291,208	1,016,146
Infrastructure		329,178	613,132
Right of Use Asset		737,427	637,080
Depreciation on RRF Infrastructure		2,702,929	2,204,465
		<u>5,652,806</u>	<u>6,699,030</u>
Amortisation			
Excavation/Cell Development		1,472,167	3,142,973
Rehabilitation Assets		481,282	1,097,916
Resource Recovery Facility establishment		0	585,405
		<u>1,953,449</u>	<u>4,826,294</u>
Depreciation/Amortisation		<u>7,606,255</u>	<u>11,525,324</u>
Finance costs			
Interest and financial charges for lease liabilities		331,820	335,060
Provisions: unwinding of discount		743,121	396,102
Interest expense - service concession		0	544,785
		<u>1,074,941</u>	<u>1,275,947</u>
Other expenditure			
Audit Fees		151,018	157,920
Bank Charges		19,554	18,304
Legal Expenses		110,624	159,850
Doubtful and Bad Debts Expense		122	123
Donations		0	1,929
Elected Member Costs		185,561	164,827
		<u>466,879</u>	<u>502,953</u>

3. CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank and on hand	20,262,141	7,145,355
Total cash and cash equivalents	<u>20,262,141</u>	<u>7,145,355</u>
Held as		
- Unrestricted cash and cash equivalents	20,262,141	7,145,355
	<u>20,262,141</u>	<u>7,145,355</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

4. OTHER FINANCIAL ASSETS	Note	2023	2022
		<u>\$</u>	<u>\$</u>
(a) Current assets			
Financial assets at amortised cost		40,495,910	39,420,410
		<u>40,495,910</u>	<u>39,420,410</u>
Other financial assets at amortised cost			
Term deposits		40,495,910	39,420,410
		<u>40,495,910</u>	<u>39,420,410</u>
Held as			
- Unrestricted other financial assets at amortised cost		21,002,539	20,653,320
- Restricted other financial assets at amortised cost	17	19,493,371	18,767,090
		<u>40,495,910</u>	<u>39,420,410</u>

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

5. TRADE AND OTHER RECEIVABLES	Note	2023	2022
		<u>\$</u>	<u>\$</u>
Current			
Trade receivables		1,976,494	2,529,189
Other receivables		208,666	57,646
GST receivable		88,068	123,309
		<u>2,273,228</u>	<u>2,710,144</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade receivables

Trade and other receivables include amounts due from member councils for waste processing and gate fees earned in the ordinary course of business.

Other Receivables

Other receivables are amounts receivables from contractual arrangements with third parties other than contracts with customers.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

5. TRADE AND OTHER RECEIVABLES (continued)

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Council measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

6. INVENTORIES

Current

Fuel

	2023	2022
	\$	\$
	15,792	23,889
	<u>15,792</u>	<u>23,889</u>
	23,889	15,666
	<u>(8,097)</u>	<u>8,223</u>
	<u>15,792</u>	<u>23,889</u>

The following movements in inventories occurred during the year:

Balance at beginning of year

(Decrease) / increase to inventory

Balance at end of year

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	190,058	545,648
Accrued interest	660,378	86,882
Accrued income	375,905	349,164
	<u>1,226,341</u>	<u>981,694</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Accrued interest

Interest is accrued over the period in which it is earned. This is typically based on the effective interest rate and outstanding principal amount of the financial asset.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings - non- specialised	Building - Resource Recovery Facility	Total land and buildings	Furniture and equipment	Plant and equipment	Computer Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	4,567,043	3,290,149	0	7,857,192	127,537	4,219,713	183,169	12,387,611
Additions	2,192,597		9,809,572	12,002,169	0	1,638,421	172,534	13,813,124
Disposals	0	(32,307)	0	(32,307)	0	(281,847)	(169,335)	(483,489)
Revaluation increments / (decrements) transferred to revaluation surplus	2,490,360	789,649	7,806,533	11,086,542	0	0	0	11,086,542
Depreciation	0	(388,441)	(1,085,005)	(1,473,446)	(27,104)	(1,016,147)	(86,919)	(2,603,616)
Transfers	0	(150,307)	0	(150,307)	(43,681)	0	0	(193,988)
Balance at 30 June 2022	9,250,000	3,508,743	16,531,100	29,289,843	56,752	4,560,140	99,449	34,006,184
Comprises:								
Gross balance amount at 30 June 2022	9,250,000	3,508,743	16,531,100	29,289,843	145,404	6,543,962	380,928	36,360,137
Accumulated depreciation at 30 June 2022	0	0	0	0	(88,652)	(1,983,822)	(281,479)	(2,353,953)
Balance at 30 June 2022	9,250,000	3,508,743	16,531,100	29,289,843	56,752	4,560,140	99,449	34,006,184
Additions	0	25,279	0	25,279	0	54,835	17,101	97,215
Revaluation increments / (decrements) transferred to revaluation surplus	550,000	(1,364,764)	898,475	83,711	0	0	0	83,711
Depreciation	0	(200,908)	(1,339,074)	(1,539,982)	(18,918)	(291,207)	(33,165)	(1,883,272)
Transfers to Infrastructure	0	0	0	0	0	(726,694)	0	(726,694)
Balance at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	37,834	3,597,074	83,385	31,577,144
Comprises:								
Gross balance amount at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	145,404	3,888,282	398,030	32,290,567
Accumulated depreciation at 30 June 2023	0	0	0	0	(107,570)	(291,208)	(314,645)	(713,423)
Balance at 30 June 2023	9,800,000	1,968,350	16,090,501	27,858,851	37,834	3,597,074	83,385	31,577,144

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 30 June 2023, a desktop revaluation of land and building was performed by an independent valuer. The last on-site inspection of land and building by the independent valuer was performed during the year ending 30 June 2022. These asset classes were revalued to fair value in line with the independent valuer's report, with the increase in fair value being reflected in a revaluation surplus account.

The Resource Recovery Facility (RRF) comprise the asset classes of Land and Buildings – Resource Recovery Facility (Note 9) and the Resource Recovery Facility (Note 9). These collectively total \$73.45m. Subsequent to taking legal ownership of the RRF, on 31 August 2021, the RRF continued to operate until 17 December 2021 to empty, clean and make safe all stationary plant and equipment in a manner that maintained its operational state. Since then, the MRC has continued to employ a Technical Officer who ensures the facility's operational viability.

Since 17 December 2021, the MRC, in collaboration with its member council administrations, has actively investigated and assessed options for the repurposing of the RRF as a Food Organic Green Organic (FOGO) facility, as below:

- The MRC made an application for funding through the Commonwealth Government's Food Waste for Healthy Soils Fund to upgrade facets of the facility for its future use as a FOGO processing plant. The WA Minister for Environment supported the application.

- An in-principle State Government co-funding commitment has been offered to the MRC to repurpose the RRF. This commitment is subject to the appointment of a suitable facility operator, a formal funding commitment by MRC, and the MRC member councils providing FOGO services by 2025.

- MRC's Council endorsed the 2024 budget in July 2023 which includes costings for the continuation of the RRF's future operational state.

- MRC Council endorsed the publication of a tender for the provision of FOGO processing services at its Ordinary Council Meeting in September 2022. In alignment with Council's previous decision of September 2022, to publish a tender for FOGO Processing Services, that tender was thereafter published on 24 August 2023. The tender is due to close on 18 November 2023. The tender documents propose the utilisation of the MRC's Neerabup facility, in alignment with the previous responses received from an Expression of Interest that was published in March 2022.

Given the MRC Council has continued to support the repurposing of the RRF asset and the publication of a tender the MRC does not consider the RRF impaired at 30 June 2023. Post the completion of the FOGO tender the MRC Council will be in a position to make an informed decision for the future of the RRF asset. The MRC envisages this will take place in February 2024.

(b) Carrying Value Measurements

(i) Fair Value Land and buildings	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land		2	Market Approach	Independent value	June 2023	Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre
Buildings - non-specialised		3	Cost approach using current replacement cost	Independent value	June 2023	Price per square metre/market borrowing rate, adjusted for restricted use. This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.
Building - Resource Recovery Facility		3	Cost approach using current replacement cost	Independent value	June 2023	

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs

(ii) Cost

Furniture and equipment
Plant and equipment

Not applicable
Not applicable

Cost
Cost

Not applicable
Not applicable

Not applicable
Not applicable

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Resource Recovery Facility \$	Excavation and Rehabilitation \$	Other infrastructure \$	Other infrastructure - Work in Progress \$	Total Infrastructure
Balance at 1 July 2021	0	27,465,281	6,661,334	25,264	34,151,879
Additions	24,149,897	0	0	58,168	24,208,065
(Disposals)	0	0	(7,132)	0	(7,132)
Revaluation increments / (decrements) transferred to revaluation surplus	18,768,818	(11,503,701)	(3,637,892)	0	3,627,225
Depreciation/Amortisation	(2,204,465)	(4,240,889)	(613,132)	0	(7,058,486)
Transfers	0	0	193,988	0	193,988
Balance at 30 June 2022	40,714,250	11,720,691	2,597,166	83,432	55,115,539
Comprises:					
Gross balance at 30 June 2022	40,714,250	33,731,046	2,597,166	83,432	77,125,894
Accumulated depreciation at 30 June 2022	0	(22,010,355)	0	0	(22,010,355)
Balance at 30 June 2022	40,714,250	11,720,691	2,597,166	83,432	55,115,539
Additions	0	10,334	0	0	10,334
Revaluation increments / (decrements) transferred to revaluation surplus	8,854,677	2,913,682	(86,268)	0	11,682,091
Depreciation/Amortisation	(2,702,929)	(1,953,449)	(329,178)	0	(4,985,556)
Transfers from property, plant and equipment	726,694	0	0	0	726,694
Transfers	0	23,957	54,350	(78,307)	0
Transfers to Operations (P/L)	0	0	0	(5,125)	(5,125)
Balance at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977
Comprises:					
Gross balance at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977
Accumulated depreciation at 30 June 2023	0	0	0	0	0
Balance at 30 June 2023	47,592,692	12,715,215	2,236,070	0	62,543,977

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Resource Recovery Facility	3	Cost approach using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Excavation and Rehabilitation	3	Cost approach using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Other infrastructure	3	Cost approach using current replacement cost	Independent valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings - non-specialised	5-20 years
Building - Resource Recovery Facility	13 years
Furniture and equipment	5 years
Plant and equipment	6 2/3 years
Computer Equipment	3 Years
Resource Recovery Facility	13 years
Excavation and Rehabilitation	% of actual usage
Other infrastructure	5-20 years
Right of Use Assets	lease period

Revision of useful lives of plant and equipment

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment, excavation and rehabilitation asset and infrastructure

Property, plant and equipment, excavation and rehabilitation asset and infrastructure assets are brought to account at cost, or fair value, less any accumulated depreciation or impairment losses, where applicable.

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with Financial Management Regulation 17A. Where acquired at no cost, the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the MRC includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Assets less than \$5,000 are not capitalised and they are expensed immediately.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the MRC and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred. Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed below.

Revaluation

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Revaluation gains in respect of the landfill excavation asset are transferred to retained earnings in line with the volume of tonnes landfilled in the period. The fair value of fixed assets is determined at least once every five years for the asset classes Land, Buildings and Infrastructure in accordance with regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. At the end of each period the carrying amount is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2), which requires land, buildings, infrastructure and investment properties to be shown at fair value.

Fixed assets are written down to recoverable amount where the carrying value of any fixed asset exceeds its recoverable amount. In determining the recoverable amount of fixed assets, the expected net cash flows are discounted to their present value.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 2(b).

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income in the period in which they arise.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Tamala Park SiteTotal	Right-of-use assets Total
		\$	\$
Balance at 1 July 2021		7,114,020	7,114,020
Depreciation		(637,080)	(637,080)
Balance at 30 June 2022		6,476,940	6,476,940
Gross balance amount at 30 June 2022		8,229,154	8,229,154
Accumulated depreciation at 30 June 2022		(1,752,214)	(1,752,214)
Balance at 30 June 2022		6,476,940	6,476,940
Increase resulting from rent review and CPI adjustments		464,059	464,059
Depreciation		(737,427)	(737,427)
Balance at 30 June 2023		6,203,572	6,203,572
Gross balance amount at 30 June 2023		8,693,214	8,693,214
Accumulated depreciation at 30 June 2023		(2,489,641)	(2,489,641)
Balance at 30 June 2023		6,203,572	6,203,572

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2023 Actual	2022 Actual
		\$	\$
Depreciation on right-of-use assets		(737,427)	(637,080)
Finance charge on lease liabilities	24(a)	(331,820)	(335,060)
Total amount recognised in the statement of comprehensive income		(1,069,247)	(972,140)

Total cash outflow from leases

(898,302) (841,382)

(b) Lease Liabilities

Current		628,560	559,266
Non-current		6,161,220	6,332,939
	24(a)	6,789,780	6,892,205

The lease liability relates to the land at 1700 Marmion Avenue, Tamala Park, WA 6030, the lease expires in 2032.

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Mindarie Regional Council assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined.

If that rate cannot be readily determined, the Mindarie Regional Council uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 24(a).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

11. LEASES (Continued)

(b) Lease Liabilities

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Mindarie Regional Council anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

12. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Sundry creditors	3,435,041	3,593,150
Accrued payroll liabilities	40,256	125,587
ATO liabilities	289,642	328,230
Accrued Expenses	379,957	271,623
	<u>4,144,896</u>	<u>4,318,590</u>

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Mindarie Regional Council becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Mindarie Regional Council prior to the end of the financial year that are unpaid and arise when the Mindarie Regional Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	303,980	289,868
Long service leave	254,353	220,462
Other employee leave provisions	165,131	160,029
	<u>723,464</u>	<u>670,359</u>
Employee related other provisions		
Employment on-costs	31,461	57,562
	<u>31,461</u>	<u>57,562</u>
Total current employee related provisions	<u>754,925</u>	<u>727,921</u>
Non-current provisions		
Employee benefit provisions		
Long service leave	141,000	112,885
	<u>141,000</u>	<u>112,885</u>
Total non-current employee related provisions	<u>141,000</u>	<u>112,885</u>
Total employee related provisions	<u>895,925</u>	<u>840,806</u>

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Mindarie Regional Council's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the Mindarie Regional Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Mindarie Regional Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Mindarie Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Mindarie Regional Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

14. REHABILITATION PROVISIONS

Note	Make good provisions	Total
	\$	\$
Balance at 1 July 2021	22,165,743	22,165,743
Revaluation decrement	(4,754,420)	(4,754,420)
Charged to profit or loss - unwinding of discount	396,101	396,101
Balance at 30 June 2022	17,807,424	17,807,424
Comprises		
Non-current provisions	17,807,424	17,807,424
Balance at 30 June 2022	17,807,424	17,807,424
Revaluation increment	1,502,149	1,502,149
Charged to profit or loss - unwinding of discount	743,121	743,121
Balance at 30 June 2023	20,052,694	20,052,694
Comprises		
Non-current provisions	20,052,694	20,052,694
Balance at 30 June 2023	20,052,694	20,052,694

Provisions for restoration, rehabilitation, and site monitoring costs

Provisions are recognised when the Mindarie Regional Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Future capping expenditure

The liability for estimated future capping expenditure is provided for through a rehabilitation provision on a phase-by-phase basis and is discounted to its present value, with the unwinding of the discount being charged to the statement of comprehensive income within the finance charge. The discounted present value of the future capping expenditure is also capitalised as part of the rehabilitation asset and is amortised on a straight-line basis. Changes in estimates are recognised prospectively with corresponding adjustments to the provision and associated costs.

MINDARIE REGIONAL COUNCIL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023

15. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
Revaluation surplus - Land - freehold land	\$ 6,591,873	\$ 550,000	\$ 7,141,873	\$ 4,101,513	\$ 2,490,360	\$ 6,591,873
Revaluation surplus - Buildings - non-specialised	3,387,620	(1,364,764)	2,022,856	2,597,971	789,649	3,387,620
Revaluation surplus - Building - Resource Recovery Facility	7,806,533	898,475	8,705,008	0	7,806,533	7,806,533
Revaluation surplus - Furniture and equipment	337,230	0	337,230	337,230	0	337,230
Revaluation surplus - Plant and equipment	304,797	0	304,797	304,797	0	304,797
Revaluation surplus - Computer Equipment	628,917	0	628,917	628,917	0	628,917
Revaluation surplus - Excavation and Rehabilitation	7,142,268	1,411,533	8,553,801	13,219,464	(6,077,196)	7,142,268
Revaluation surplus - Resource Recovery Facility and Other infrastructure	17,566,628	8,768,410	26,335,038	2,435,702	15,130,926	17,566,628
	43,765,866	10,263,654	54,029,520	23,625,594	20,140,272	43,765,866

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

16. COUNCIL CONTRIBUTIONS

		2023 Actual	2022 Actual
		\$	\$
Member Council's interest in the MRC			
City of Joondalup	16.67%	14,847,625	14,847,625
City of Wanneroo	16.67%	14,847,625	14,847,625
City of Stirling	33.33%	29,695,240	29,695,240
City of Perth	8.33%	7,533,618	7,533,618
City of Vincent	8.33%	7,387,206	7,387,206
Town of Cambridge	8.33%	7,387,206	7,387,206
Town of Victoria Park	8.33%	7,387,206	7,387,206
		89,085,726	89,085,726

Cities of Joondalup, Wanneroo, Stirling, Perth and Vincent and Towns of Cambridge and Victoria Park are participants in the Mindarie Regional Council (MRC), each member council's equity in the net assets of the MRC is represented as per Constitution agreement (dated 25 November 1996).

In 2005 a piece of land in Neerabup was acquired. Portion of land cost was calculated according to the share of member councils' equity and a portion that related to the interest on borrowings was calculated in accordance with the tonnage at the time (2005) resulting in the variation in their actual contribution values reported in the table above.

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual	2022 Actual
		\$	\$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Financial assets at amortised cost	4	19,493,371	18,767,090
		19,493,371	18,767,090
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	25	19,493,371	18,767,090
Total restricted financial assets		19,493,371	18,767,090

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(10,845)	0
Total amount of credit unused	39,155	50,000

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

19. CONTINGENT LIABILITIES

The most recent 2021 Mandatory Auditor's Report (MAR) report recommended that further works were required to close out the following:

- The adequacy of the landfill gas monitoring network including confirmation of screening intervals.
- Assessment of the potential for off-site migration of landfill gas particularly with relation to preferential pathways.
- Ongoing assessment of landfill gas and groundwater as part of an ongoing site management plan to inform long term trends and to inform the need or otherwise for mitigation measures.
- The MAR noted further long-term assessment of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) (in addition to other Contaminant of Potential Concern (COPCs) in groundwater including arsenic, nickel, ammonia, benzene and pathogens) would be appropriate.

The October 2023 MAR reports on those further investigations completed and provides an update on the conditions of the source site and affected site. The MRC MAR report is required by the Department of Water and Environmental Regulation (DWER) in respect of the Tamala Park Waste Management Facility site.

The purpose of the 2023 MAR audit was to:

- Confirm that the investigations undertaken adequately characterized the contamination status of the site.
- Confirm whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.
- Confirm the suitability of the site for the current and proposed land uses.
- Recommend a site classification under the Contaminated Sites Act 2003

The MAR auditor has determined, based on the analysis contained in the assessed reports, that:

- Source Site: Remains suitable for ongoing use as a Class II landfill, subject to implementation of a site management plan to prevent exposure to landfill gas, soil and groundwater contamination
- Affected Site: Remains suitable for current use as a development "buffer zone". The site is situated to the north of the MRC landfill.

The MAR report summary of findings for the Source and Affected sites are listed below:

Source Site:

- Soil – No soil investigations were completed in 2021 and 2023
- Groundwater – Groundwater results indicate impact to aquifer immediately below the landfill. Elevated levels of contaminants were above the relevant drinking water guidelines, some also exceeded the criteria for non-potable water use. No contaminants of potential concern (COPCs) were detected in samples collected from the onsite abstraction bore above the non-potable criteria.
- Landfill gas – The site is considered capable of generating a significant quantity of landfill gases and vapours. Methane was detected at elevated levels in boreholes outside the waste mass and along the northern wall of the landfill. The extraction system appears to be effectively mitigating methane with negligible detections outside of the extraction well network. There are indications of fugitive emissions through damaged areas of the cap which would require repair and maintenance.

Affected Site:

- Groundwater results indicate some contaminants above the relevant drinking water guidelines but were below criteria for non-potable water uses. Certain COPCs detected above drinking water criteria were considered to be a reflection of natural site conditions.
- No methane has been recorded in recent events at monitoring wells outside the site boundary.

Site management plan (SMP)

A SMP was developed and received by the MRC in May 2020 and updated in May 2022. The SMP was required to provide a management plan for the site to ensure that potential hazards associated with soil, landfill gas, and groundwater contaminants are appropriately managed for the site's continued use as a landfill facility and leachate management. There are no "results" associated with this SMP, it is an ongoing document that continues to evolve to address the comprehensive management of landfill gas and groundwater in light of the most recent information obtained from periodic tests results.

The October 2023 MAR report concludes that:

- The auditor is satisfied that the information contained in the reviewed reports, considered as a whole, is sufficient to inform the current site and surrounding site condition and restrictions that may be applicable.
- Expectations of concerted effort to improve future reporting and reports to comply with relevant standards and guidelines.
- The assessments were sufficient to define the potential extents and types of contaminated media with an appropriate level of confidence.
- Investigation methodologies were sufficient to assess and manage risk.
- Ongoing assessment of landfill gas and groundwater as part of an ongoing Site Management Plan should be undertaken to inform long term trends and to inform the need or otherwise for mitigation measures.

Based on the above, MRC has no new information indicating that an additional landfill rehabilitation provision is required to address any specific remediation requirements nor do the October 2023 MAR report recommend such action.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Chairman's annual allowance	20,448	19,570	19,226
Chairman's meeting attendance fees	16,108	15,450	15,448
Chairman's annual allowance for ICT expenses	1,000	1,000	1,000
	<u>37,556</u>	<u>36,020</u>	<u>35,674</u>
Deputy Chairman's annual allowance	4,569	4,893	4,901
Deputy Chairman's meeting attendance fees	10,300	10,300	10,300
Deputy Chairman's annual allowance for ICT expenses	1,000	1,000	1,000
	<u>15,869</u>	<u>16,193</u>	<u>16,201</u>
All other council member's meeting attendance fees	107,066	103,000	100,089
All other council member's annual allowance for ICT expenses	10,202	13,000	10,513
All other council member's travel and accommodation expenses	14,868	0	2,351
	<u>132,136</u>	<u>116,000</u>	<u>112,953</u>
20(b)	<u>185,561</u>	<u>168,213</u>	<u>164,828</u>

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Mindarie Regional Council during the year are as follows:

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	386,872	307,407
Post-employment benefits	65,415	44,508
Employee - other long-term benefits	81,651	63,252
Council member costs	185,561	164,828
20(a)	<u>719,499</u>	<u>579,995</u>

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Mindarie Regional Council's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

Transactions with related parties

Transactions between related parties and the Mindarie Regional Council are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2023 Actual \$	2022 Actual \$
Sale of goods and services	30,134,001	38,723,064
Purchase of goods and services	1,001,109	1,117,458
Council Contributions	0	85,000,000
Amounts outstanding from related parties:		
Trade and other receivables	1,609,234	2,277,033
Amounts payable to related parties:		
Trade and other payables	18,742	324

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

20. RELATED PARTY TRANSACTIONS (Continued)

Related Parties

The Mindarie Regional Council's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b)

ii. Other Related Parties

There is no person or entity identified as other related parties.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Mindarie Regional Council (MRC).

Outside of normal citizen type transactions with the Mindarie Regional Council, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Mindarie Regional Council

There were no such entities requiring disclosure during the current or previous year.

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Details of subsequent events particularly with respect to Resource Recovery Facility (RRF) processing services are disclosed within Note 8.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Mindarie Regional Council's operational cycle. In the case of liabilities where the Mindarie Regional Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Mindarie Regional Council's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Mindarie Regional Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) Superannuation

The Mindarie Regional Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Mindarie Regional Council contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Mindarie Regional Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Mindarie Regional Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Mindarie Regional Council are consistent with one or more of the following valuation approaches:

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

22. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Mindarie Regional Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Mindarie Regional Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

23. DETERMINATION OF SURPLUS OR DEFICIT

	2022/23 (30 June 2023)	2022/23 Budget (30 June 2023)	2021/22 (30 June 2022)
Note	Carried Forward) \$	Carried Forward) \$	Carried Forward \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.			
Adjustments to operating activities			
	0	0	(210,628)
Less: Profit on asset disposals			
Add: Loss on disposal of assets	0	0	65,239
Add: Loss on revaluation of fixed assets	9(a) 17,512	0	0
Add: Depreciation	2(b) 7,606,255	6,022,764	11,525,324
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	60,245	76,058	26,749
Other provisions ⁽¹⁾	743,120	596,079	396,101
Non-cash amounts excluded from operating activities	8,427,132	6,694,901	11,802,785
(b) Surplus or deficit			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit)			
Adjustments to net current assets			
Less: Reserve accounts	25 (19,493,371)	(11,042,928)	(18,767,090)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of lease liabilities	11(b) 628,560	383,098	559,266
- Employee benefit provisions	754,925	1,241,043	727,921
Total adjustments to net current assets	(18,109,886)	(9,418,787)	(17,479,903)
Net current assets used in the Statement of Financial Activity			
Total current assets	64,273,412	49,163,643	50,281,492
Less: Total current liabilities	(5,528,381)	(6,895,330)	(5,605,777)
Less: Total adjustments to net current assets	(18,109,886)	(9,418,787)	(17,479,903)
Surplus or deficit	40,635,145	32,849,526	27,195,812

⁽¹⁾ Only movements recognised within the statement of comprehensive income such as finance cost are included. Movements arising from revised estimates, including changes in the scope, timing or amount of payments are excluded as they are recognised through the revaluation surplus (Note 15).

MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

24. LEASE LIABILITIES

(a) Lease Liabilities

Purpose	Note	Actual				Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
1700 Mairmion Ave, Tamala Park	11(b)	\$ 6,959,596	\$ 438,931	\$ 6,892,205	\$ 464,059	\$ 6,789,781	\$ 7,170,426	\$ 0	\$ (330,550)	\$ 6,839,876
Total Lease Liabilities		6,959,596	438,931	6,892,205	464,059	6,789,781	7,170,426	0	(330,550)	6,839,876

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023
1700 Mairmion Ave, Tamala Park	1	Member Councils	4.50%	30/06/2032	\$ (331,820)	\$ (327,828)
Total Finance Cost Payments					(331,820)	(327,828)

25. RESERVE ACCOUNTS

Restricted by Council	2023 Actual		2023 Budget		2023 Actual		2022 Actual		2022 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Closing Balance
(a) Site Rehabilitation Reserve	16,242,161	824,831	(10,334)	17,056,658	16,242,161	596,079	(6,987,000)	15,138,197	1,103,964	16,242,161
(b) Capital Expenditure Reserve	2,033,853	(0)	(88,216)	1,945,637	1,053,674	0	(353,052)	2,977,954	0	2,033,853
(c) Carbon Abatement Reserve	491,076	(0)	0	491,076	491,076	0	0	491,076	0	491,076
(d) RRF Maintenance Fund Reserve	0	0	0	0	0	0	0	0	0	0
	18,767,090	824,831	(98,550)	19,493,371	17,786,911	596,079	(7,340,062)	19,754,751	1,103,964	18,767,090
	18,767,090	824,831	(98,550)	19,493,371	17,786,911	596,079	(7,340,062)	19,754,751	1,103,964	18,767,090

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account

- (a) Site Rehabilitation Reserve -- to be used to fund the rehabilitation following the closure of the landfill.
- (b) Capital Expenditure Reserve -- to be used to fund ongoing capital expenditure requirements.
- (c) Carbon Abatement Reserve -- to be used to fund carbon abatement projects.
- (d) RRF Maintenance Fund Reserve -- to be used to fund RRF maintenance obligations.

**MINDARIE REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

26. FINANCIAL ACTIVITY INFORMATION AND MEMBER CHARGES

See note 2(a)

BUDGET	Processable Tonnes	Non Processable Tonnes	Total Tonnes	Average rate	Revenue
				\$	\$
City of Perth	13,500	0	13,500	145.00	1,957,458
City of Wanneroo	51,500	3,500	55,000	145.00	7,974,827
City of Joondalup	33,080	600	33,680	145.00	4,883,494
City of Stirling	44,000	3,500	47,500	145.00	6,887,351
Town of Cambridge	6,000	25	6,025	145.00	873,606
City of Vincent	6,000	1,250	7,250	145.00	1,051,227
Town of Victoria Park	12,000	0	12,000	145.00	1,739,962
	166,080	8,875	174,955		25,367,925

ACTUAL	Processable Tonnes	Non Processable Tonnes	Total Tonnes	Average rate	Revenue
				\$	\$
City of Perth	12,842	1	12,843	145.63	1,870,272
City of Wanneroo	50,700	2,379	53,079	146.22	7,761,291
City of Joondalup	31,895	573	32,468	145.58	4,726,847
City of Stirling	37,939	12,170	50,109	145.58	7,294,835
Town of Cambridge	5,848	0	5,848	145.56	851,223
City of Vincent	4,450	959	5,409	145.61	787,628
Town of Victoria Park	10,783	0	10,783	145.52	1,569,178
	154,457	16,082	170,539		24,861,274

**Average tonnage rates may vary as a result of certain waste types being charged at the approved non-standard rates for that waste category.*

Declaration of Interest

Attachment 8



Mindarie Regional Council

DECLARATION OF FINANCIAL INTEREST/INTEREST THAT MAY AFFECT IMPARTIALITY

To: **CHIEF EXECUTIVE OFFICER,
MINDARIE REGIONAL COUNCIL**

Name & Position	
Meeting Date	
Item No/ Subject	
Nature of Interest	
Extent of Interest	
Signature	
Date	

Section 5.65(1) of the Local Government Act 1995 states that:

“A member who has an interest in any matter to be discussed at a Council or Committee meeting that will be attended by that member must disclose the nature of the interest:

- (a) in a written notice given to the CEO before the meeting; or
- (b) at the meeting immediately before the matter is discussed