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APPENDICES

**Ordinary Council Meeting –
12 December 2019**

Financial Statements for the period ended 31 October 2019

Item
9.1

APPENDIX NO. 1

Item
9.1



MANAGEMENT FINANCIAL STATEMENTS

**FOR THE MONTH ENDED
31 October 2019**

Mindarie Regional Council
INCOME STATEMENT BY NATURE AND TYPE
For the month ended 31 October 2019

Description	Adopted Budget	YTD Budget	YTD Actual	\$ Variance	% Variance	Note
Revenue from Ordinary Activities						
Member User Charges						
User Charges - City of Perth	2,665,000	883,995	912,618			
User Charges - City of Wanneroo	13,612,000	4,992,067	4,148,141			
User Charges - City of Joondalup	7,312,145	2,572,079	2,173,765			
User Charges - City of Stirling	12,879,125	4,492,660	3,110,350			
User Charges - Town of Cambridge	1,210,525	399,635	389,810			
User Charges - City of Vincent	2,747,000	942,486	923,031			
User Charges - Town of Victoria Park	2,511,250	880,031	824,660			
User Charges - RRF Residues	10,482,675	3,696,249	4,374,675			
	53,419,720	18,859,202	16,857,052	(2,002,150)	(10.62%)	
Non Member User Charges						
User Charges - Casual Tipping Fees	3,044,976	1,100,458	799,264	(301,194)	(27.37%)	
	3,044,976	1,100,458	799,264	(301,194)	(27.37%)	
Total User Charges	56,464,696	19,959,660	17,656,316	(2,303,344)	(11.54%)	1
Other Charges						
Service Charges						
Sale of Recyclable Materials	806,129	299,195	244,801	(54,394)	(18.18%)	
Gas Power Generation Sales	1,130,000	90,943	90,943	-	0.00%	
Grants and Subsidies	-	-	-	-	-	
Contributions, Reimbursements & Donations	16,660	-	-	-	-	
Interest Earnings	618,250	206,084	197,360	(8,724)	(4.23%)	
Other Revenue	499,274	131,153	195,789	64,636	49.28%	
Total Other Charges	3,070,313	727,375	728,892	1,517	0.21%	
Total Revenue from Ordinary Activities	59,535,009	20,687,035	18,385,208	(2,301,827)	(11.13%)	
Expenses from Ordinary Activities						
Employee Costs	5,456,708	1,700,734	1,747,074	(46,340)	(2.72%)	
Materials and Contracts						
Consultants and Contract Labour	806,880	137,189	94,641	42,548	31.01%	
Communications and Public Consultation	654,500	71,210	71,158	52	0.07%	
Landfill Expenses	1,702,870	346,914	375,359	(28,445)	(8.20%)	
Office Expenses	319,601	83,623	75,866	7,757	9.28%	
Information System Expenses	189,930	53,279	34,432	18,847	35.37%	
Building Maintenance	168,400	19,761	18,054	1,707	8.64%	
Plant and Equipment Operating & Hire	874,790	239,124	293,056	(53,932)	(22.55%)	
RRF Other Operating Expenses	30,323,475	11,204,856	11,206,758	(1,902)	(0.02%)	
WMRC	-	-	-	-	-	
Utilities	321,379	103,718	81,527	22,191	21.40%	
Depreciation	1,701,725	567,220	894,664	(327,444)	(57.73%)	2
Borrowing Costs	48,716	17,266	17,266	-	0.00%	
Insurances	278,200	65,104	69,689	(4,585)	(7.04%)	
DEP Landfill Levy	11,037,130	3,749,212	3,097,339	651,873	17.39%	3
Land Lease/Rental	795,557	262,560	240,914	21,646	8.24%	
Other Expenditure						
Members Costs	250,413	12,938	12,938	-	0.00%	
Administration Expenses	179,500	32,413	31,420	993	3.06%	
Amortisation for Cell Development	1,278,520	434,303	358,791	75,512	17.39%	
Amortisation for Decommissioning Asset	545,191	181,727	181,727	-	0.00%	
Capping Accretion Expense	248,010	82,668	82,668	-	0.00%	
Post Closure Accretion Expense	157,761	52,585	52,585	-	0.00%	
RRF Amortisation	462,791	154,263	154,263	-	0.00%	
Total Expenses	57,802,047	19,572,667	19,192,190	380,477	1.94%	
Profit on Sale of Assets	247,716	158,710	186,819	28,109	17.71%	
Loss on Sale of Assets	129,271	129,271	118,380	10,891	(8.42%)	
Revaluation of Assets	-	-	-	-	-	
	118,445	29,439	68,439	39,000	132.48%	
Changes in Net Assets Resulting from Operations	1,851,407	1,143,807	(738,543)	(1,882,350)	(164.57%)	

NOTES FOR VARIATIONS - INCOME STATEMENT BY NATURE AND TYPE

Note #	Description of Item	Nature of variance where:
		1. Member Revenue (Aggregated) variances greater than \$250,000. 2. Non Member Revenue (Aggregated) variances greater than \$100,000. 3. Other Revenues Charged (Per Line Item) variances greater than \$100,000. 4. All Expense variances (Per Line Item) greater than \$100,000.
1	User Charges - Members and Non Members	<p>Total user charges for the year to date are below budget by \$2.3m due to less than budgeted member council waste of \$2m, mainly the City of Stirling, City of Wanneroo and City of Joondalup, and non-member waste being \$301k below budget as trade customers find alternate waste disposal options.</p> <p>The Member Councils have delivered less processable tonnes (2,983t) year to date and less non processable tonnes (10,028t) than budget year to date. The largest of each waste stream, relating to the Cities of Joondalup and Stirling.</p> <p>RRF residues have delivered more than anticipated (3,309t) year to date. This can be attributed to the City of Stirling delivering to the RRF for a trial period of six months that commenced in September 2019.</p>
2	Depreciation	Depreciation is \$327k above budget due to revaluation of assets not included in the adopted budget.
3	DWER Landfill Levy	DWER Landfill Levy is \$652k below budget due to 10,122 tonnes less of levied waste being delivered against phased budget.

Mindarie Regional Council
OPERATING STATEMENT
For the month ended 31 October 2019

Description	Adopted Budget	YTD Budget	YTD Actual	\$ Remaining Bal of Budget	% Balance
Resource Recovery Facility					
Operating Expenditure					
Employee Costs					
Salaries	-	-	-	-	
Allowances	-	-	-	-	
Workers Compensation Premium	-	-	-	-	
Consultants and Contract Labour					
Consultancy	10,000	2,663	2,663	7,337	73.37%
	10,000	2,663	2,663	7,337	73.37%
Office Expenses					
Cleaning of Buildings					
General cleaning (Enviro Care)	12,000	4,000	1,662	10,338	86.15%
Window cleaning	-	-	-	-	
	12,000	4,000	1,662	10,338	86.15%
Information System Expenses					
Computer System Maintenance					
ICT contractors costs	2,000	-	-	2,000	100.00%
Newcastle Weighing Services-Gen Maintenance	12,000	4,000	3,475	8,525	71.04%
Vertical Telecom P/L-Maint of Microwave Ant	6,000	2,000	1,763	4,237	70.62%
	20,000	6,000	5,238	14,762	73.81%
Building Maintenance					
Building Maintenance					
Airconditioning Maintenance	3,000	-	-	3,000	100.00%
Septic system maintenance	4,000	-	-	4,000	100.00%
Community Education Centre	3,000	294	294	2,706	90.20%
Weighbridge and Calibration	7,500	-	-	7,500	100.00%
Building Security					
Security - Monitoring	-	-	86	(86)	
	17,500	294	380	17,120	97.83%
RRF Operation Expenses					
Fencing and Gate Maintenance					
Fencing and Gate Maintenance	9,000	252	252	8,748	97.20%
Repair of Boom Gate	1,000	-	-	1,000	100.00%
Access control infrastructure maintenance	3,000	85	85	2,915	97.18%
Road Maintenance	5,000	-	-	5,000	100.00%
Bores and Pipework					
Bore maint/calibration/electronics	4,500	1,214	1,214	3,286	73.02%
Groundwater sampling	4,000	-	-	4,000	100.00%
Bacteria sampling	1,000	1,000	1,763	(763)	(76.28%)
Vermin control	500	-	-	500	100.00%
Spills/leaks/incident management	500	-	-	500	100.00%
Landscaping and Gardens	5,000	-	-	5,000	100.00%
Compost Disposal	461,475	99,940	99,940	361,535	78.34%
Contractor's Fees	29,578,500	11,102,365	11,103,505	18,474,995	62.46%
RRF Maintenance Funding	250,000	-	-	250,000	100.00%
	30,323,475	11,204,856	11,206,758	19,116,717	63.04%
Utilities					
Electricity	15,800	2,576	1,680	14,120	89.37%
Rates	114,339	38,115	33,056	81,283	71.09%
	130,139	40,691	34,736	95,403	73.31%
Insurance					
Municipal Property Insurance	3,800	1,264	1,364	2,436	64.11%
Public Liability Insurance	5,650	1,882	1,859	3,791	67.11%
	9,450	3,146	3,222	6,228	65.90%
Cost of Borrowings					
Interest on Loans					
Loan 10A	48,716	17,266	17,266	31,450	64.56%
Loan Expenses	-	-	-	-	
	48,716	17,266	17,266	31,450	64.56%
Amortisations					
Amortisation Pre-operating Costs	104,784	34,928	34,928	69,856	66.67%
Amortisation Costs	358,007	119,335	119,335	238,672	66.67%
	462,791	154,263	154,263	308,528	66.67%
Depreciation					
Depreciation on Building	25,123	8,372	12,172	12,951	51.55%
Depreciation on Infrastructure	34,871	11,623	14,394	20,477	58.72%
	59,994	19,995	26,566	33,428	55.72%
Total Operating Expenditure	31,094,065	11,453,174	11,452,755	19,620,834	63.10%
Net Total	(31,094,065)	(11,453,174)	(11,452,755)	(19,620,834)	63.10%

Mindarie Regional Council
INCOME STATEMENT BY DEPARTMENT
For the month ended 31 October 2019

Description	Adopted Budget	YTD Budget	YTD Actual	\$ Variance	% Variance
Revenues from Ordinary Activities					
Operating Revenues					
General Purpose Funding	59,535,009	20,687,035	18,385,208	(2,301,827)	(11.13%)
Community Amenities	-	-	-	-	
Resource Recovery Facility	-	-	-	-	
	59,535,009	20,687,035	18,385,208	(2,301,827)	(11.13%)
Profit on Disposal of Assets					
Governance	-	-	-	-	
Community Amenities	247,716	158,710	186,819	28,109	17.71%
Resource Recovery Facility	-	-	-	-	
	247,716	158,710	186,819	28,109	
Total Revenue	59,782,725	20,845,745	18,572,027	(2,273,718)	(10.91%)
Expenses from Ordinary Activities					
Operating Expenditure					
Governance	4,176,961	1,179,105	1,178,781	324	0.03%
Community Amenities	22,531,021	6,940,388	6,560,654	379,734	5.47%
Resource Recovery Facility	31,045,349	11,435,908	11,435,488	420	0.00%
	57,753,331	19,555,401	19,174,923	380,478	1.95%
Loss on Sale of Assets					
Governance	-	-	-	-	
Community Amenities	129,271	129,271	118,380	10,891	8.42%
Resource Recovery Facility	-	-	-	-	
	129,271	129,271	118,380	10,891	
Cost of Borrowings					
Governance	-	-	-	-	
Community Amenities	-	-	-	-	
Resource Recovery Facility	48,716	17,266	17,266	-	0.00%
	48,716	17,266	17,266	-	0.00%
Total Expenditure	57,931,318	19,701,938	19,310,570	391,368	1.99%
Revaluation of Assets	-	-	-	-	
Changes in Net Assets Resulting from Operations	1,851,407	1,143,807	(738,543)	(1,882,350)	(164.57%)

Mindarie Regional Council
Balance Sheet
For the month ended 31 October 2019

Description	ACTUAL 2019/2020	Movement	ACTUAL 2018/2019
CURRENT ASSETS			
Cash and cash equivalents	30,973,419	(1,174,797)	32,148,215
Debtors and other receivables	5,415,214	461,318	4,953,895
Inventories	14,169	1,201	12,967
Other Current Assets	325,018	(217,127)	542,144
TOTAL CURRENT ASSETS	36,727,819	(929,403)	37,657,223
NON-CURRENT ASSETS			
Property, plant and equipment	15,795,166	(1,496,951)	17,292,117
Work in progress - property, plant and equipment	57,202	57,202	-
Infrastructure	6,497,550	(158,645)	6,656,195
Work in progress - Infrastructure	120,219	114,870	5,349
Excavation work	25,391,578	(358,791)	25,750,369
Resource recovery facility	4,406,363	(154,263)	4,560,626
Rehabilitation asset	4,724,967	(181,727)	4,906,694
Work in progress - Rehabilitation	22,109	22,109	-
TOTAL NON-CURRENT ASSETS	57,015,154	(2,156,197)	59,171,351
TOTAL ASSETS	93,742,973	(3,085,600)	96,828,573
CURRENT LIABILITIES			
Trade and other payables	4,693,703	(2,064,739)	6,758,442
Provisions	1,020,811	9,019	1,011,792
Borrowings	65,760	(61,403)	127,163
TOTAL CURRENT LIABILITIES	5,780,274	(2,117,123)	7,897,397
NON CURRENT LIABILITIES			
Provisions for Leave	70,956	31,991	38,965
Non Current Loans	727,915	-	727,915
Decommission Provision for Capping	16,480,197	135,253	16,344,944
Other Non Current Liabilities	39,983	-	39,983
TOTAL NON CURRENT LIABILITIES	17,319,051	167,244	17,151,807
TOTAL LIABILITIES	23,099,325	(1,949,879)	25,049,204
NET ASSETS	70,643,648	(1,135,721)	71,779,370
EQUITY			
Retained Surplus	11,326,173	(2,026,540)	13,352,712
Reserves (Cash Back)	23,241,496	1,287,997	21,953,499
Reserves (Non Cash Back)	31,990,254	(397,178)	32,387,432
Council Contribution	4,085,726	-	4,085,726
TOTAL EQUITY	70,643,648	(1,135,721)	71,779,370

Mindarie Regional Council
STATEMENT OF RESERVES
For the month ended 31 October 2019

Description	ACTUAL 2018/2019
Opening Balance - 1 July 2019	
Site Rehabilitation	13,082,944
Capital Expenditure	5,731,955
Participants Surplus Reserve	2,000,000
RRF Maintenance Funding	647,524
Carbon Abatement	491,076
	<u>21,953,499</u>
Interest on Investments	
Site Rehabilitation	-
Capital Expenditure	-
Participants Surplus Reserve	-
RRF Maintenance Funding	-
Carbon Abatement	-
	-
Transfer from Operating Surplus	
Site Rehabilitation	1,435,257
Capital Expenditure	-
Participants Surplus Reserve	-
RRF Maintenance Funding	83,332
Carbon Abatement	-
	<u>1,518,589</u>
Total Transfer from Operations	<u>1,518,589</u>
Transfer from Balance Sheet Provisions	
Site Rehabilitation	-
	<u>-</u>
Transfer to Operating Surplus	
Site Rehabilitation	-
Capital Expenditure	230,592
RRF Maintenance Funding	-
Carbon Abatement	-
	<u>230,592</u>
Closing Balance	
Site Rehabilitation	14,518,201
Capital Expenditure	5,501,363
Participants Surplus Reserve	2,000,000
RRF Maintenance Funding	730,856
Carbon Abatement	491,076
	<u>23,241,496</u>

Mindarie Regional Council
STATEMENT OF INVESTING ACTIVITIES
For the month ended 31 October 2019

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
PLANT, VEHICLES AND MACHINERIES				
Plant and Vehicles				
Replacement of Fire Ute with Fire Fighting Pod (Plant71)	85,000	85,000	43,403	51.06%
Replacement of Kia Grand Carnival (Plant125)	47,000	47,000	-	
<i>brought forward items:</i>				
Replacement of Toyota Forklift	35,000	35,000	-	
	167,000	167,000	43,403	25.99%
Machinery and Equipment				
Replacement of ADC Tarps	36,000	36,000	-	
Replacement of Hooklift Bins	45,000	45,000	-	
Vehicle Borne Litter Vacuum	32,000	32,000	-	
Dinosaur Remote Water Cannon	10,000	10,000	-	
3x Hooklift Bin System Modification	60,000	60,000	10,400	
1x Odour Irrigation - Landfill (Mobile) with Motor	16,476	16,476	-	
Hooklift Tynes for Loader	50,000	50,000	-	
<i>brought forward items:</i>				
Purchase and install 2x Cardboard Compactors	102,000	102,000	-	
	351,476	351,476	10,400	2.96%
TOTAL PLANT, VEHICLES AND MACHINERIES	518,476	518,476	53,803	10.38%
FURNITURE AND EQUIPMENT				
Furniture and Fittings				
Replacement of Airconditioning Units	67,600	67,600	-	
	67,600	67,600	-	0.00%
TOTAL FURNITURE AND EQUIPMENT	67,600	67,600	-	
COMPUTING EQUIPMENT				
Computing Equipment				
Replacement of Core Switches	12,000	12,000	-	
Network Rack for UPS	8,000	8,000	-	
Navision system upgrade	70,000	70,000	-	
	90,000	90,000	-	
TOTAL COMPUTING EQUIPMENT	90,000	90,000	-	
LAND AND BUILDINGS				
Building				
Upgrade Administration Toilets	20,000	20,000	-	
Upgrade Recycling Centre Security	50,000	50,000	-	
<i>brought forward items:</i>				
Recycling Centre renovation and alignment phase2	160,000	160,000	39,967	
	230,000	230,000	39,967	17.38%
TOTAL LAND AND BUILDINGS	230,000	230,000	39,967	17.38%

Mindarie Regional Council
STATEMENT OF INVESTING ACTIVITIES
For the month ended 31 October 2019

Description	Adopted Budget	Revised Budget	YTD Actual	% to Revised Budget
INFRASTRUCTURE				
Operations				
Replacement of Trash Pump	5,000	5,000	-	
Upgrades and improvements-MRC Infrastructure	150,000	150,000	-	
Landfill Access Ramp Development	50,000	50,000	1,950	3.90%
CDS Infrastructure Footprint Preparations and Supporting Infra	70,000	70,000	-	
Western Boundary Fence Replacement	110,000	110,000	-	
Replacement of Gas Monitor	17,000	17,000	-	
Environmental Drilling for Groundwater and Gas Monitor Bores	150,000	150,000	-	
Replacement of 2x Airwell Pumps	22,000	22,000	-	
Irrigation upgrade around Weighbridge	10,000	10,000	-	
brought forward items:				
Leachate treatment project	347,000	347,000	88,290	25.44%
Transfer station extension	200,000	200,000	24,629	12.31%
	1,476,600	1,476,600	114,870	7.78%
Landfill Infrastructure Phase 3				
Cell Development - Lining	200,216	200,216	13,904	6.94%
Visual Barrier - North at Stage 2	20,000	20,000	8,205	41.02%
	220,216	220,216	22,109	10.04%
TOTAL INFRASTRUCTURE	1,696,816	1,696,816	136,979	8.07%

INFORMATION ON BORROWINGS

(a) Loan Schedule and Interest Expense

Actual	Value of Loan Approved	Matures	Interest Rates	Principal 01/07/2019	Principal Drawn Down to 30/06/2020	Principal Repayments	Principal Outstanding	Interest Repayments	Note
						Actual to 31/10/2019	Actual to 31/10/2019	Actual to 31/10/2019	
Community Amenities Regional Resource Recovery Facility Loan 10a - RRF Infrastructure	2,000,000	Apr-25	6.16%	855,078	-	61,403	793,675	17,266	
TOTAL	2,000,000			855,078	-	61,403	793,675	17,266	
						Facility Fee		-	
						Total Borrowing Costs		17,266	

Tonnage Report to 31 October 2019

Information relating to landfill, resource recovery & recycling tonnages year to date 2019/20

Month: **Oct-19**

TONNAGE								
RRF Actual	Landfill Actual	Total Tonnage	Budget 2019/20	Variance YTD	Target % Year to Date	Note	Actual % Year to Date	Year to date Tonnage previous year

MEMBERS

<u>Processable</u>									
Cambridge	794	1,101	1,895	1,929	(34)	34.2%	1	98.2%	444
Joondalup	5,908	4,496	10,404	12,346	(1,942)	34.2%		84.3%	3,820
Perth	-	4,451	4,451	4,312	138	34.2%		103.2%	1,099
Stirling	3,961	9,870	13,831	14,180	(349)	34.2%		97.5%	3,288
Victoria Park	3,686	336	4,022	4,091	(69)	34.2%		98.3%	931
Vincent	3,900	29	3,930	4,167	(237)	34.2%		94.3%	950
Wanneroo	19,069	565	19,635	20,125	(490)	34.2%		97.6%	4,477
Sub Total Processable	37,319	20,848	58,167	61,150	(2,983)	34.2%		95.1%	15,009
<u>Non-Processable</u>									
Cambridge		6	6	20	(14)	41.3%	1	30.4%	10
Joondalup		199	199	201	(2)	41.3%		99.2%	132
Perth		1	1	-	-	41.3%		0.0%	-
Stirling		1,342	1,342	7,735	(6,394)	41.3%		17.3%	1,489
Victoria Park		1	1	126	(125)	41.3%		0.8%	7
Vincent		573	573	430	143	41.3%		133.1%	119
Wanneroo		589	589	4,227	(3,638)	41.3%		13.9%	1,456
Sub Total Non-Processable	-	2,711	2,711	12,739	(10,028)	41.3%		21.3%	3,212
<u>Other</u>									
Sita Biovision Residues		21,340	21,340	18,030	3,309	37.5%	1	118.4%	4,311
Wanneroo WRC		-	-	-	-	-		-	-
Sub Total Other	-	21,340	21,340	18,030	3,309		118.4%	4,311	
SUB TOTAL MEMBERS	37,319	44,898	82,218	91,919	(9,702)	(10.55)		89.4%	22,533

CASUALS

Trade		3,353	3,353	4,267	(914)	36.1%	1	78.6%	995
Cash		865	865	1,443	(578)	36.1%	1	59.9%	264
Sub Total Casuals	-	4,218	4,218	5,710	(1,492)	36.1%		73.9%	1,259
TOTAL	37,319	49,116	86,436	97,629	(11,193)				23,792

RECYCLING

Recycling centre sales									
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Notes 1* Based on 18/19 actual tonnages

REVENUE				
Actual G/L \$	Budget 2019/20	Target % Year to Date	Note	Actual % Year to Date

\$ 388,560	395,525	34.2%	1	98.2%
\$ 2,132,766	2,530,944	34.2%		84.3%
\$ 912,350	883,995	34.2%		103.2%
\$ 2,835,287	2,906,914	34.2%		97.5%
\$ 824,457	838,557	34.2%		98.3%
\$ 805,595	854,266	34.2%		94.3%
\$ 4,025,968	4,125,566	34.2%		97.6%
\$ 11,924,983	\$ 12,535,766	34.2%		95.1%

\$ 1,251	4,108	41.3%	1	30.4%
\$ 40,999	41,135	41.3%		99.7%
\$ 268	-	41.3%		-
\$ 275,063	1,585,745	41.3%		17.3%
\$ 203	25,764	41.3%		0.8%
\$ 117,436	88,220	41.3%		133.1%
\$ 122,173	866,502	41.3%		14.1%
\$ 557,393	\$ 2,611,475	41.3%		21.3%

\$ 4,374,675	3,696,248	35.3%	1	118.4%
\$ -	-	0.0%		-
\$ 4,374,675	\$ 3,696,248		118.4%	
\$ 16,857,052	\$ 18,843,489		89.5%	

\$ 634,132	822,342	36.1%	1	77.1%
\$ 165,132	278,116	36.1%	1	59.4%
\$ 799,264	\$ 1,100,458	36.1%		72.6%
\$ 17,656,316	\$ 19,943,947			

\$ 244,801	299,196	37.1%		81.8%
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Waste to Landfill Tonnages Report for the period to 31 October 2019

Members

The Member Councils' processable waste for the financial year to date is 2,983 tonnes below forecast, primarily as a result of the City of Joondalup (1,942t).

The non processable waste for the year to date is 10,028 tonnes below the financial forecast, primarily as a result of the City of Stirling (6,394) and City of Wanneroo (3,638).

These variances leave the MRC 10.5% behind in its budgeted waste receipts from Member Councils for the financial year to date 2019/2020. Overall the Member Council waste is 9,702 tonnes below the phased budget as at the end of October 2019.

RRF

The Resource Recovery Facility residue tonnes are above phased budget (3,309) due to the more than the contracted 18,030 tonnes being delivered to the facility year to date.

Trade & Casual

The Casual and Trade tonnages are 1,492 tonnes lower than forecast for the financial year as trade and cash customers find alternative waste disposal solutions.

Overall for the period ended 31st October 2019, the tonnes received are 11,194 tonnes below what was budgeted.

List of Payments made for the month ended 31 October 2019

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APPENDIX NO. 3

Item
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**Schedule of Payments for October 2019
Council Meeting - 12th December 2019**

Cheque Posting Date	Document No.	Vendor Name	Description	Amount
4/10/2019	694	Telstra	Mobile Expenses September 2019 & VPN Services August 2019	\$2,825.21
4/10/2019	695	Water Corporation	Water 19/7/19 to 20/9/19	\$1,339.59
8/10/2019	696	Department of Transport	Infringement Notice Non Return of Cancelled Registration 1TJC210	\$100.00
8/10/2019	697	Department of Transport	Infringement Notice Non Return of Cancelled Registration 9LO775	\$100.00
11/10/2019	698	Cash	Staff Lotto	\$300.00
14/10/2019	699	Telstra	Directory Charges & Tid Net Direct (Fibre)	\$2,008.29
14/10/2019	700	Telstra	VPN Services September 2019	\$242.00
16/10/2019	701	Cash - Petty Cash	PC Reimbursement	\$1,104.20
25/10/2019	702	Cash	Staff Lotto	\$300.00
25/10/2019	703	Child Support	Child Support Allowance payment - Deduction made from staff salary	\$776.00
28/10/2019	704	Synergy	Electricity 14/8/19 to 11/10/19	\$80.61
28/10/2019	705	Telstra	Mobile - October 2019	\$657.65
28/10/2019	706	Cancelled Cheque	Voided	\$0.00
31/10/2019	707	Cancelled Cheque	Voided	\$0.00
31/10/2019	708	Cancelled Cheque	Voided	\$0.00
31/10/2019	709	Eric William Lumsden	Member Meeting Fees - 1st half year to 9/8/19	\$1,220.29
31/10/2019	710	Russell Driver	Member Meeting Fees 1st half year to 19/10/19	\$3,413.19
Total CBA cheques				\$14,467.03
2/10/2019	DP-01767	Commonwealth Bank	September 19 Merchant Fees	\$1,133.57
2/10/2019	DP-01768	Commonwealth Bank	September 19 Merchant Fees	\$82.43
7/10/2019	DP-01769	Commonwealth Bank	Debit Reject Return Fee	\$2.50
15/10/2019	DP-01770	Commonwealth Bank	Trans Fee CBA Oct 19	\$49.18
15/10/2019	DP-01771	Commonwealth Bank	Acc Service Fee Oct 19 CBA	\$20.70
21/10/2019	DP-01772	Australian Taxation Office	BAS September 2019	\$61,108.00
24/10/2019	DP-01773	EasiSalary	Novated Lease Deductions	\$959.68
28/10/2019	DP-01774	MRC Credit Card	See attached schedule	\$5,711.13
28/10/2019	DP-01775	Commonwealth Bank	Loan 10a Payment	\$43,832.53
Total Direct Payments & Fees				\$112,899.72
4/10/2019	Tsf 1	Commonwealth Bank	Intercompany Transfer	\$1,000,000.00
17/10/2019	Tsf 2	Commonwealth Bank	Intercompany Transfer	\$3,000,000.00
31/10/2019	Tsf 3	ANZ Term Deposit	Term Deposit Transfer	\$2,500,000.00
Total Inter account Transfers				\$6,500,000.00

Posting Date	Document No	Vendor Name	Details	EFT Amount
4/10/2019	EFT-01812	A & G Wines PtImbing	Emergency repairs to damaged water pipe (shop)	\$390.61
4/10/2019	EFT-01812	Aaron Griffiths	Travelling expenses	\$542.06
4/10/2019	EFT-01812	Airtools Australia P/L TA Airtools	Pump regulators	\$736.12
4/10/2019	EFT-01812	Alance Newspaper & Magazine Delivery	Newspapers 08/07/19 - 01/09/19	\$312.00
4/10/2019	EFT-01812	Australian Services Union	Staff Union Fees	\$25.90
4/10/2019	EFT-01812	Australian Services Union	Staff Union Fees	\$25.90
4/10/2019	EFT-01812	AV Truck Services P/L	Plt 76 brakes	\$1,489.84
4/10/2019	EFT-01812	Bennett & Co (Lawfirst Pty Ltd)	AU TM "Face Your Waste"(stylised) in classes 35&37	\$2,310.00
4/10/2019	EFT-01812	Blackwoods & Atkins	Workshop shelves	\$1,804.80
4/10/2019	EFT-01812	Blackwoods & Atkins	Workshop consumables	\$109.66
4/10/2019	EFT-01812	Blackwoods & Atkins	Workshop consumables	\$74.51
4/10/2019	EFT-01812	Blackwoods & Atkins	Cable Ties	\$46.20
4/10/2019	EFT-01812	Bullivants Pty Ltd	Soft shackles - tow only.	\$2,315.45
4/10/2019	EFT-01812	Cabcharge Australia Ltd	EFW Conference	\$102.90
4/10/2019	EFT-01812	Central Fire Services P/L	Maintenance / Testing Fire System - Aug19	\$78.83
4/10/2019	EFT-01812	Command A Com	Telephone Expenses September 2019	\$1,523.93
4/10/2019	EFT-01812	COVS Parts Pty Ltd	Engine Mount	\$154.54
4/10/2019	EFT-01812	Cutting Edges Equipment Parts	Skid bucket blades	\$202.94
4/10/2019	EFT-01812	DCM Services	Server room service	\$220.00
4/10/2019	EFT-01812	Deborah Toward	Travel Course Expenses	\$15.80
4/10/2019	EFT-01812	Deborah Toward	Travel Course Expenses	\$160.89
4/10/2019	EFT-01812	EMRC	CCA to Red Hill	\$447.99
4/10/2019	EFT-01812	Envirocare Systems	TP Mthly Hygiene Service - Jul 19	\$645.26
4/10/2019	EFT-01812	Envirocare Systems	RRF Mthly Hygiene Service - Jul 19	\$231.77
4/10/2019	EFT-01812	GCM Enviro Pty Ltd	Pro track Connectin 1 Yr GPS Monitoring	\$2,901.72
4/10/2019	EFT-01812	GHD Pty Ltd	Update the CSM	\$8,747.75
4/10/2019	EFT-01812	IW Projects	Contract Labour - PAG	\$15,350.50
4/10/2019	EFT-01812	Jim's Mowing (Hillarys Marmion)	Mthly Garden Maintenance - Tamala Park - Jul 2019	\$435.00
4/10/2019	EFT-01812	Jim's Mowing (Hillarys Marmion)	RRF Quarterly Maintenance Sept 19	\$385.00
4/10/2019	EFT-01812	Joondalup Office National	General Stationery	\$208.08
4/10/2019	EFT-01812	Kitec Electrical Services	Relocate Degas Shed CCTV Cabling	\$1,562.00
4/10/2019	EFT-01812	Kitec Electrical Services	Realignment of electrical cables for old EPS shed	\$2,626.80
4/10/2019	EFT-01812	L & T Venables	Bolt & Nut, Flat Washers	\$43.62
4/10/2019	EFT-01812	Michael Page International P/L	Finance Temp w/e 08/09/19	\$1,561.44
4/10/2019	EFT-01812	Michael Page International P/L	Education Admin w/e 06/09/19	\$1,500.68
4/10/2019	EFT-01812	Mobile Mouse	Computer Basics no. 2 Word/outlook	\$1,375.00
4/10/2019	EFT-01812	Mobile Mouse	Microsoft Publisher Essentials 20/9/19	\$280.00
4/10/2019	EFT-01812	Officeworks	Weighbridge draft chair	\$1,219.95
4/10/2019	EFT-01812	Officeworks	Assembly Fee Deluxe Drafting PU Chair BK	\$35.00
4/10/2019	EFT-01812	Our Lady of Good Counsel School	Bus subsidy	\$250.00
4/10/2019	EFT-01812	Penske Power Systems	Plt 104 brakes and ac	\$6,121.27
4/10/2019	EFT-01812	Pirtek (Malaga) Pty Ltd	Bucket repairs	\$488.60
4/10/2019	EFT-01812	Pirtek (Malaga) Pty Ltd	Pump hoses	\$2,215.35
4/10/2019	EFT-01812	Safemaster Safety Products	Risk Assessment and Associated Heights Safety	\$8,041.00
4/10/2019	EFT-01812	Security Specialists Australia Pty Ltd	Cash security collection Aug2019	\$299.28
4/10/2019	EFT-01812	Site Planning and Design Pty Ltd	Drafting Works - CDS Concept Pltan	\$3,850.00
4/10/2019	EFT-01812	Spectur Ltd	Quarterly Server, alarms & CCTV Bundle Sept-Nov 19	\$264.00
4/10/2019	EFT-01812	Staff Australia	Litter pickup/revagation Staff	\$1,256.90

4/10/2019	EFT-01812	Tyrecycle P/L	Recycled Tyres x85	\$617.01
4/10/2019	EFT-01812	WA Heritage Tree Surgeons	Re-instate fire track north of recycling	\$2,750.00
4/10/2019	EFT-01812	WesTrac Pty Ltd	Grader mirror	\$174.54
4/10/2019	EFT-01812	Winc Australia P/L	General Stationery	\$201.09
4/10/2019	EFT-01812	Wren Oil	Oil Waste Disposal	\$16.50
11/10/2019	EFT-01813	Cancelled	Cancelled	\$0.00
11/10/2019	EFT-01814	Payroll Employee Wages	Pay FE11/10/19	\$122,926.89
10/10/2019	EFT-01815	Allout Towing Services Pty Ltd	Tow to WesTrack for repairs	\$206.80
10/10/2019	EFT-01815	Appliance Testing Supplies	Test & Tag Supplies	\$374.00
10/10/2019	EFT-01815	Blackwoods & Atkins	Threaded sealing tape (50)	\$119.90
10/10/2019	EFT-01815	Bunnings	Storage Containers	\$32.09
10/10/2019	EFT-01815	Bunnings	Cable Management Ties	\$41.80
10/10/2019	EFT-01815	Caps Malaga	August 2019 - Service	\$1,063.86
10/10/2019	EFT-01815	City of Joondalup	TP Rates Recoup 2019/20	\$6,503.74
10/10/2019	EFT-01816	Aaron Griffiths	Returned reimb payment A Griffiths Closed Act	\$542.06
10/10/2019	EFT-01816	Coates Hire	Aug 2 x Trash Pumps hire inc lines and fittings	\$5,017.24
10/10/2019	EFT-01816	Couplers Malaga	Leachate manifold fittings	\$1,023.26
10/10/2019	EFT-01816	Couplers Malaga	90mm/75 socketng	\$805.20
10/10/2019	EFT-01816	Couplers Malaga	LD Vall Valve 3"PVC Ball	\$1,537.14
10/10/2019	EFT-01816	Couplers Malaga	Tee 90mm/75	\$1,345.08
10/10/2019	EFT-01816	Couplers Malaga	Fittings for the manifold	\$138.34
10/10/2019	EFT-01816	Couplers Malaga	Fittings for the manifold	\$207.50
10/10/2019	EFT-01816	Crossland & Hardy Pty Ltd	Shape files for CDS	\$275.00
10/10/2019	EFT-01816	David Gray & Co Pty Ltd	Stationery and Printing	\$98.45
10/10/2019	EFT-01816	David Moss Corporation P/L	90mm fittings Rainfall/Leachate bench	\$1,185.43
10/10/2019	EFT-01816	Envirocare Systems	Toilet Rolls	\$140.80
10/10/2019	EFT-01816	Excel Carpet Cleaning WA	Window Cleaning August 2019	\$185.00
10/10/2019	EFT-01816	Felis Services	July 19 Clean - RRF	\$2,150.50
10/10/2019	EFT-01816	Felis Services	Strip and clean vinyl floors	\$891.00
10/10/2019	EFT-01816	Landfill Power and Gas	Electricity - August 2019	\$8,498.02
10/10/2019	EFT-01816	Michael Page International P/L	Education admin relief w/e 15.9.19	\$1,140.51
10/10/2019	EFT-01816	Michael Page International P/L	Finance Temp week end 15/09/19	\$1,196.26
10/10/2019	EFT-01816	Neverfail Springwater Ltd	Annual Cooler Rental	\$130.04
10/10/2019	EFT-01816	Pirtek (Malaga) Pty Ltd	Plt119 blown hose	\$479.44
10/10/2019	EFT-01816	Plant & Garden Rentals	Plant Rental Admin	\$220.00
10/10/2019	EFT-01816	SafeWork Laboratories Pty Ltd	Drug and Alcohol Tests 1 July to 30 December 2019	\$975.10
10/10/2019	EFT-01816	Smart Waste Solutions Pty Ltd	Service to Cardboard Bailer	\$493.90
10/10/2019	EFT-01816	Staff Australia	Transfer and Recycling Irrigation work	\$896.40
10/10/2019	EFT-01816	Staff Australia	WIP - Leachate System - Labour	\$759.99
10/10/2019	EFT-01816	Strata Green	WIP - Leachate System	\$1,651.98
10/10/2019	EFT-01816	T & C Transport Services	Courier Expenses September 2019	\$474.24
10/10/2019	EFT-01816	TerraVac Vacuum Excavations	Sucking out of the evap mat (east)	\$650.38
10/10/2019	EFT-01816	Total Eden Pty Ltd	Controller for the odour misters 1	\$417.14
10/10/2019	EFT-01816	Trade West Industrial Supplies	MSA Respirator Cartridge Abek P3	\$723.24
10/10/2019	EFT-01816	Trade West Industrial Supplies	Navy Brushed Hat Large	\$275.00
10/10/2019	EFT-01816	Tyrecycle P/L	Recycled Tyres x 96	\$848.99
10/10/2019	EFT-01816	Vertical Telecoms Pty Ltd	2 x 300mm Microwave Antennas 1/10/19 to 31/12/19	\$1,454.42
10/10/2019	EFT-01816	Winc Australia P/L	Stationery and Printing	\$159.16
10/10/2019	EFT-01816	Wren Oil	Oil Waste Disposal	\$16.50
11/10/2019	EFT-01817	Australian Taxation Office	PAYG	\$41,995.00

15/10/2019	EFT-01818	Great Southern Fuel Supplies	Fuel September 2019	\$27,166.27
17/10/2019	EFT-01819	Abigail Jones	CDS / FOGO Event 11/9/19	\$155.71
17/10/2019	EFT-01819	Abigail Jones	Display building material - Royal Show	\$718.60
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Clamp Bolts	\$186.21
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Plt 83 full service kit	\$186.50
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Plt 119 Battery	\$429.88
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Plt - Fuel and Oil add blue	\$2,673.00
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Tip face beacon	\$204.97
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Expendable Tools/Workshop Consumables	\$88.34
17/10/2019	EFT-01819	COVS Parts Pty Ltd	Engine Mount	\$208.88
17/10/2019	EFT-01819	David Moss Corporation P/L	Drainage for leachate (Q66624)	\$979.66
17/10/2019	EFT-01819	E Group Holdings Pty Ltd T/as e Frie & Safety	Fire Retradant Foam	\$3,960.00
17/10/2019	EFT-01819	EMRC	Timber 4.68 t	\$267.70
17/10/2019	EFT-01819	EMRC	Timber 2.66 t	\$171.17
17/10/2019	EFT-01819	Felis Services	July 19 Clean - RRF	\$2,150.50
17/10/2019	EFT-01819	Image Bollards	50% Deposit Bollard Relocation	\$2,970.55
17/10/2019	EFT-01819	Informa Corporate Learning	Contract Law MasterClass - AG	\$2,854.50
17/10/2019	EFT-01819	Joondalup Office National	Copy Paper	\$179.05
17/10/2019	EFT-01819	Macri Partners	Final Audit year ended 30/6/2019	\$15,400.00
17/10/2019	EFT-01819	Marketforce P/L	FYW social media management - July 19	\$2,640.00
17/10/2019	EFT-01819	Marketforce P/L	Notice - Special council meeting 26 September 2019	\$400.86
17/10/2019	EFT-01819	Michael Page International P/L	Education Admin Assistant w/e 22/9/19	\$450.21
17/10/2019	EFT-01819	Michael Page International P/L	Finance relief w/e 22/9/19	\$1,133.31
17/10/2019	EFT-01819	Mindarie Marina P/L	Business Planning meeting 14 11 2019	\$490.00
17/10/2019	EFT-01819	Staff Australia	Leachate assistance	\$759.99
17/10/2019	EFT-01819	Staff Australia	Castor Oil removal	\$759.99
17/10/2019	EFT-01819	Trade West Industrial Supplies	5 in 1 Jacket XXL with MRC logo	\$218.90
17/10/2019	EFT-01819	Trade West Industrial Supplies	DANGER' NO SMOKING NO IGNITION SOURCES'	\$241.29
17/10/2019	EFT-01819	Trident Signs Pty Ltd	Coft Grass Spike Directions - Royal Show Corflutes	\$161.40
17/10/2019	EFT-01819	Trident Signs Pty Ltd	Banner incl delivery-Tamala Park more than a landfill	\$170.50
17/10/2019	EFT-01819	Tyrecycle P/L	Recycled Tyres x56	\$554.20
17/10/2019	EFT-01819	WA Local Government Association	MWAC & Regional Council Working Contribution	\$71,369.98
17/10/2019	EFT-01819	Zirco Data Services	Retrieval of boxes from storage	\$121.46
17/10/2019	EFT-01820	Biovision 2020 Pty Ltd	Contractors Fees Sept 19 + WD Backcharge (3 bin system roll out)	\$3,579,942.51
18/10/2019	EFT-01821	Caltex Australia Petroleum PTY	Fuel Sept 2019 - GH	\$959.86
22/10/2019	EFT-01822	Work Health Professionals Pty Ltd	Hep A & B Vaccinations 4/7/19	\$470.80
25/10/2019	EFT-01823	Payroll Employee Wages	PAY FE251019	\$119,966.02
23/10/2019	EFT-01824	Australian Taxation Office	PAYG	\$41,125.00
25/10/2019	EFT-01825	ANZ Smart Choice Super	Staff Superannuation	\$559.06
25/10/2019	EFT-01825	Australian Ethical Super	Staff Superannuation	\$152.41
25/10/2019	EFT-01825	Australian Ethical Super	Staff Superannuation	\$152.41
25/10/2019	EFT-01825	Australian Ethical Super	Staff Superannuation	\$838.28
25/10/2019	EFT-01825	Australian Super Administration	Staff Superannuation	\$108.32
25/10/2019	EFT-01825	Australian Super Administration	Staff Superannuation	\$108.46
25/10/2019	EFT-01825	Australian Super Administration	Staff Superannuation	\$4,263.77
25/10/2019	EFT-01825	BT Super for Life - SG	Staff Superannuation	\$34.99
25/10/2019	EFT-01825	BT Super for Life - SG	Staff Superannuation	\$28.41
25/10/2019	EFT-01825	BT Super for Life - SG	Staff Superannuation	\$792.50
25/10/2019	EFT-01825	Care Superannuation	Staff Superannuation	\$555.74
25/10/2019	EFT-01825	CBUS	Staff Superannuation	\$210.21

25/10/2019	EFT-01825	CBUS	Staff Superannuation	\$210.22
25/10/2019	EFT-01825	CBUS	Staff Superannuation	\$1,156.18
25/10/2019	EFT-01825	Colonial First State	Staff Superannuation	\$257.02
25/10/2019	EFT-01825	Colonial First State	Staff Superannuation	\$210.21
25/10/2019	EFT-01825	Colonial First State	Staff Superannuation	\$2,791.31
25/10/2019	EFT-01825	Commonwealth Bank Group Super	Staff Superannuation	\$51.61
25/10/2019	EFT-01825	Commonwealth Bank Group Super	Staff Superannuation	\$51.12
25/10/2019	EFT-01825	Commonwealth Bank Group Super	Staff Superannuation	\$1,284.11
25/10/2019	EFT-01825	Energy Superannuation	Staff Superannuation	\$563.13
25/10/2019	EFT-01825	Hesta Super Fund	Staff Superannuation	\$577.48
25/10/2019	EFT-01825	Hostplus	Staff Superannuation	\$557.84
25/10/2019	EFT-01825	IOOF Portfolio Service Superannuation Fund	Staff Superannuation	\$425.13
25/10/2019	EFT-01825	IOOF Portfolio Service Superannuation Fund	Staff Superannuation	\$425.48
25/10/2019	EFT-01825	IOOF Portfolio Service Superannuation Fund	Staff Superannuation	\$2,582.67
25/10/2019	EFT-01825	MLC Master Key Personal Super	Staff Superannuation	\$429.23
25/10/2019	EFT-01825	Netwealth Superannuation	Staff Superannuation	\$556.69
25/10/2019	EFT-01825	Rest Superannuation	Staff Superannuation	\$628.77
25/10/2019	EFT-01825	Sunsuper	Staff Superannuation	\$172.92
25/10/2019	EFT-01825	Sunsuper	Staff Superannuation	\$172.92
25/10/2019	EFT-01825	Sunsuper	Staff Superannuation	\$1,542.33
25/10/2019	EFT-01825	TWU Superannuation Fund	Staff Superannuation	\$580.22
25/10/2019	EFT-01825	Walgs Plan Pty Ltd	Staff Superannuation	\$4,039.12
25/10/2019	EFT-01825	Walgs Plan Pty Ltd	Staff Superannuation	\$4,119.17
25/10/2019	EFT-01825	Walgs Plan Pty Ltd	Staff Superannuation	\$22,460.15
24/10/2019	EFT-01826	A & G Wines Pltumbing	Plumbing to revamp the PST/EcoMax	\$1,732.01
24/10/2019	EFT-01826	A & G Wines Pltumbing	Recycling Water Isolation Valve	\$665.78
24/10/2019	EFT-01826	Allout Towing Services Pty Ltd	Plt118 axle repairs towing	\$413.60
24/10/2019	EFT-01826	Allout Towing Services Pty Ltd	Towing Skid Steer	\$206.80
24/10/2019	EFT-01826	Australasian Land & Groundwater Association	WA Focused contaminated and land conference	\$660.00
24/10/2019	EFT-01826	Bealesseez	Plt107 new pump	\$11,896.50
24/10/2019	EFT-01826	Blackwoods & Atkins	Clamp Hose	\$187.24
24/10/2019	EFT-01826	Blackwoods & Atkins	Workshop Consumables	\$518.40
24/10/2019	EFT-01826	BOC Limited	Expendable Tools/Workshop Consumables	\$69.66
24/10/2019	EFT-01826	BOQ Asset Finance & Leasing Pty Ltd	Kyocera TASKalfa	\$446.85
24/10/2019	EFT-01826	Britel Enterprises Pty Ltd	FYW adverts - Mullaloo PS	\$630.00
24/10/2019	EFT-01826	Britel Enterprises Pty Ltd	FYW advert, Somerly PS	\$630.00
24/10/2019	EFT-01826	Bunnings	Fittings for irrigation	\$227.78
24/10/2019	EFT-01826	Bunnings	Site Operating	\$215.08
24/10/2019	EFT-01826	Castledine Gregory	Legal Expenses - 24 to 26/9/19	\$1,984.40
24/10/2019	EFT-01826	Central Fire Services P/L	Investigate Fire Pane Alarm	\$275.00
24/10/2019	EFT-01826	Coates Hire	Trash pump Sept charges	\$4,960.05
24/10/2019	EFT-01826	Command A Com	Telephone Expenses	\$308.00
24/10/2019	EFT-01826	Couplers Malaga	Air pump fittings/drainage	\$727.80
24/10/2019	EFT-01826	Data#3	HP Compatible 1.25Gbps	\$164.27
24/10/2019	EFT-01826	David Moss Corporation P/L	90mm fittings Rainfall/leachate bench	\$170.78
24/10/2019	EFT-01826	Deborah Toward	Spectacles allowance	\$200.00
24/10/2019	EFT-01826	Ecolo WA	Sept service of 5 odour pods	\$5,060.00
24/10/2019	EFT-01826	Edith Cowan University	Research Project - Vetiver Biofiltration	\$2,200.00
24/10/2019	EFT-01826	Elliot's Irrigation Pty Ltd	Assistance in helping Peter	\$2,675.75
24/10/2019	EFT-01826	EMRC	CCA to EMRC	\$447.99

24/10/2019	EFT-01826	Enviro Sweep	Sept 2019 Service	\$594.00
24/10/2019	EFT-01826	Enviro Sweep	August 2019 - contract expires 28 Aug 2019	\$701.79
24/10/2019	EFT-01826	Envirocare Systems	Purchase new Toilet roll and towel dispensers	\$223.96
24/10/2019	EFT-01826	Excel Carpet Cleaning WA	Window Cleaning September 2019	\$445.00
24/10/2019	EFT-01826	Heavy Duty Auto Electrics	Air con fit hose regas	\$660.00
24/10/2019	EFT-01826	Heavy Duty Auto Electrics	Plt 129 ute light radio	\$2,178.00
24/10/2019	EFT-01826	Iron Mountain Australia Pty Ltd	Data storage Sept 2019	\$88.15
24/10/2019	EFT-01826	Ironcat Tyres	Plt120 tyres	\$2,073.50
24/10/2019	EFT-01826	Joondalup Office National	Bin Liners	\$146.92
24/10/2019	EFT-01826	Joondalup Office National	Regal Gold Tad Hand Towels Interleaved	\$178.20
24/10/2019	EFT-01826	Joondalup Office National	Initiative Clear Binding Covers	\$157.43
24/10/2019	EFT-01826	Key2creative P/L	Annual Report Design 2019	\$1,485.00
24/10/2019	EFT-01826	Kitec Electrical Services	Fix Speaker Cabling Conference Room	\$346.50
24/10/2019	EFT-01826	Komatsu Australia	Quarry Loader Great Line Repairs	\$784.88
24/10/2019	EFT-01826	Kyocera Document Solutions	Photocopying Expenses - September 2019	\$1,291.72
24/10/2019	EFT-01826	L & T Venables	Workshop Consumables	\$219.08
24/10/2019	EFT-01826	LGISWA	Prepaid Ins-19/20 LGIS PROPERTY 50%	\$50,927.66
24/10/2019	EFT-01826	LGISWA	Prepaid Ins 19/20 LGIS Liability 50%	\$36,906.87
24/10/2019	EFT-01826	LGISWA	Prepaid Ins LGIS Workcare 50%	\$52,289.95
24/10/2019	EFT-01827	Magicorp Pty Ltd	Subscription for On Hold Messages	\$49.50
24/10/2019	EFT-01827	Michael Page International P/L	Education Admin support w/e29 09 2019	\$1,400.63
24/10/2019	EFT-01827	Michael Page International P/L	Finance Support w/e 29 09 2019	\$755.54
24/10/2019	EFT-01827	Natural Area Management & Services	Flora And Fauna Survey	\$11,638.00
24/10/2019	EFT-01827	Neverfail Springwater Ltd	6 x 15L Springwater Bottles	\$45.30
24/10/2019	EFT-01827	Officeworks	Royal show posters - Laminating	\$156.00
24/10/2019	EFT-01827	Officeworks	Royal show posters - Laminating	\$58.50
24/10/2019	EFT-01827	Officeworks	Royal show posters - Laminating	\$58.50
24/10/2019	EFT-01827	Pirtek (Malaga) Pty Ltd	Pump fittings	\$312.35
24/10/2019	EFT-01827	Position Partners	GPS - July 19	\$2,200.00
24/10/2019	EFT-01827	Preferred Training Network Pty Ltd	Train the On the Job Trainer	\$4,950.00
24/10/2019	EFT-01827	Pro Water Services	Diaphram Pumps	\$47,427.60
24/10/2019	EFT-01827	Repco Auto Parts - Clarkson	Grease Spheerol EPt2 450GM	\$187.55
24/10/2019	EFT-01827	Rodney Industries	Leachate travelators - repairs	\$2,222.06
24/10/2019	EFT-01827	Seaview Ford Clarkson	Ford Ranger Fire Ute	\$40,974.25
24/10/2019	EFT-01827	Security Specialists Australia Pty Ltd	Cash Security collection Sept-2019	\$266.02
24/10/2019	EFT-01828	Instant Products Group	Toilet Hire Ed Centre August 19	\$93.50
24/10/2019	EFT-01828	Instant Products Group	Toilet Hire Ed Centre August 19	\$634.68
24/10/2019	EFT-01828	Quality Press	Triangle corflute display for Royal Show	\$214.35
24/10/2019	EFT-01828	Soft Landing	Mattresses from Landfill x303	\$8,332.50
24/10/2019	EFT-01828	Soft Landing	Mattresses for COS Sept 2019	\$20,396.20
24/10/2019	EFT-01828	Soft Landing	Mattresses COW Sept 2019 (1011)	\$31,138.80
24/10/2019	EFT-01828	Soft Landing	Mattresses COS (557) Sept 2019	\$15,317.50
24/10/2019	EFT-01828	Staff Australia	Gabion installation on mats	\$3,000.00
24/10/2019	EFT-01828	Staff Australia	Evaporation refresh	\$676.54
24/10/2019	EFT-01828	Suez Recycling & Recovery (Perth) P/L	Confidential Paper Bin Pickup September 2019	\$52.04
24/10/2019	EFT-01828	The Platform Perth Ltd	The Grove 11/9/19 Earth Carer meeting	\$198.00
24/10/2019	EFT-01828	Trade West Industrial Supplies	HAZCHEM SIGN 'TOXIC 6' 270 X 270MM METAL (DIAMOND)	\$318.77
24/10/2019	EFT-01828	Trade West Industrial Supplies	3XL Bisley shirt Orange/Navy 'rip stop' shirt	\$341.88
24/10/2019	EFT-01828	Trade West Industrial Supplies	Black Bump Cap ZIP Steel Blue Size 11 Pen sole	\$232.10
24/10/2019	EFT-01828	Wanneroo Crane Hire	Booked 2 days - Staff Training x 2	\$1,089.00

24/10/2019	EFT-01828	Welding Solutions	Plt76 water sparyer	\$3,693.80
24/10/2019	EFT-01828	WesTrac Pty Ltd	Plt130 tracks	\$4,928.28
24/10/2019	EFT-01828	WesTrac Pty Ltd	Plt118 Axle investigation	\$2,433.98
24/10/2019	EFT-01828	WesTrac Pty Ltd	Plt118 l/h lower glass Replacement	\$1,059.26
24/10/2019	EFT-01829	Department of Water & Environment Regulation	DEP Landfill levy	\$2,246,488.38
24/10/2019	EFT-01830	Command A Com	Telephone Expenses October 2019	\$1,292.76
24/10/2019	EFT-01830	Gavin Burgess	Community recycling collections Sept 2019	\$14,645.40
24/10/2019	EFT-01830	Image Bollards	Bollard Relocation	\$1,738.55
24/10/2019	EFT-01830	The Royal Agricultural Society of Australia	Entry tickets for EC volunteers	\$320.00
24/10/2019	EFT-01830	Western Tree Recyclers	City of Joondalup	\$5,175.41
24/10/2019	EFT-01830	Western Tree Recyclers	City of Perth	\$717.29
25/10/2019	EFT-01831	Australian Services Union	Staff Union Fees	\$25.90
25/10/2019	EFT-01831	Australian Services Union	Staff Union Fees	\$51.80
28/10/2019	EFT-01832	Deloittees	Phase5 Strategic Work	\$13,200.00
29/10/2019	EFT-01833	City of Joondalup	TP Lease Nov - 2019	\$11,117.37
29/10/2019	EFT-01833	City of Perth	TP Lease Nov 19 - Perth	\$5,512.14
29/10/2019	EFT-01833	City of Stirling	TP Lease - Nov 19 - Stirling	\$22,054.14
29/10/2019	EFT-01833	City of Vincent	TP Lease Nov 19 - Vincent	\$5,513.54
29/10/2019	EFT-01833	City of Wanneroo	TP Lease Nov 19 - Wanneroo	\$11,027.07
29/10/2019	EFT-01833	Town of Cambridge	TP Lease Nov 2019 - Cambridge	\$5,513.54
29/10/2019	EFT-01833	Town of Victoria Park	TP Lease - Sept 19 - Victoria Park	\$5,513.54
31/10/2019	EFT-01834	A & G Wines Pltumbing	Repair Hose Tap at old Admin	\$153.84
31/10/2019	EFT-01834	Airwell Group Pty Ltd	Repairs to Airwell Pumps	\$1,297.54
31/10/2019	EFT-01834	Airwell Group Pty Ltd	Quarterly service of pumps	\$1,000.00
31/10/2019	EFT-01834	Airwell Group Pty Ltd	Assistance to install the risers	\$983.95
31/10/2019	EFT-01834	All Fence U Rent P/L	Fencing for Leachate Pond Sept 19	\$819.50
31/10/2019	EFT-01834	Borrell Rafferty Associates Pty Ltd	Modification to CDS ICE Estimates	\$995.50
31/10/2019	EFT-01834	Cabcharge Australia Ltd	Aaron Griffiths EF Conference	\$88.73
31/10/2019	EFT-01834	Central Fire Services P/L	Maint/Testing Fire System - Aug19	\$78.83
31/10/2019	EFT-01834	Cleanaway Co Pty Ltd formally TOX FREE	Fluro	\$1,200.00
31/10/2019	EFT-01834	Cleanaway Co Pty Ltd formally TOX FREE	Gas bottle extra to PO19062	\$587.78
31/10/2019	EFT-01834	Coates Hire	Trash Pumps 25/09-27/09/19	\$708.81
31/10/2019	EFT-01834	Command A Com	Yealink EHS Compatible with Pltronics	\$55.00
31/10/2019	EFT-01834	Couplers Malaga	Leachate fittings	\$302.33
31/10/2019	EFT-01834	Couplers Malaga	Leachate fittings	\$64.75
31/10/2019	EFT-01834	Couplers Malaga	Dosatron for product injection	\$1,756.92
31/10/2019	EFT-01834	DCM Services	Qtly Air Con Maint - July 19	\$704.00
31/10/2019	EFT-01834	ECOLO WA	October Service of 5 odour units	\$5,060.00
31/10/2019	EFT-01834	Envirocare Systems	RRF Mthly Hygiene Service - Jul 19	\$231.77
31/10/2019	EFT-01834	Envirocare Systems	TP Mthly Hygiene Service - Jul 19	\$707.74
31/10/2019	EFT-01834	Fennell Tyres International Pty Ltd	Plt134 pos 2	\$834.60
31/10/2019	EFT-01834	Gentronics	Welding Helmet	\$392.70
31/10/2019	EFT-01834	GHD PTY LTD	Update the CSM	\$7,614.93
31/10/2019	EFT-01834	John Septimus Roe Anglican Community School	Bus subsidy tour 05-04-19	\$250.00
31/10/2019	EFT-01834	Joondalup Office National	Deflecto Brochure Holder	\$76.99
31/10/2019	EFT-01834	Kitec Electrical Services	Building Maintenance	\$709.74
31/10/2019	EFT-01834	Michael Page International P/L	Admin Relief w/e 6 10 2019	\$590.27
31/10/2019	EFT-01834	Michael Page International P/L	Finance relief w/e 6.10.19	\$1,133.31
31/10/2019	EFT-01834	Mirco Bros Pty Ltd	Star Pickets 1800mm	\$309.50
31/10/2019	EFT-01834	Mobile Glass	Glass Window Replacements	\$630.30

31/10/2019	EFT-01834	Neverfail Springwater Ltd	7 x 15 Ltr bottles water	\$133.64
31/10/2019	EFT-01834	Pirtek (Malaga) Pty Ltd	Rainfall Management	\$104.82
31/10/2019	EFT-01834	Proofload P/L	Onsite 6 monthly inspections	\$445.50
31/10/2019	EFT-01834	Richard Harrison	Bee swarm inspection	\$100.00
31/10/2019	EFT-01834	Richard Harrison	Bee swarm removal	\$350.00
31/10/2019	EFT-01834	Safemaster Safety Products	ZERO TAG-008 ROPE CLAMP X 2	\$127.60
31/10/2019	EFT-01834	St Andrews	2 tours to TP & Ed centre 17/09/2019	\$440.00
31/10/2019	EFT-01834	Strata Green	Gabions for Western Evap Mat Revamp	\$3,303.96
31/10/2019	EFT-01834	The Northern Guide	Northern Guide Summer 19	\$1,430.00
31/10/2019	EFT-01834	Total Eden Pty Ltd	Travelator filters	\$371.57
31/10/2019	EFT-01834	Trade West Industrial Supplies	Navy Brushed Hat Large	\$232.10
31/10/2019	EFT-01834	Tyrecycle P/L	Tyres x 169	\$1,464.45
31/10/2019	EFT-01834	Winc Australia P/L	Stationery and Printing	\$100.72
31/10/2019	EFT-01834	Wren Oil	Oil Waste Disposal	\$16.50
31/10/2019	EFT-01835	Rota Mouldings	Replacement fire pod	\$7,018.00
31/10/2019	EFT-01836	Michael Norman	Member Meeting Fees 1st half year to 19/10/19	\$4,891.14
31/10/2019	EFT-01836	Suzanne Migdale	Member Meeting Fees 1st half year to 19/10/19	\$3,413.19

Total EFT Payments

\$7,024,964.81

CBA Cheque No. 694 to 710	\$14,467.03
Electronic Payments:	
DP- 01767 to DP- 01775	\$112,899.72
Inter-Account Transfers	\$6,500,000.00
EFT- 01812 to EFT- 01836	\$7,024,964.81
Grand Total	\$13,652,331.56

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

This schedule of accounts which was passed for payment, covering vouchers as above which was submitted to each member of Council on 12 December 2019 has been checked and is fully supported by vouchers and invoices which are submitted herewith and which have been duly certified as to the receipt of goods and the rendition of services and as to prices, computations, and costing and the amounts due for payment.

**Credit Card detailed analysis for October 2019
Council Meeting - 12th December 2019**

Date	Payment to	Description	Amount
28-Sep-19	Outback Enterprises	Plt 128 Fuel	\$79.94
30-Sep-19	Outback Enterprises	Plt 128 Fuel	\$71.38
3-Oct-19	Bob Jane T-Marts	Plt 128 Amarok Tyres	\$687.00
4-Oct-19	Wilson Parking	Parking	\$17.21
7-Oct-19	Executive Assistant	EA Membership	\$110.00
8-Oct-19	Wilson Parking	Parking	\$18.23
9-Oct-19	Aliment WA P/L	CEO Meeting	\$13.40
10-Oct-19	Local Government Professionals	Annual State Conference Registration CEO DCS	\$3,380.00
10-Oct-19	Swell Mullaloo	CEO Meeting	\$32.50
11-Oct-19	Bud n Bee	Staff Breavement Flowers	\$100.00
13-Oct-19	Outback Enterprises	Plt 128 Fuel	\$93.50
13-Oct-19	Outback Enterprises	Plt 128 Fuel	\$86.41
15-Oct-19	Event and Conference Centre	Waste Conference Registration	\$355.25
15-Oct-19	Event and Conference Centre	Waste Conference Registration	\$355.25
17-Oct-19	Coles	Staff Amenities	\$187.90
17-Oct-19	Wilson Parking	Parking	\$13.16
23-Oct-19	Breathalyser Sales	Breathalyser Calibration	\$110.00
Total CBA Credit Card - 27 September 2019 - 25 October 2019			\$5,711.13

Local Government Operational Guidelines Number 09 – Audit in Local Government

Item
13.1(A)

APPENDIX NO. 4

Item
13.1(A)



Government of **Western Australia**
Department of **Local Government and Communities**

Local Government Operational Guidelines

Number 09 – Revised September 2013

Audit in Local Government

The appointment, function
and responsibilities of
Audit Committees

1. Introduction

The *Local Government Act 1995* (the Act) requires that all local governments establish an audit committee. An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The purpose of this guideline is to assist local governments to establish and operate an effective audit committee. Clear and comprehensive terms of reference, setting out the committee's roles and responsibilities, are essential and a model terms of reference for an audit committee is provided with this guideline. Matters such as the governing legislation, membership, primary roles and responsibilities of the committee and ancillary functions are also addressed. Guidance is provided to the committee as it approaches its task of appointing an external auditor through provision of a minimum standard audit specification and as it forms an opinion of the local government's internal audit requirements.

2. Audit Requirements, Committees and Functions

The relevant parts of the Act and regulations that relate to audit requirements, audit committees and their functions are listed below.

Financial Management

In relation to financial management under Part 6 of the Act, a local government is to –

- a) prepare and adopt an annual budget in the form and manner prescribed (section 6.2). A copy of the budget is to be sent to the Department within 30 days of adoption.
- b) prepare an annual financial report and such other financial reports as prescribed. The accounts of the local government and annual financial report are to be submitted to the auditor for audit by 30 September (section 6.4).
- c) have a municipal fund and a separate and distinct trust fund (section 6.6).
- d) establish and maintain reserve funds for the holding of monies set aside for future use (section 6.11).

Audit Requirements for Local Governments

Part 7 of the Act and the *Local Government (Audit) Regulations 1996* (the Regulations) address the situation of audit. In relation to the duties of the local government with respect to audits –

- a) the local government is to do everything in its power to –
 - i. assist the auditor to conduct an audit and carry out his or her other duties under the Act; and

- ii. ensure that audits are conducted successfully and expeditiously;
- b) a local government is to meet with its auditor at least once in every year;
- c) a local government is to examine the report of the auditor and is to –
 - i. determine if any matters raised require action to be taken by the local government; and
 - ii. ensure that appropriate action is taken in respect of those matters;
- d) a local government is to –
 - i. prepare a report on any actions taken in respect of any matters raised in the report of the auditor; and
 - ii. forward a copy of that report to the Minister by the end of the next financial year, or six months after the last report prepared by the auditor is received by the local government, whichever is the latest in time.
- e) the only powers and duties that can be delegated to a committee are any of the powers and duties of the local government under Part 7 of the Act; that is, those relating to audit. The committee cannot on-delegate the powers and duties delegated to it;
- f) an audit committee with a member who is a person that is not an elected member can be delegated powers and duties referred to in (e); and
- g) a decision of the committee is to be made by simple majority.

Audit Committee Functions

The Regulations state that an audit committee –

Establishment of the Audit Committee

The Act and Regulations provide that:

In relation to the establishment of an audit committee –

- a) each local government is to establish an audit committee consisting of three or more persons to exercise the powers and discharge the duties conferred on it;
- b) members of the committee are to be appointed by an absolute majority decision of Council. At least three of the members, and the majority of the members, are to be elected members;
- c) the Chief Executive Officer (CEO) is not to be a member of the committee and may not nominate a person to be a member or have a person to represent him or her as a member of the committee;
- d) an employee is not to be a member of the committee;
- (a) is to provide guidance and assistance to the local government –
 - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act;
 - (ii) as to the development of a process to be used to select and appoint a person to be an auditor;
- (b) may provide guidance and assistance to the local government as to –
 - (i) matters to be audited;
 - (ii) the scope of audits;
 - (iii) its functions under Part 6 of the Act;
 - (iv) the carrying out of its functions relating to other audits and other matters related to financial management;
- (c) is to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to –
 - (i) report to the council the results of that review;
 - (ii) give a copy of the CEO's report to the council;

- (d) review the annual Compliance Audit Return and report to the council the results of that review, and
- (e) consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and report to the council the results of those reviews.

3. Operation of Audit Committees

Role and Responsibilities

The role of the audit committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

The audit committee should critically examine the audit and management reports provided by the external auditor. The committee would then determine if matters raised in the reports require action to be taken by the local government and ensure that appropriate action is implemented.

A further role for the audit committee would be to receive and authorise the report relating to the audit prepared by the CEO that is to be sent to the Minister.

This report would outline any actions the local government has taken or intends to take in relation to the matters identified by the auditor.

While a formal internal audit function could be considered to be an operational function and therefore the responsibility of the CEO, it is desirable for an internal auditor to have a direct line of communication to the Audit Committee.

The Audit Committee needs to form an opinion of the local government's internal audit requirements and recommend a course of action that ensures that any internal audit processes adopted are appropriate, accountable and transparent. The role of the external auditor in this regard can be established at the time of appointment.

Please note that an audit committee (or any other committee) cannot be given a management task where the Act and Regulations make the CEO specifically responsible. Where the local government is assigned the function through the legislation, the audit committee may have a role unless the function has been delegated to the CEO by the Council.

The deliberations and recommendations of the committee must be independent and autonomous. Therefore, the Act prohibits the CEO being a member of the committee. However, it is essential that the CEO be given every opportunity to provide his/her expert advice to the committee as he/she does with full Council and other committees.

A model terms of reference is attached as Appendix 1 to assist local governments to define an appropriate role for its audit committee. When considering the model, local governments need to remember it is a guide and they can delete or modify any matters they believe not applicable.

It is important to note that the legislation gives the audit committee a specific role in appointing the auditor. It is to recommend to the Council who should be appointed as the auditor. Attached as Appendix 2 is a model 'Minimum Standard Audit Specification' that local governments can use when developing a process to be used to select and appoint a person to be the auditor.

Local governments can amend the document to suit their individual requirements. Any scope adopted must meet, as a minimum, the legislative requirements, as outlined in the Act and the Regulations.

The legislation specifies that a local government is required to meet with its auditor at least once in every year. The term "local government" in this context means the Council. If Council so resolved via a formal delegation, a meeting between the audit committee and the auditor would satisfy this requirement.

It is acknowledged that the requirement to meet at least once per year may incur a significant financial burden for the more remote local governments. In such circumstances the meeting can be conducted by telephone or video conference. The Council or audit committee should resolve how the meeting with the auditor will be conducted and for the record of the meeting to show that the auditor was involved and the matters discussed. It would be inappropriate for Council representatives to meet with the auditor in their offices unless they were members of the Audit Committee or a significant majority of the members are present.

The committee may need to liaise regularly with the external auditor to discuss the audit plan, results of the audit and implementation of any recommendations for action emerging from the audit. How communication and liaison between auditor and committee is to occur should be addressed in the agreement of appointment.

Advice from the auditor may address issues such as –

- (i) an assessment of accounting procedures;
- (ii) an assessment of internal controls;
- (iii) an assessment of risk;
- (iv) compliance with the Act and associated regulations;
- (v) compliance with Council policies;
- (vi) performance assessments on the efficiency and effectiveness of operations;
- (vii) processes of the internal audit;
- (viii) outcomes of the external audit prior to issue of management and audit reports; and
- (ix) changes to accounting standards and legislation and the impact on the local government.

Membership

The Act requires that an audit committee is to consist of a minimum of 3 members and in that situation all must be council members. Where a committee consists of more than 3 members then a majority of those members must be council members. Local governments may decide to appoint a committee involving only elected members or they may appoint one or more persons who are external to the Council. If a Council considers it appropriate, the whole Council can be appointed to the audit committee.

If the local government wishes to appoint one or more persons other than elected members to the committee, which is recommended, it should ensure that they have the requisite knowledge and skills to provide benefit to the committee.

Operation of the Committee

Irrespective of the membership of the committee, all legislative requirements relating to committee meetings such as advertising meeting dates, notice of meeting and keeping minutes of meetings need to be complied with.

The legislation prevents a meeting fee being paid to an external person but it is permissible for a payment to be made as a reimbursement of expenses, commensurate with the expertise and knowledge such people bring to the committee. The Council will need to determine whether payment will be offered and the level of that reimbursement payment.

Members of the committee should be encouraged to attend appropriate courses to keep them up to date with legislation, accounting and other relevant issues.

Other Responsibilities

Local governments are required by legislation to complete a statutory compliance return (Compliance Audit Return or CAR) annually and have the return adopted by Council. The return is a checklist of a local government's compliance with the requirements of the Act and its Regulations, concentrating on areas of compliance considered "high risk."

The Audit Committee is to review the annual CAR and report to the Council the results of that review, prior to adoption of the return by Council. After adoption, the return is to be signed by the Mayor or President and the CEO prior to it being forwarded to the Department.

The Audit Committee is to consider the CEO's biennial reviews (see Regulation 17) of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and report to the council the results of those reviews.

Attached as Appendix 3 is information to assist in determining what falls within the terms 'risk management,' 'internal control' and 'legislative compliance.'

The audit committee could also consider proposals from the CEO as to whether the compliance audit, and the biennial reviews of risk management, internal control and legislative compliance, are undertaken internally or an external party is contracted to undertake the task. In the case of an external party the audit committee would have responsibility to receive the review report from the CEO and make recommendations on it to full Council.

4. The External Audit

Appointment of the Auditor

The Act and Regulations provide that –

- a) on the recommendation of the audit committee a local government is to from time to time appoint, by absolute majority, a person to be its auditor;
- b) the local government may appoint one or more persons as its auditor;
- c) the local government's auditor is to be a person who is –
 - a. a registered company auditor; or
 - b. an auditor approved by the Minister;
- d) a person may not be appointed as a local government auditor if that person is –
 - a. a councillor or employee of the local government;
 - b. in debt to the local government for more than \$5,000;
 - c. a councillor or employee of a regional local government in which the local government is a participant;
 - d. a member of an incorporated association formed by the local government; or
 - e. a class of persons as prescribed in the Regulations;
- e) an auditor is not to be appointed for more than five years; and
- f) the appointment of a person as an auditor is to be made by agreement in writing and is to include –
 - i. the objectives of the audit;
 - ii. the scope of the audit;
 - iii. a plan for the audit;
 - iv. details of the remuneration and expenses to be paid to the auditor; and
 - v. the method to be used by the local government to communicate with, and supply information to, the auditor.

The committee should undertake a proper selection and appointment process as part of appointing, or reappointing an auditor. If reappointment is being considered, the process should include the review of key issues as in i. to v. above.

It is important to realise that the Act specifies that it is a named person(s) that is appointed as auditor, not the company, or 'the partners' of the company which employs the person. Therefore, when the audit report is received it must be signed by the person(s) appointed as the auditor; it cannot be the generic signature identifying the firm.

Conduct of the Audit

The Act and Regulations provide that –

- a) the auditor is required by 31 December next following the financial year to which the audit relates, to examine the accounts and annual financial report submitted for audit;
- b) the auditor is to form an opinion as to whether –
 - i. the accounts are properly kept; and
 - ii. the annual financial report –
 - is prepared in accordance with the financial records; and
 - represents fairly the results of the operations of the local government and its financial position at 30 June;
- c) the auditor is to prepare a report on the audit and within 30 days of completing the audit forward a copy to –
 - i. the mayor or president;
 - ii. the CEO of the local government; and
 - iii. the Minister;

- d) the report is to give the auditor's opinion on –
- i. the financial position of the local government; and
 - ii. the results of the operation of the local government;
- e) the report is to include –
- i. any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government;
 - ii. any matters indicating non-compliance with financial management requirements of the Act, Regulations and any other written law;
 - iii. details of whether information and explanations were obtained;
 - iv. a report on the conduct of the audit; and
 - v. the opinion of the auditor as to whether or not the specific financial ratios reported are supported by verifiable information and reasonable assumptions;
- f) where it is considered appropriate to do so the auditor is to prepare a management report to accompany the auditor's report;
- g) where the auditor considers that –
- i. there is any error or deficiency in an account or financial report;
 - ii. any money paid from, or due to the local government has been, or may have been misapplied; or
 - iii. there is a matter arising from the audit that needs to be addressed by the local government; details are to be included in the report to the Minister; and

- h) the auditor has a right of access at all reasonable times to such books, accounts, documents and assets of the local government as are in the opinion of the auditor necessary to allow the audit to be conducted.

Scope of the Audit

The Act and Regulations prescribe the scope of the external audit of the annual financial statements of a local government.

The scope details are going to vary between local governments but as an aid a model minimum standard audit specification is attached as Appendix 2 to this guideline. Individual local governments can amend that document to suit their particular needs.

Reporting by the Auditor

Regulations require the auditor, where appropriate, to prepare a management report to accompany the auditor's report. Although there is no legislative requirement for the auditor to prepare a management report unless he or she deems it appropriate, local government may wish to require the auditor to prepare a report on all issues identified during the audit.

The auditor, after completing the audit, is to forward a copy of his or her audit and management report to –

- the Mayor or President;
- the CEO of the local government; and
- the Minister via the Department.

It is the CEO's responsibility to ensure that the external audit report is provided to the audit committee. In considering the audit and management reports presented to the audit committee, the CEO should:

- a) examine any critical matters raised in the reports that affect the financial position of the local government; and
- b) provide comment on any critical matters raised and action proposed to be taken to address those matters.

Once Council has addressed matters raised, or accepted the CEO's planned remedial action on matters raised in the audit and management reports, the CEO should provide feedback to the Department on those matters.

Appendix 1

Model Terms of Reference – Audit Committees

Important: The following Model Terms of Reference contains clauses that may not be applicable to each local government. Local governments will need to consider each clause and only adopt those that are applicable to the roles and responsibilities and delegated powers and functions that will apply to their audit committee.

The clauses that may be considered optional have been asterisked (*).

Objectives of Audit Committees

The primary objective of the audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

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

The committee is to facilitate –

- the enhancement of the credibility and objectivity of *internal and 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 coordination of the internal audit function with the external audit; and
- the provision of an effective means of communication between the external auditor, *internal auditor, the CEO and the Council.

Powers of the Audit Committee

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

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.

Membership

The committee will consist of *four members with three elected and *one external person. All members shall have full voting rights.

*External persons appointed to the

committee will have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.

*Appointment of external persons shall be made by Council by way of a public advertisement and be for a maximum term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.

*Reimbursement of approved expenses will be paid to each external person who is a member of the committee.

The CEO and employees are not members of the committee.

The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

Meetings

The committee shall meet at least *quarterly.

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

Reporting

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

*The committee shall report annually to the Council summarising its activities during the previous financial year.

Duties and Responsibilities

The duties and responsibilities of the committee will be –

- a) Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor;
- c) Develop and recommend to Council –
 - a list of those matters to be audited; and
 - the scope of the audit to be undertaken;
- d) Recommend to Council the person or persons to be appointed as auditor;
- e) Develop and recommend to Council a written agreement for the appointment of the external auditor. The agreement is to include –
 - the objectives of the audit;
 - the scope of the audit;
 - a plan of the audit;
 - details of the remuneration and expenses to be paid to the auditor; and
 - the method to be used by the local government to communicate with, and supply information to, the auditor;
- f) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- g) Liaise with the CEO to ensure that the local government does everything in its power to –
 - assist the auditor 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;
- h) Examine the reports of the auditor after receiving a report from the CEO on the matters to –
 - determine if any matters raised require action to be taken by the local government; and
 - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- j) Review the scope of the audit plan and program and its effectiveness;
- k) *Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO (see reference to internal audit page 14);
- l) *Review the level of resources allocated to internal audit and the scope of its authority;
- m) *Review reports of internal audits, monitor the implementation of recommendations made by the audit and review the extent to which Council and management reacts to matters raised;
- n) *Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
- o) *Review the local government'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;
- p) *Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;
- q) *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;
- r) 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;
- s) Review the annual Compliance Audit Return and report to the council the results of that review, and
- t) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government'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.

Internal Audit

Many local governments have recognised the need to improve their internal auditing processes, and have moved to either employ an internal auditor or contract out the internal audit function.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an

organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of an internal audit would be determined by the Audit committee, with input from the CEO, based on the size of the local government's internal operations and the level of compliance to be achieved. The role differs from that of the external auditor who is appointed by council on the recommendation of the Audit Committee, to report independently to it, through the mayor/president and the CEO, on the annual financial statements. The external auditor's primary role is to decide whether the annual financial statements of a local government are free of material misstatement.

There are certain functions of the internal audit that complement the external auditor's role. As the external auditor plans for an effective audit they need to assess and determine whether to include the scope, procedures and outcomes of the internal audit. The CEO must refer all internal audit reports to the Audit Committee for consideration.

An internal auditor's activities should typically include the following:

- (a) review of the internal control structure, monitoring the operations of the information system and internal controls and providing recommendations for improvements;
- (b) a risk assessment with the intention of minimising exposure to all forms of risk on the local government;
- (c) examination of financial and operating information that includes detailed testing of transactions, balances and procedures;

- (d) a review of the efficiency and effectiveness of operations and services including non-financial controls of a local government;
- (e) a review of compliance with management policies and directives and any other internal requirements;
- (f) review of the annual Compliance Audit Return;
- (g) assist in the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance; and
- (h) specific tasks requested by management.

For local government, the internal auditor should report functionally to the audit committee and administratively to the CEO. It should be remembered that pursuant to section 5.41 of the Act, the CEO is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function. The CEO may choose to delegate this responsibility provided always that the delegation does not directly or indirectly interfere with the ability of the Internal Auditor to conduct an internal audit function free from interference.

A clear and properly defined reporting relationship ensures that the internal auditor is empowered to perform their role working with management. The direct reporting line to the audit committee also acts as an adequate safeguard in the event of a serious breakdown in internal controls or internal control culture at senior levels in the organisation.

While it is recognised that smaller councils may not be able to justify a

full-time internal auditor, a small size of operation does not justify forgoing internal audit altogether. If audit committee or management is of the view that the employment of an independent internal auditor either full-time or part-time is not warranted, it may request the council to have the internal audit function undertaken as necessary by an external contractor, or expand the role of its external auditor.

The external auditor or his or her professional company should only undertake internal audit functions that complement the external audit and do not cloud the objectivity and independence of the external audit. An external auditor must not audit information prepared by them or their accounting practice, as this is considered incompatible with the standard of independence.

Local governments that do not establish an internal audit process but require a review of the financial management systems and procedures, may decide to use the services of the external auditor for that purpose. Such reviews are to be undertaken every four years in accordance with regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

The review of financial management systems and procedures provides the external auditor with greater assurance of systems and procedures used to prepare the annual financial statements, and whether they provide information free of material misstatement.

Appendix 2

Model Minimum Standard Audit Specification

Important: The following Model Minimum Standard Audit Specification may be used as the basis for the calling of tenders or seeking of quotes for the appointment of an auditor. Local governments need to consider the Model to ensure that only those clauses applicable to its requirements are used. This applies, in particular, to the "Critical matters to be audited".

Introduction

This document is provided for the assistance of auditors who wish to apply for the role of auditor with the City/Town/Shire.

Auditors are required to address all of the matters outlined in the specification.

Auditors who submit an application may be asked to provide further information and/or make a presentation to the audit committee.

Objectives of the Audit

To provide an independent audit opinion of the accounts and annual financial reports of the local government for each financial year covered by the term of the audit appointment.

Term of Audit Appointment

For the financial years commencing 1 July through to 30 June..... (not more than 5 years)

Scope of the Audit

The auditor is to –

Carry out such work as is necessary to form an opinion as to whether –

- (a) the accounts are properly kept; and
- (b) the annual financial report –
 - (i) is prepared in accordance with the financial records; and
 - (ii) represents fairly the results of the operations of the local government and the financial position of the local government at 30 June in accordance with the Australian Accounting Standards, the *Local Government Act 1995* (as amended) (the Act), the *Local Government (Financial Management) Regulations 1996* (as amended) and other mandatory professional reporting requirements.

Give an opinion in his or her audit report on –

- (a) the financial position of the local government; and
- (b) the results of the operation of the local government.

Include in his or her audit report –

- (a) any material matters that indicate significant adverse trends in the financial position or the financial management practices of the local government;
- (b) any matters indicating non-compliance with financial management or control requirements of the Act, Regulations and any other written law;
- (c) details of whether information and explanations were obtained by the auditor;

- (d) a report on the conduct of the audit; and
- (e) the opinion of the auditor as to whether or not the specific financial ratios reported are supported by verifiable information and reasonable assumptions.

Audit Methodology and Approach

Other requirements of the Auditor –

- (a) The auditor is required to comply with the requirements of section 7.9 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*;
- (b) An audit is to be carried out in accordance with accounting standards adopted from time to time by the Australian Government Auditing and Assurance Standards Board (AuASB);
- (c) The auditor is to provide the local government with a general outline of his/her methodology;
- (d) The auditor is to provide the local government with a plan for the audit including –
 - timing of interim audit visits;
 - final audit visit (within 30 days of being advised that the accounts and annual financial report are available for audit);
 - timing of the legislative requirement to meet with the local government and whether that meeting will be in person or by some other means;
 - the method to be used to communicate with, and provide advice and information to, the local government; and
- (e) The auditor is required to produce an audit report as required by section 7.9 of the *Local Government Act 1995* and, if considered appropriate by the auditor, a management report.

Critical Matters to be Audited

The auditor is to include in his or her application the extent to which the critical matters outlined below will be audited so as to form an opinion on the manner in which they have been maintained.

- (i) Revenue
 - Rates revenue
 - Government grants
 - User pays revenue
 - Profit on sale of non-current assets
 - Other income
- (ii) Expenditure
 - Salary and wage costs
 - Depreciation
 - Materials and contract expenditure
 - Loss on sale of non-current assets
 - Insurances
 - Bad debts
 - Other expenditure
- (iii) Current Assets
 - Bank and short term investments
 - Receivables and prepayments
 - Inventory
- (iv) Non-Current Assets
 - Property, plant, furniture and equipment
 - Infrastructure and depreciation
 - Other receivables
- (v) Liabilities (Current and non-current)
 - Creditors and accruals
 - Loan borrowings including new loans raised
 - Provision for annual and long service leave entitlements
- (vi) Reserve Funds
- (vii) Contingent Liabilities
- (viii) Capital Commitments
- (ix) Accounting Policies and Notes to the Financial Statements
- (x) Cash Flow Statement
- (xi) The financial ratios required by the *Local Government (Financial Management) Regulations 1996*

Hours, Fees and Expenditure

The auditor is to provide –

- estimate of the time to be spent on the audit;
- fees for completing the audit in accordance with this specification;
- nominated auditor(s) and registered company audit number(s); and
- experience of the nominated auditors in completing local government audits.

The auditor is to provide a fee for any additional audit requested by Council.

Terms

Conditions to be noted by auditors –

- the auditor shall not sub contract to a third party;
- the auditor shall not, and has no right to, assign the audit contract to third parties;
- the auditor shall not be engaged by the local government to undertake any financial consultancy with the local government that requires the preparation of financial information that will be the subject of the annual audit; and
- the auditor shall confirm that he or she has, and will maintain during the duration of the audit term, professional indemnity insurance covering the legal liability arising out of any neglect, default, error, or omission.

Termination of Appointment

The appointment as auditor is terminated if –

- (a) the auditor ceases to be a registered company auditor;
- (b) the auditor ceases to be an approved auditor under Section 7.5 of the *Local Government Act 1995*;
- (c) the auditor is a disqualified person under Section 7.4(2) of the *Local Government Act 1995*;
- (d) the auditor resigns by notice in writing to Council; or
- (e) Council serves notice in writing to the auditor terminating the appointment.

Appendix 3

Issues that should be considered for inclusion in the CEO's Review of Risk Management, Internal Control and Legislative Compliance

Please note: Section 7 of the Department's Western Australian Local Government Accounting Manual provides a comprehensive internal control framework related to internal control and risk management.

Risk Management

Internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:

- Reviewing whether the local government has an effective risk management system and that material operating risks to the local government are appropriately considered;
- Reviewing whether the local government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;
- Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas;
 - potential non-compliance with legislation, regulations and standards and local government's policies;
 - important accounting judgements or estimates that prove to be wrong;
 - litigation and claims;
 - misconduct, fraud and theft;
 - significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government;
- Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors;
- Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;
- Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;
- Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment;
- Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated,

monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

Internal Control

Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.

An effective and transparent internal control environment is built on the following key areas:

- integrity and ethics;
- policies and delegated authority;
- levels of responsibilities and authorities;
- audit practices;
- information system access and security;
- management operating style; and
- human resource management and practices.

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

Aspects of an effective control framework will include:

- delegation of authority;
- documented policies and procedures;
- trained and qualified employees;
- system controls;
- effective policy and process review;
- regular internal audits;
- documentation of risk identification and assessment; and

- regular liaison with auditor and legal advisors.

The following are examples of controls that are typically reviewed:

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

Legislative Compliance

The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- Monitoring compliance with legislation and regulations;
- Reviewing the annual Compliance Audit Return and reporting to Council the results of that review;
- Staying informed about how management is monitoring the

effectiveness of its compliance and making recommendations for change as necessary;

- Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints;
- Obtaining assurance that adverse trends are identified and review management's plans to deal with these;
- Reviewing management disclosures in financial reports of the effect of significant compliance issues;
- Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee;
- Considering the internal auditor's role in assessing compliance and ethics risks in their plan;
- Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements; and
- Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

These guidelines are also available on the Department's website at www.dlgc.wa.gov.au



About the Guideline series

This document and others in the series are intended as a guide to good practice and should not be taken as a compliance requirement. The content is based on Department officer knowledge, understanding, observation of, and appropriate consultation on contemporary good practice in local government. Guidelines may also involve the Department's views on the intent and interpretation of relevant legislation.

All guidelines are subject to review, amendment and re-publishing as required. Therefore, comments on any aspect of the guideline are welcome. Advice of methods of improvement in the area of the guideline topic that can be reported to other local governments will be especially beneficial.

For more information about this and other guidelines, contact the Local Government Regulation and Support Branch at:

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