



SHIRE
of
DANDARAGAN

AGENDA

for

AUDIT COMMITTEE MEETING

to be held at the

COUNCIL MEETING ROOM, JURIEN BAY

on

THURSDAY 23 FEBRUARY 2023

COMMENCING AT 3.00PM

AGENDA FOR AUDIT COMMITTEE MEETING TO BE HELD THURSDAY 23 FEBRUARY 2023
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1. DECLARATION OF OPENING**1.1 ELECTION OF CHAIRPERSON****2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

Members Councillor L Holmes
 Councillor A Eyre
 Councillor J Clarke
 Councillor R Shanahun

Staff Mr B Bailey (Chief Executive Officer)
 Mr S Clayton (Executive Manager Corporate & Community Services)

Apologies**Leave of Absence****3. CONFIRMATION OF MINUTES****3.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD 24 NOVEMBER 2022****4. MATTERS FOR DISCUSSION****4.1 STATUTORY COMPLIANCE AUDIT RETURN 2022**

Location:	Shire of Dandaragan
Applicant:	N/A
Folder Path:	Corporate Services / Finance and Rates / Audits / Internal Reviews / Compliance Audit Returns
Disclosure of Interest:	None
Date:	20 February 2023
Author:	Nikita Winsloe, Executive Secretary
Senior Officer:	Brent Bailey, Chief Executive Officer

PROPOSAL

That the Compliance Audit Return for the period 1 January 2022 to 31 December 2022 be presented to Council for adoption.

BACKGROUND

Local governments in Western Australia are required to complete, on an annual basis, a Compliance Audit Return (CAR). The Return is a self-assessment of compliance related to areas of compliance considered high risk,

such as:

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- financial interest disclosures;
- procurement and tendering;
- delegation and use of delegated power; and
- the recruitment and appointment of the Chief Executive Officer.

After the Compliance Audit Return has been reviewed by the Audit Committee and a report presented to Council, a certified copy of the return along with the relevant section of the minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Director General of the Department of Local Government and Communities by **31 March 2023**.

COMMENT

For the period 1 January 2022 to 31 December 2022 the CAR demonstrates that the Shire has achieved the required level of compliance.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

The contents of the Compliance Audit Return relates to *Section 14.3A* of the *Local Government (Audit) Regulations 1996* whereby the local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.

POLICY IMPLICATIONS

There are no policy implications relevant to this item.

FINANCIAL IMPLICATIONS

There are no financial implications relevant to this item.

STRATEGIC IMPLICATIONS

There are no strategic implications relevant to this item.

ATTACHMENTS

Circulated with the agenda is the following item relevant to this report:

- Compliance Audit Return 2022 (Doc Id: SODR-2042075298-52398)
(Marked 4.1)

VOTING REQUIREMENT

Simple majority

OFFICER RECOMMENDATION

That the Compliance Audit Return as per attached (Doc Id: SODR-2042075298-52398) for the period 1 January 2022 to 31 December 2022 be presented to Council for adoption

4.2 BUDGET REVIEW 2022 / 23

Location:	Shire of Dandaragan
Applicant:	N / A
Folder ID:	Corporate Services / Financial Statements and Budgets / Reviews / 2022-2023
Disclosure of Interest:	None
Date:	14 February 2023
Author:	Scott Clayton, Executive Manager Corporate and Community Services

PROPOSAL

To recommend to Council that the budget review for the 2022/2023 financial year based on the financial statements from 1 July 2022 to 31 December 2022 be adopted.

BACKGROUND

33A of Financial Management Regulations (1996) states;

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
 - (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - (b) consider the local government's financial position as at the date of the review; and
 - (c) review the outcomes for the end of that financial year that are forecast in the budget.
- (2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.

*Absolute majority required.

- (4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.

COMMENT

Staff have reviewed the 2022/2023 budget to identify any significant variances. The financial statements to the 31 December 2022 have been used as the basis for the review, however, where a variance has occurred and is known prior to the completion of the staff component of the review on 13 February 2023, these have been accounted for.

A variance of opening deficit budget to actuals was \$107,647. A number of variances (attached) were identified in the review culminating in an overall recognition of a surplus of \$83,970.

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Attached is the summary of the identified variances, the Rates Setting Statement and other statements showing the effect of these variances.

For 2022/2023 the budget review has considered the completability of projects and where it is determined that a project will not be completed within this financial year it has been removed.

Any projects that have been deleted can be re-considered in the 2023/2024 budget deliberations.

CONSULTATION

- Chief Executive Officer
- Executive Manager Infrastructure
- Executive Manager Development Services

STATUTORY ENVIRONMENT

- Regulation 33A and 34 of the Local Government Financial Management Regulations (1996)

POLICY IMPLICATIONS

There are no policy implications relevant to this item.

FINANCIAL IMPLICATIONS

The adoption of this budget review will amend the budget with an overall recognition of a surplus of \$83,970.

STRATEGIC IMPLICATIONS

There are no direct strategic implications relevant to this item, however, legislative compliance, strong financial controls and good governance are core functions of Local Government.

Any projects proposed to be brought forward should consider their alignment with the goals contained in the Community Strategic Plan and/or projects already identified in the Corporate Business Plan.

ATTACHMENTS

Circulated with the agenda is the following item relevant to this report:

- Budget Review identified variances and statements for the period ending 30 June 2023 (Doc Id: SODR-1034602345-11010)

(Marked 4.2)

VOTING REQUIREMENT

Simple Majority

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OFFICER RECOMMENDATION

To recommend to Council that the budget review, as presented with a surplus of \$83,970 be adopted, with the following variances being formally adopted as budget amendments;

NAME	DESCRIPTION	AMOUNT DR/(CR)
Discount Allowed	Increase rates discount amount to match actuals	22,000
Exgratia Rates	Ex-Gratia rates for CBH site	(6,669)
Grants Commission	General Purpose Grant higher than budgeted	(194,494)
Local Roads	Local Roads Grants higher than budgeted	(88,751)
Lease Charges	Increase hangar lease income - CPI increase, 2 years charged	(11,672)
Fuel Rebate	Reduce fuel rebate income due to legislation rulings	20,000
Other Civic and Official Functions and Events	Transfer of costs allocated for refreshments	(14,000)
Dining and Refresh CM dinners/all alcohol	Transfer of costs allocated for refreshments	14,000
Mitigation Activity Fund Grant	New Mitigation Activity Fund Grant	(121,250)
Materials and Contracts (ALL)	Mitigation Activity Fund expenses	121,250
Materials and Contracts (ALL)	Increase in cleaning cost of new toilet facilities at Dobbyn Park	13,156
Impounded & Abandoned Vehicles	Sundry debtor write offs	(727)
Septic Tanks (Private Works)	Sundry debtor write offs	(544)
Controlled Waste Water Corp Fee	Sundry debtor write offs	(116)
Controlled Waste DEC tracking Fee	Sundry debtor write offs	(44)
Advertising Income	Sundry debtor write offs	(450)
Debtor - Bad Debts	Sundry debtor write offs	450
Debtor - Bad Debts	Sundry debtor write offs	704
Debtor - Bad Debts	Sundry debtor write offs	727
Materials and Contracts (ALL)	Unbudgeted rabbit control program	9,801
Controlled Waste DEC tracking form	DEC controlled waste fees higher than budgeted	35,000
Plant - Fuel & Oil	WMNRG Fuel - 2 cards issued now	2,000
WMNRG - Landcare	WMNRG Fuel reimbursement - 2 cards issued now	(2,000)
Contributions & Donations	Contribution to RSL for demolition of JB Hall	60,000
Buildings & Improvements	Family Resource Centre - Shade Sails	25,000
Building Renewal Reserve	Family Resource Centre - Shade Sails	(25,000)
Lease Charges	Amendment to Civic Centre DCBA Lease	(21,069)
Insurance	Reimbursement of insurance claims	(12,265)
Insurance Claims	Insurance claims expenses	7,605
Other Grants	New Department of Communities Grant - Thank a Volunteer	(2,000)
Other Materials and Contracts Expenses	Department of Communities Grant - Thank a Volunteer expenses	2,000
Infrastructure - Parks & Reserves	Increase Budget for Foreshore Seating	20,000
Buildings & Improvements	Increase Budget for Pavilion variations	30,000
Other Non Operating Contributions	Contribution for JB Football Club for lighting	(42,390)
Other Non-Operating Grants	Dept LG, Sport & Cultural Industries Grant - Oval Lighting	(84,780)
Recreation Plan	Remove Sport & Rec Capital Work Fund as it is being used for lighting project	(72,889)
Infrastructure - Other	Jurien Bay Football Club Lighting Project	207,466
Sport and Recreation Reserve	Jurien Bay Football Club Lighting Project	(7,407)
Other Grants	LotteryWest Spray the Grey Grant	(7,500)
Other Grants	New Meerilinga Grant - Childrens Week	(1,000)
Other Materials and Contracts Expenses	Meerilinga Grant - Childrens Week expenses	1,000
Other Grants	New State Library WA Grant - Environmental activities	(5,000)
Other Materials and Contracts Expenses	State Library WA Grant-Enviro activities expenses	5,000
Other Materials and Contracts Expenses	Yued Place Names Project Funding	20,000
Infrastructure - Roads	Removal of Cantabilling Road project	(14,625)
Commodity Route Grant	Removal of Image Resources contribution to Bibby Rd project	522,500
Infrastructure - Roads	Removal of Bibby Rd project due to Image Resources withdrawing contribution	(522,500)
Infrastructure - Roads	Removal of Wandawallah Rd Project due to gravel supply issues	(166,425)
Infrastructure - Roads	Funds for Wandawallah Rd changed to Muthewandry Rd	166,425
WSFN	Increase WSFN grant funding to offset Watheroo West Road going overbudget	(156,470)
Infrastructure - Roads	Watheroo West Road overbudget due to rising costs	167,671
Plant & Equipment replacement program	Adjustments to Plant & Equipment budget - Adjustment to actuals, includes disposal of Cervantes fire shed	(83,335)

5. CLOSURE OF MEETING