



Shire of Quairading

Audit and Risk Committee Meeting Agenda



12th March 2019

Notice of Meeting

12th March 2019

Dear Councillors,

The next Audit and Risk Committee Meeting will be held in the Council Chambers, 10 Jennaberring Road, Quairading, WA on Tuesday 12th March 2019 commencing at 5pm.

Yours faithfully,

Nathan Gilfellow
Executive Manager of Corporate Services

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire of Quairading during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Quairading. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received.

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SHIRE OF QUAIRADING

ITEM 1 OPENING & ANNOUNCEMENTS

The Chairperson opened the Meeting at _____ pm.

“Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting”.

ITEM 2 ATTENDANCE AND APOLOGIES

Councillors

Cr Haythornthwaite	Chairperson
Cr WMF Davies	Shire President
Cr LR Brown	
Cr J McRae	
Cr PD Smith	
Cr TJ Stacey	

Council Officers

Mr GA Fardon	Chief Executive Officer
Mr NL Gilfellow	Executive Manager of Corporate Services
Mr A Rourke	Executive Manager of Works & Services
Mr RM Bleakley	IPR/ Strategic Projects Officer

Observers/Visitor

Apologies

Cr B McGuinness	Deputy Shire President
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Approved Leave of Absence

ITEM 3 DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil.

ITEM 4 DECLARATIONS OF INTEREST

Councillors to use pro forma declaration of interest handed to Chief Executive Officer prior to meeting or verbal declaration of interest.

- Declarations of Financial Interest – Local Government Act 1995 Section 5.60a
- Declarations of Proximity Interest – Local Government Act 1995 Section 5.60b
- Declarations of Impartiality Interest – Administration Regulations 1996 Section 34c

ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

5.1 Confirmation of Minutes – 11th December 2018

Recommendation

That the Minutes of the Audit & Risk Committee Meeting held on the 11th December 2018 be confirmed as a true and accurate record. (Attached)

VOTING REQUIREMENTS: Simple Majority

5.2 Business Arising

SHIRE OF QUAIRADING

The Audit and Risk Committee Minutes of Meeting held on Tuesday 11th December 2018 commencing at 5.00 pm.

ITEM 1 OPENING & ANNOUNCEMENTS

The Chairperson opened the Meeting at 5.00 pm.

“Before we start our Meeting, I would like to acknowledge that we are meeting on Noongar land and we pay respect to the original custodians...past, present and future and welcome you all here today for this Meeting”.

ITEM 2 ATTENDANCE AND APOLOGIES

Councillors

Cr Haythornthwaite	Chairperson
Cr B McGuinness	Deputy Shire President
Cr LR Brown	
Cr J McRae	
Cr PD Smith	
Cr TJ Stacey	

Council Officers

Mr GA Fardon	Chief Executive Officer
Mr NL Gilfellon	Executive Manager of Corporate Services
Mr A Rourke	Executive Manager of Works & Services
Mr RM Bleakley	IPR/ Strategic Projects Officer

Observers/Visitor

Nil.

Apologies

Cr WMF Davies	Shire President
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Approved Leave of Absence

Cr WE Shenton.

ITEM 3 DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil.

ITEM 4 DECLARATIONS OF INTEREST

Councillors to use pro forma declaration of interest handed to Chief Executive Officer prior to meeting or verbal declaration of interest.

Nil, at this time.

ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

5.1 Confirmation of Minutes – 11th September 2018

RESOLUTION: AR5-18/19**MOVED Cr McRae SECONDED Cr Smith**

That the Minutes of the Audit & Risk Committee Meeting held on the 11th September 2018 be confirmed as a true and accurate record.

CARRIED 6/0

5.2 Business Arising

Internal Audit – Scope and Toolkit

The Chief Executive Officer, with reference to Resolution AR2-18/19 advised that WALGA had launched a Procurement Internal Audit Checklist which had been circulated to Senior Staff for use.

The CEO and Cr McGuinness provided information on the Auditor General's focus on procurement practices in Local Government and emphasis on the need for Staff Training in Procurement. The CEO further advised that given the recent turnover in Staff and the Auditor General's focus, WALGA Training Services had been contacted to arrange an "in house" Procurement Course for all relevant staff early in 2019.

ITEM 6 STANDING ITEMS – EXTERNAL AUDIT

Audit & Risk Committee - Terms of Reference 7.6

Due to the timing of receipt of the Audit Report and Audited Annual Financials Statements, currently expected on the 11th December 2018 they will not be presented in this agenda however will be included in the Ordinary Council Meeting on the 20th December 2018. The Audit Report including management's responses to the report will still be presented in the March 2019 Audit and Risk Committee.

The CEO confirmed that the signed Audit Report and Management Letter had now been received.

6.1 Auditor Meeting

Meeting Date	11 th December 2018
Responsible Officer	Nathan Gilfellon
Reporting Officer	Nathan Gilfellon
Attachments	Nil
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

MATTER FOR CONSIDERATION

Report on the timing and method of the annual meeting between the Shire's Auditor and the Audit and Risk Committee.

BACKGROUND

Officers have been advised that normal procedure is to have meetings by face to face visits and by telecommunication in alternating years. As 2018 was a face to face meeting, 2019 will therefore be by telecommunication.

However, it has been mentioned that the face to face meeting was of great benefit even if at a greater cost.

STATUTORY ENVIRONMENT

7.12A. Duties of local government with respect to audits Subsection 2 - Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

POLICY IMPLICATIONS

Audit and Risk Committee Terms of Reference

1.5 The Councils External auditors may be invited to attend meetings of the Audit and Risk Committee.

FINANCIAL IMPLICATIONS

Any face to face meeting with the Auditor will have additional costs due to the time of travel.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Low. There will be some financial exposure however this will be minor.

Health – Risk Matrix Rating is considered as Low.

Reputation – Risk Matrix Rating is considered as Low Risk.

Operation – Risk Matrix Rating considered Low.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT

The council now has the opportunity to plan the meeting with the Auditor and plan the date, timing and method of the meeting. Council can also decide if there is value to having another face to face meeting.

OFFICER RECOMMENDATION

RESOLUTION: AR6-18/19

MOVED Cr McRae SECONDED Cr Brown

That the Risk and Audit Committee Recommend to Council that: -

Council invite the Shire of Quairading Auditor Greg Godwin to the March Meeting of the Audit and Risk Committee via Telecommunication.

CARRIED 6/0

ITEM 7 STANDING ITEMS – INTERNAL AUDIT

Audit & Risk Committee - Terms of Reference 7.5

Nil

ITEM 8 STANDING ITEMS – FINANCIAL REPORTING

8.1 WANDRRA

The Outstanding WANDRRA Claims and Outstanding Creditor Accounts as at the 30th November 2018 was noted.

8.2 Medical Practice 3 Year Comparison

Meeting Date	11 th December 2018
Responsible Officer	EMCS Nathan Gilfellon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	8.2.1 Medical Practice 3-year financial comparison 8.2.2 Medical Practice Analysis of Patient December 2018
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

MATTER FOR CONSIDERATION

Medical Practice Income / Expenditure Comparisons for the last three (3) financial years and the first six months of the 2017/18 year.

BACKGROUND

At the February 2018 Ordinary Meeting, Council directed that the Deputy Chief Executive Officer to provide the Audit and Risk Committee with detailed financial records on the Medical Practice income and expenditure on a six (6) monthly basis for the last 3 years.

The analysis is designed to ascertain any noticeable trends that could be utilised to reduce Council's financial exposure and risk in this Activity Area.

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Council has budgeted for an Operating Shortfall of \$165,000. This Shortfall is funded through Council's General Revenue.

Identification of any trends for future budget purposes could be utilised to reduce Council's financial exposure and to achieve improved Financial Budgeting and Monitoring.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Social Objective: Active, healthy, safe and inclusive community

ITEM	OUTCOMES AND STRATEGIES
S2	Healthy community
S2.1	Advocate on behalf of the community for improved access to health
S2.2	Promote public health

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

COMMUNITY CONSULTATION

The Medical Practice and Health Services in general was identified as a High Priority in Council's Community Engagement Process (March 2017).

RISK ASSESSMENT

Financial – Risk Matrix Rating is considered as Low Risk. Risk is mitigated to Low through direct management of the Medical Practice. Ongoing Audit and Review will identify any adverse trends and also offer opportunity to canvas issues such as Consultation Revenue levels, Grants & Subsidies available and Operating Expenses. Council budgets for the Current Shortfall of Funding. Financial Risk identified due to the large component of Consultations being Bulk Billed.

Health – Risk Matrix Rating is considered as Low Risk. Medium to High Risk to the Community if the Medical Practice (with GP's) is not operating in a sustainable manner. Impact on Doctor availability and access to Visiting Rights at the Hospital.

Reputation – Risk Matrix Rating is considered as Low Risk. Risk identified as Community expectation of a continuing Medical Service in the District is High.

Operation – Risk Matrix Rating considered Low Risk. Risk mitigated through Council's direct management Model which has developed over the past 17+ years. Model has accommodated both Salaried Doctors and the Current GP Model

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT

Although Council has incurred an annual loss in ensuring the Medical Practice continues as a community service, any loss has been contained within budget parameters and has remained at a Consistent level for the last 10 years.

Further Internal Review will ensure that the Funding Shortfall is minimised.

With the current medical service arrangements ensuring the services of a GP are guaranteed by the Principal GP Contractor until the 30th September 2019. The five-year Contract has provided for CPI Increases only.

It should be noted that Quairading has an aging Community who require the services that the Medical Practice provide with the vast majority of the Patients eligible for Bulk Billing Consultations only. It is highlighted that the Federal Government have until recently had a freeze on the Medicare rebate (Bulk Billing Amount) for a number of years severely impacting on Council income revenue. Recent increases on a limited number of Billing Items has been minimal.

It has been recommended to switch the timing of this report to enable the information reported to be closest date after the end of the calendar year. This will allow the end of six-month report cycle to be closer to the dates that they reported on.

The 3-year financial comparison report has two areas of analysis. The variances on page 3 show a percentage variance over 3 years. The Graph on page 1 shows a four-year timeframe to give greater context to the actuals and budget trend.

The patient's numbers have also been adjusted to show accurate patient and a comparison between patient numbers and practice income.

EXECUTIVE SUMMARY

- Council owns and operates the Quairading Medical Practice.
- Doctor Services are provided under a Contract Arrangement.
- Council's provide an Annual Budget Provisions for the Operation of the Medical Practice.
- Council receives all Revenue associated with the Medical Practice.
- Proposed six (6) monthly reviews by the Audit and Risk Committee will ensure an additional level of scrutiny and will enable measures to be put in place to identify adverse trends and Opportunities.

- It has been recommended to move the dates this report is presented to allow more timely information.
- The patient's figures have been fixed to show the true and accurate numbers.

OFFICER RECOMMENDATION

RESOLUTION: AR7-18/19

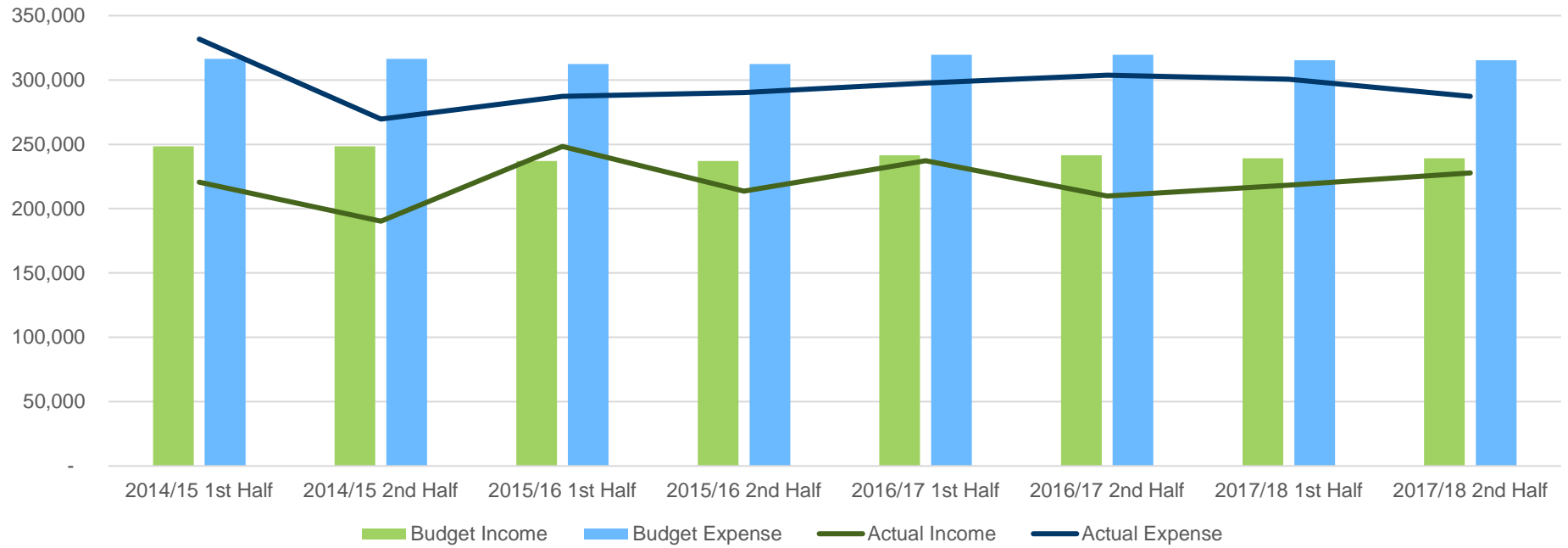
MOVED Cr McGuinness SECONDED Cr Stacey

That the Risk and Audit Committee Recommend to Council that: -

1. The Medical Practice Financial Statements (with historical data and trends) as submitted for the six (6) monthly periods for the past 3 years be received.
2. The next six monthly report be presented in the next Audit and Risk Committee meeting.

CARRIED 6/0

Medical Practice Income and Expenditure 4 Yr Comparison

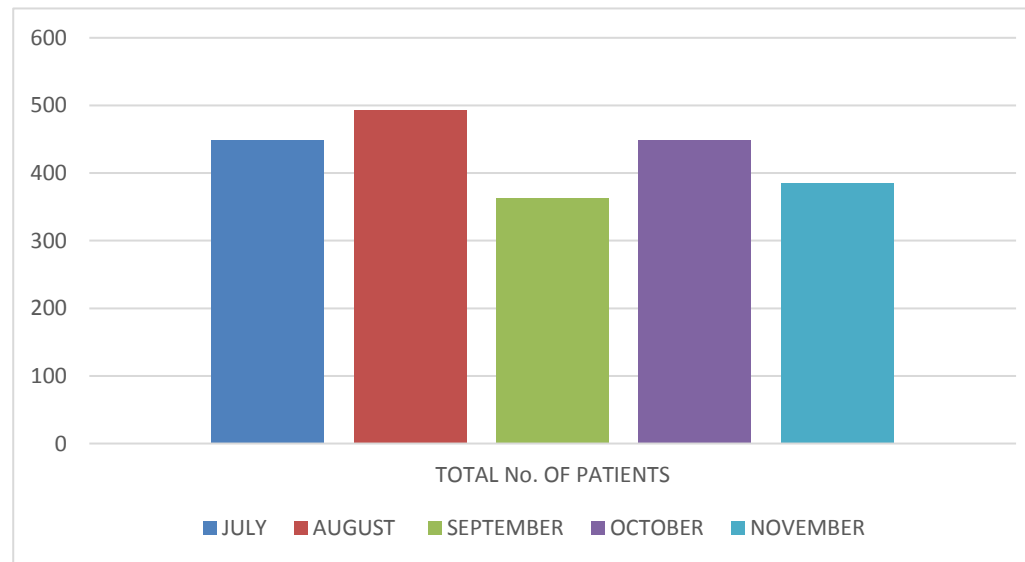


	Budget Year 2014 - 2015				Budget Year 2015 -2016			
	31/12/2014				31/12/2015			
	Budget 2014/2015	First Half Actual	Second Half Actual	Full Year Actual	Budget	First Half Actual	Second Half Actual	Full Year Actual
Income Source								
Interest Support Packages	1,000	46	431	477	700	1,132	155	1,287
HIC Payments (PIP) & (SWWML) & (CIR)	30,000	11,777	13,474	25,251	30,000	19,098	8,602	27,700
RFD Payments	6,000	3,000	3,000	6,000	6,300	2,400	3,000	5,400
Practice Nurse Incentive Grant	30,000	13,805	6,370	20,175	24,000	-	-	-
Receipts from Consultations	80,000	36,306	30,099	66,405	80,000	33,163	25,905	59,068
VTA Benefits / M'Care	240,000	107,129	117,164	224,293	225,000	124,693	105,849	230,542
SiHi GP Incentive	26,000	10,800	4,700	15,500	26,000	13,050	10,850	23,900
VMP Payments	84,000	37,692	15,001	52,693	80,000	53,462	57,820	111,282
Sundry Payments					2,000	1,337	1,401	2,738
	497,000	220,555	190,239	410,794	474,000	248,335	213,582	461,917
Expenditure Source								
Contractor Doctor	328,000	110,750	190,400	301,150	422,250	195,122	207,257	402,379
Doctor - Base Salary	79,717	113,481	-	113,481			-	
Practice Nurse (4 Days a week)	72,761	20,439	8,508	28,947	45,346	15,370	5,558	20,928
Practice Mgr Receptionists - Job Share 3 Staff (1.6 FTE)	78,988	45,986	47,905	93,891	88,491	48,480	51,531	100,011
Super - Doctor	5,594	8,221	-	8,221			-	
Super Practice Nurse	6,912	1,890	707	2,597	4,308	1,517	459	1,976
Super Receptionists	7,461	4,299	4,512	8,811	8,406	3,771	5,054	8,825
Workers Compensation	16,000	12,000	-	12,000	6,932	7,132	-	7,132
Medical Indemnity / Professional Fees	-	-	990	990	990	-	990	990
Staff Development	1,000	636	510	1,146	1,000	1,243	195	1,438
Materials - Medical / Other	10,000	3,838	7,235	11,073	12,000	7,126	2,229	9,355
Electrical Consumed	3,750	1,338	1,490	2,828	3,400	1,673	1,890	3,563
Phone	3,500	1,720	1,750	3,470	3,500	1,499	1,670	3,169
Postage, Printing & Stationery	4,500	1,280	2,057	3,337	3,900	2,039	1,421	3,460
Minor Capita Expenditure			-		6,500	179	2,994	3,173
Computer - M tce (Non Capital)	4,000	1,127	678	1,805	2,000	-	3,338	3,338
Credit Card / Merchant Fees	1,000	323	259	582	800	284	194	478
Other Surgery Expenditure	9,500	4,411	2,610	7,021	15,000	1,888	5,503	7,391
	632,683	331,739	269,611	601,350	624,823	287,323	290,283	577,606
Income / Expenditure Outcome	135,683	111,184	79,372	190,556	150,823	38,988	76,701	115,689

	Budget Year 2016 -2017				Budget Year 2017 -2018					
	31/12/2016				31/12/2017					
	Budget	First Half Actual	Second Half Actual	Full Year Actual	Budget	First Half Actual	Second Half Actual	Full Year Actual	% Variance 3 years	% Average Yearly Increase
Income Source										
Interest Support Packages	700	850	2,103	2,953	2,000	886	2,180	3,066	138.23	34.56
HIC Payments (PIP) & (SWWML) & (CIR)	30,000	4,891	9,323	14,214	20,000	17,174	14,855	32,029	15.63	3.91
RFD Payments	6,300	2,400	2,400	4,800	6,300	2,400	1,800	4,200	-22.22	-5.56
Practice Nurse Incentive Grant	24,000	11,553	11,741	23,294	24,000	12,553	12,025	24,578		
Receipts from Consultations	80,000	27,904	25,439	53,343	65,000	20,352	20,227	40,579	-31.30	-7.83
VTA Benefits / M'Care	230,000	129,445	105,060	234,505	240,000	111,323	120,288	231,611	0.46	0.12
SiHi GP Incentive	26,000	9,650	8,950	18,600	26,000	8,400	11,250	19,650	-17.78	-4.45
VMP Payments	84,000	50,487	44,764	95,251	95,000	44,935	44,936	89,871	-19.24	-4.81
Sundry Payments	2,000	-	-	-	-	167	105	272	-90.05	-22.51
	483,000	237,180	209,780	446,960	478,300	218,190	227,666	445,856	-3.48	-0.87
Expenditure Source										
Contractor Doctor	422,550	188,604	202,789	391,393	425,085	193,140	198,428	391,568	-2.69	-0.67
Doctor - Base Salary										
Practice Nurse (4 Days a week)	46,846	9,030	25,638	34,668	38,857	16,993	14,379	31,372	49.90	12.48
Practice Mgr Receptionists - Job Share 3 Staff (1.6 FTE)	91,538	54,061	49,074	103,135	97,609	45,577	51,981	97,558	-2.45	-0.61
Super - Doctor										
Super Practice Nurse	4,450	839	1,824	2,663	3,691	1,581	1,336	2,917	47.61	11.90
Super Receptionists	8,696	5,282	5,425	10,707	9,273	4,234	4,745	8,979	1.74	0.44
Workers Compensation	7,932	8,853	-	8,853	8,000	8,000	-	8,000	12.17	3.04
Medical Indemnity / Professional Fees	990	-	990	990	1,000	-	1,485	1,485	50.00	12.50
Staff Development	1,000	-	816	816	1,000	-	-	-	-100.00	-25.00
Materials - Medical / Other	10,000	2,714	3,770	6,484	8,000	4,424	3,698	8,122	-13.18	-3.30
Electrical Consumed	3,400	2,043	1,738	3,781	2,400	1,647	1,558	3,205	-10.04	-2.51
Phone	3,500	1,973	2,500	4,473	4,500	1,906	2,441	4,347	37.18	9.30
Postage, Printing & Stationery	3,500	1,666	2,085	3,751	3,800	2,943	1,982	4,925	42.36	10.59
Minor Capita Expenditure	8,750	4,188	4,537	8,725	3,000	-	1,533	1,533	-51.70	-12.92
Computer - M tce (Non Capital)	2,000	857	1,635	2,492	2,000	2,699	2,420	5,119	53.36	13.34
Credit Card / Merchant Fees	500	286	217	503	500	211	189	400	-16.34	-4.09
Other Surgery Expenditure	23,500	17,271	776	18,047	22,000	17,153	1,091	18,244	146.84	36.71
	639,152	297,667	303,814	601,481	630,715	300,508	287,266	587,774	-2.26	-0.56
Income / Expenditure Outcome	156,152	60,487	94,034	154,521	152,415	82,318	59,601	141,919	-25.52	-6.38

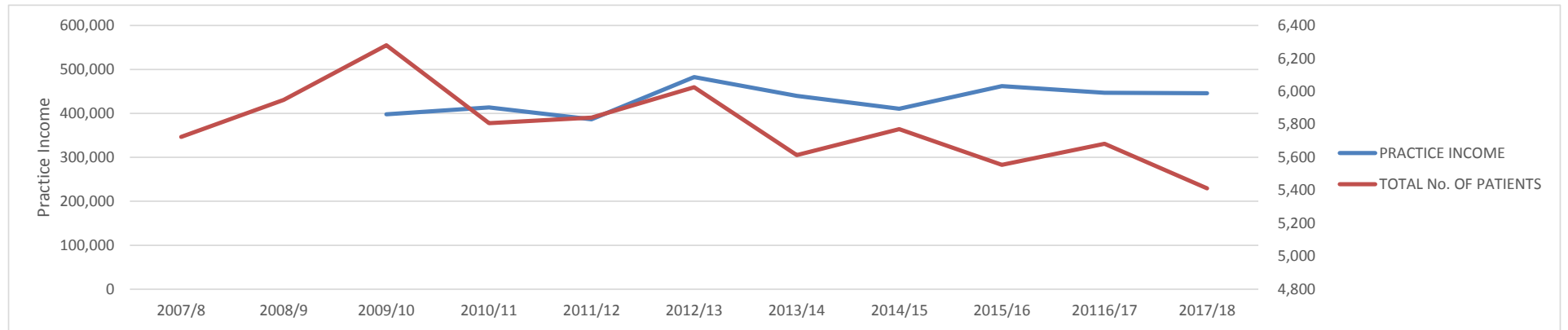
Analysis of patient seen at Quairading Medical Practice & Hospital
01/07/2018 TO 30/11/2018

MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
PRIVATE	80	107	59	86	74
BULK BILL	347	378	293	348	299
VET AFFAIRS	8	3	3	3	3
OTHER	14	5	8	12	10
TOTAL No. OF PATIENTS	449	493	363	449	386
MONTHLY FEES (EXCL GST)	31,541	34,768	18,444	38,023	N/A



Analysis of patient seen at Quairading Medical Practice between 2007 and 2018 (including hospital)

YEAR	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
PRIVATE	1,650	1,693	1,685	1,545	1,512	1,244	1,125	1,159	1,211	1,158	843
BULK BILL	3,751	3,898	4,171	3,879	3,953	4,400	4,161	4,301	4,140	4,344	4,418
VET AFFAIRS	188	227	279	257	254	250	174	154	79	64	42
OTHER	135	130	145	127	122	131	154	157	125	116	109
TOTAL No. OF PATIENTS	5,724	5,948	6,280	5,808	5,841	6,025	5,614	5,771	5,555	5,682	5,412
PRACTICE INCOME			398,133	413,517	386,540	482,597	440,071	410,794	461,917	446,960	445,856



ITEM 9 STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

Audit & Risk Committee - Terms of Reference 7.2

9.1 Policy Review

Meeting Date	11 th December 2018
Responsible Officer	CEO Graeme Fardon
Reporting Officer	CEO Graeme Fardon
Attachments	9.1.1 Policies to be revoked, Policies for Review
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

MATTER FOR CONSIDERATION

The review of twelve (12) Shire Policies, one (1) new Policy, and the Revocation of 34 Policies.

BACKGROUND

Council at its Ordinary Meeting held on 22nd February 2018 resolved the following: -

“RESOLUTION: 140-17/18

That Council: -

- 1. Adopt the change to the Principle and Documentation of the Governance Policy and Management Hierarchy Model; and*
- 2. All Policies in the Shire’s Policy Manual classified accordingly are to be presented for consultation and review to the Audit and Risk Committee.*
- 3. The Final Recommendations from the Audit & Risk Committee will then be presented to Council to revoke or amend previous Policy Approvals.”*

STATUTORY ENVIRONMENT

Local Government Act 1995

*Amendments to the **Local Government (Audit) Regulations 1996** came into effect on 8 February 2013 and introduced the following provision*

Regulation 17. CEO to review certain systems and procedures (1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to — (a) risk management; and (b) internal control; and (c) legislative compliance. (2) The review may relate to any or all the matters referred to in sub- regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years. (3) The CEO is to report to the audit committee the results of that review.”

The Policy Review Project is an integral component of the CEO’s Review of the Council’s Systems and Procedures.

POLICY IMPLICATIONS

This Report presents the second Tranche of Policies reviewed under the Policy Review Project.

FINANCIAL IMPLICATIONS

Nil – Acknowledgement of the existing Staff Resources that have been directed to this Project.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability
G4	Sound Organisation
G4.3	Ensure optimum organisational capacity and efficiency

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Low Risk

Health – Risk Matrix Rating is considered Low Risk.

Reputation – Risk Matrix Rating is considered Low Risk. Failure to have up to date Policies will increase the risk of Council's reputation being damaged within the Community.

Operation – Risk Matrix Rating is considered Low Risk.

Natural Environment – Risk Matrix Rating is considered Low Risk.

COMMENT

Under the Local Government Act Council is able to make, amend and revoke Policies to assist Council with performing its Executive functions.

The following (Twelve) 12 Reviewed Policies and one (1) new Policy, are listed below and are submitted for Committee's Review and subsequent Recommendation to Council: -

1. CS.1 Complaints Policy
2. CS.2 Communication Policy
3. CS.3 Community Grants Policy
4. CS.4 Community Engagement Policy
5. ENV.1 Town Treescape Policy
6. ENV.2 Road Reserve Weed Control Policy
7. GOV.3 Records Management Policy
8. ORG.2 Leave Management: Annual and Long Service Leave Policy
9. ORG.3 Risk Management Policy
10. ORG.4 Occupational Health and Safety Policy
11. COM.1 Stall Holders in Public Places Policy
12. COM.2 Junior Sports Alcohol Management Policy.

New Policy

ORG.6 Recognition of Service (Requirement of Section 5.50 of the Local Government Act 1995).

This item recommends the revocation of the old and superseded Policies that were identified in the "Principle and Documentation of the Governance Policy and Management Hierarchy Model which was supported by Council at the February 2018 OCM and are attached to this Report.

The Planning Policies, Bushfire Policy, and the MEC Terms of Reference will be reviewed in 2019 as they require further Consultation.

Council's existing Policies 7.1 and 7.2 relating to Council Buildings and Facilities will be retained until the Facility Leases and Usage Agreements are finalised with the respective Clubs and Organisations.

EXECUTIVE SUMMARY

- Identified Policies are to be revoked by Council Resolution.
- Committee is to review the 13 Policies prior to recommending them to Council.

OFFICER RECOMMENDATION

RESOLUTION: AR8-18/19

MOVED Cr McGuinness SECONDED Cr Smith

That the Audit & Risk Committee recommend to Council: -

1. That Council revoke the attached List (34 Policies)
2. That Council adopt the 12 Revised Policies as listed (with the listed following minor amendments): -

(1) CS.1 Complaints Policy

(2) CS.2 Communication Policy

Policy Objective: Remove second point "Provides a framework for the Shire to undertake Community Engagement where appropriate".

(3) CS.3 Community Grants Policy

Policy – Allocation of Resources: Remove "Council will allocate a minimum amount towards community Grants each year within their Annual Budget. The minimum allocation will be the same as the amount spend last financial year."

*Annexure A Criteria 2 Organisational Ability heading amend to Organisation
Annexure A Remove "Copy of Applicant's Constitution? Y/N"*

(4) CS.4 Community Engagement Policy

*Annexure A Example techniques: Add Banksia Bulletin
Evaluation Add "to be reported at the June Audit and Risk Committee"*

(5) ENV.1 Town Treescape Policy

(6) ENV.2 Road Reserve Weed Control Policy

(7) GOV.3 Records Management Policy

(8) ORG.2 Leave Management Policy

(9) ORG.3 Risk Management Policy

(10) ORG.4 Occupational Health and Safety Policy

Objective Point 1 Change "Providing and maintaining workplaces, plant, and systems of work such that, so far as is reasonably practicable, employees are not exposed to hazards" to "Providing and maintaining workplaces, plant, and systems of work such that, so far as is reasonably practicable, exposure to hazards is minimised."

Objective Point 2 Change "Providing such information, instruction, and training to, and supervision of, employees to enable them to perform their work so they are not exposed to hazards" to Providing such information, instruction, and training to, and supervision of, employees to enable them to perform their work so that hazards exposure is minimised."

(11) COM.1 Stall Holders in Public Places Policy

(12) COM.2 Junior Sports Alcohol Management Policy

3. That Council adopt New Policy ORG.6

ORG.6 Recognition of Service.

CARRIED 6/0

POLICIES TO BE REVOKED

#	Policy #	Policy Title	Review Notes
1	1.1	Budget Adoption	Management Directive
2	1.2	Rate Collection – Procedure for Unpaid Rates	Management Directive
3	2.6	Office Hours	Management Directive
4	2.9	Vehicle and Plant Tenders – Closing Dates	Management Directive
5	2.18	Sundry Debtors Policy	Management Directive
6	2.22	Disposal of Asbestos Policy	Management Directive
7	3.7	Issue of Publications, Maps, Etc.	Management Directive
8	3.11	Civic Functions	Management Directive
9	3.13	Notice of Meeting – Proxy Committee Members	Management Directive
10	3.14	Deputations to Council	Management Directive
11	4.1	Payroll Deductions	Management Directive
12	4.4	Staff Training	Management Directive
13	4.12	Staff Vacancies	Management Directive
14	4.13	Rostered Days Off Policy	Management Directive
15	6.1	New Tenants	Management Directive
16	6.28	Single Persons Units	Management Directive
17	7.5	Outstanding Debtors – Council Property	Management Directive
18	7.7	Annual Inspection of Buildings	Management Directive
19	7.10	Shire Hall – Upfront Payment for Hire	Management Directive
20	7.11	Crockery	Management Directive
21	9.2	Pipe Crossings	Management Directive
22	9.4	Soil Conservation Works, Contour Banks etc.	Management Directive
23	9.8	School Bus Signs	Management Directive
24	9.11	Weed Control	Management Directive
25	9.15	Overtime – Outside Staff (Management and in Budget – No need to refer to Council)	Management Directive
26	9.17	Protective Clothing	Management Directive
27	9.20	School Bus Turnarounds	Management Directive
28	9.26	Water Courses and Drainage – Road Reserves	Local Government (Uniform Local Provisions) Regulations 1996 (18,19)
29	9.29	Road Making Material	Management Directive
30	9.33	Burning of Council Reserves – Townsite Policy	Management Directive
31	10.1	Building Permit Applications	Under Delegated Authority
32	11.1	Application for Private Works	Management Directive
33	11.4	Firebreaks	Management Directive
34	11.5	Private Works - Authorisation	Management Directive

ITEM 10 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

Audit & Risk Committee - Terms of Reference 7.1, 7.3

10.1 Report on Excess Annual Leave and Long Service Leave

Meeting Date	11 th December 2018
Responsible Officer	Nathan Gilfellow
Reporting Officer	Jenna Bavin
Attachments	Nil
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil

MATTER FOR CONSIDERATION

Report on Excess Annual Leave and Long Service Leave Entitlements and Leave Liabilities.

BACKGROUND

Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee (previously the Finance and Audit Committee or Council).

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Long Service Leave Regulations)

Local Government Industry Award 2010

Excess Leave is defined as per the Industry Award: -

*“An Employee has an **excess leave accrual** if the employee has accrued more than 8 week’s paid annual leave”*

POLICY IMPLICATIONS

Current Policy: Leave Management – Annual and Long Service Leave Policy (to be reviewed under Council’s Adopted Policy Framework)

FINANCIAL IMPLICATIONS

Annual and Long Service Leave Reserves Fund

Current Leave are Accruals in the Annual Budget but any prior entitlements taken by Staff can be funded from the Annual and Long Service Leave Reserve Fund.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Medium Risk. Financial exposure if Leave accrual are not monitored and managed.

Health – Risk Matrix Rating is considered as Low Risk.

Reputation – Risk Matrix Rating is considered as Low Risk.

Operation – Risk Matrix Rating considered Low Risk.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

EXECUTIVE SUMMARY/COMMENT

This report has been prepared to inform the Audit and Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

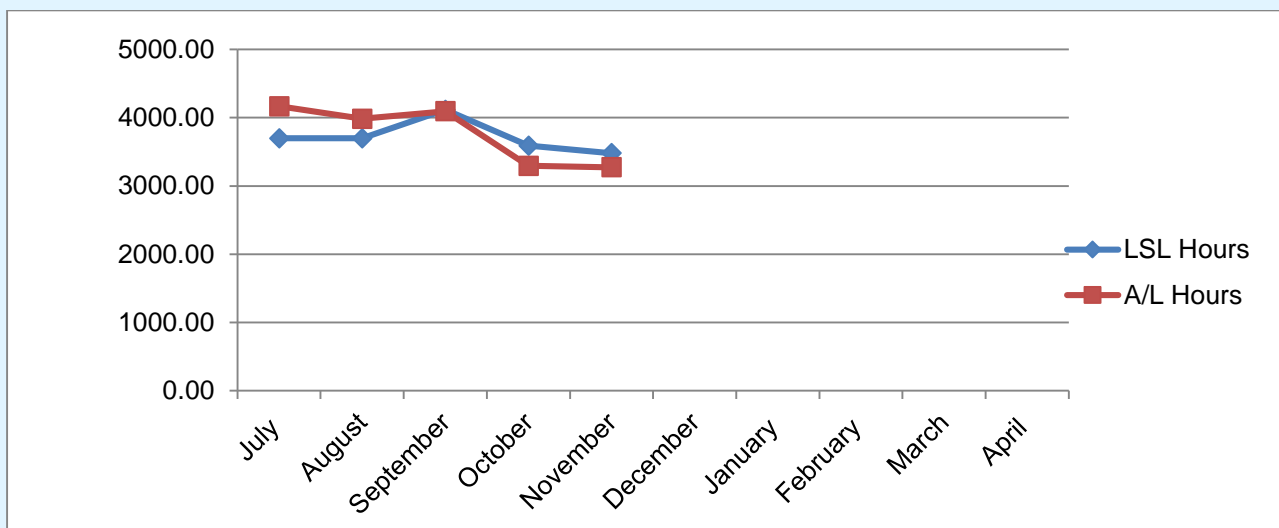
In September 2018, one employee had reached their 10-year anniversary to take long service leave. The staff member has not notified Council of their intention to take their Leave and in accordance with the Leave Policy has been written to requesting they make their intentions known.

The employee who had excess annual leave took leave recently to reduce their liability to below the threshold, and will be taking majority of their leave in February 2019 to further reduce their liability.

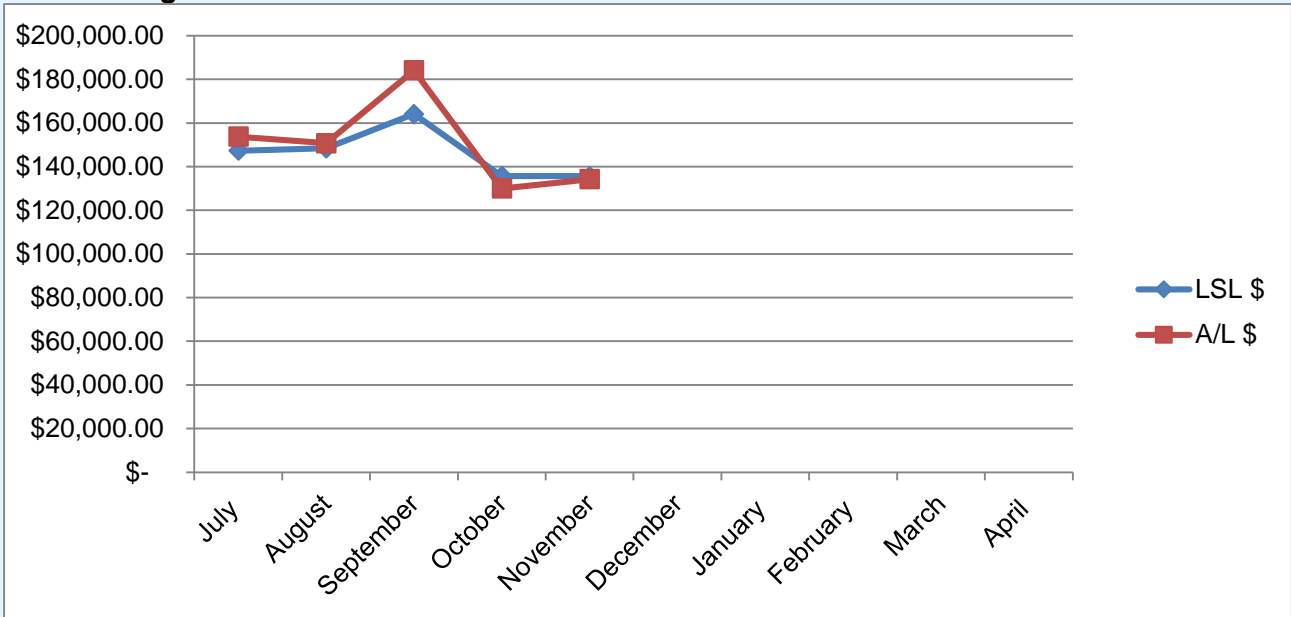
No further Employees have reached excess Leave Liabilities.

	LSL Hours	LSL \$	AL Hours	AL \$
July	3,696	147,281	4,165	153,719
August	3,696	148,420	3,984	150,760
September	4,113	164,099	4,093	184,068
October	3,588	135,714	3,294	129,947
November	3,478	135,647	3,273	134,268

Accumulated Hours of Leave



Outstanding Accumulated Dollar Value of Leave



OFFICER RECOMMENDATION

RESOLUTION: AR9-18/19

MOVED Cr Stacey SECONDED Cr Smith

That the Audit and Risk Committee Recommend to Council that: -
Council receive the report on the Shire's Leave Liabilities.

CARRIED 6/0

ITEM 11 STANDING ITEMS – OTHER

Audit & Risk Committee - Terms of Reference 9.2

11.2 Review of Committee Performance, Membership and Terms of Reference

Meeting Date	11 th December 2018
Responsible Officer	EMCS Nathan Gilfellon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	11.2.1 Audit and Risk Committee - Terms of Reference (Current) 11.2.2 Audit and Risk Committee - Terms of Reference (Proposed)
Owner/Applicant	Audit and Risk Committee
Disclosure of Interest	Nil.

MATTER FOR CONSIDERATION

1. Committee to conduct an Annual Committee Performance Review
2. Review of Membership and Terms of Reference for 2019.

BACKGROUND

Council established the two Standing Committee's in October 2018

Council determined when establishing the two Standing Committee's that at least once per year, Committee review its own performance, membership and Terms of Reference to ensure it is operating at a maximum effectiveness and recommend changes it considers necessary to Council for approval.

As this is the last Ordinary Meeting of the Audit and Risk Committee in 2018, it is appropriate to conduct a review of the Committee and to review the Terms of Reference for the next 12-month period.

STATUTORY ENVIRONMENT

Local Government Act 1960 Section 5.8

Authority for Council to establish a Committee

Local Government (Administration) Regulations 1996

Conduct of Council Meetings and Committee Meetings – including Calling of meetings.

POLICY IMPLICATIONS

Committee's Current Terms of Reference adopted by Council on 30th November 2017.

The Terms of Reference have been reviewed by the CEO and Executive Officer and is submitted for Committee consideration and Recommendation to Council.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1.1	Continual improvement in IPR, transparency and accountability
G4	Sound Organisation
G4.3	Ensure optimum organisational capacity and efficiency

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Low Risk.

Health – Risk Matrix Rating is considered as Low Risk.

Reputation – Risk Matrix Rating is considered as Low Risk. Risk is mitigated through having a Structured and orderly Management of Council's Committees.

Operation – Risk Matrix Rating considered Low Risk. Committee Structure normal part of Council's Governance Model.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT/ EXECUTIVE SUMMARY

- Committee established by Council in October 2017 for a 2-year term coinciding with the Election Cycle.
- All Councillors are Members of the Audit and Risk Committee.
- Committee to Review its Performance in the first Year of its Operation.
- Draft of Reviewed Terms of Reference to be considered by Committee before Recommendation to Council.

OFFICER RECOMMENDATION

RESOLUTION: AR10-18/19

MOVED Cr Smith SECONDED Cr Brown

That the Risk and Audit Committee Recommend to Council that: -

Council adopt the Reviewed Audit and Risk Committee Terms of Reference with the following amendments: -

MEMBERSHIP: Remove point "1.4 The agenda and minutes of the Audit and Risk Committee meetings, subject to any items that are discussed in confidence under section 5.22 of the Act and subsequently retained as confidential under Section 5.23 of the Act, are also required to be made available to the public."

That the words "Audit & Risk Committee" be replaced with "Committee"

CARRIED 6/0

11.3 Audit and Risk 2019 Meeting Dates

Meeting Date 11th December 2018

Responsible Officer EMCS Nathan Gilfellon

Reporting Officer EMCS Nathan Gilfellon

Attachments Nil

Owner/Applicant Shire of Quairading

Disclosure of Interest Nil.

MATTER FOR CONSIDERATION

Draft schedule of Meeting Dates for the Audit and Risk Committee Meetings for the 2019 Calendar year.

BACKGROUND

Council is required to set its meeting dates for the next Calendar year. Committee to determine its Meeting dates in line with Council Meeting Calendar for 2019.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 5.25(g)

Local Government (Administration) Regulations 1996

12. Meetings, public notice of (Act s. 5.25(1)(g))

1. (1) At least once each year a local government is to give local public notice of the dates on which and the time and place at which —

(a) the ordinary council meetings; and

(b) the committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public,

2. are to be held in the next 12 months

Committee Meeting dates need only be advertised if the Committee has Delegated Authority from Council to make a decision on any matter.

POLICY IMPLICATIONS

Setting of Committee Meeting Dates - within Committee's Terms of Reference.

FINANCIAL IMPLICATIONS

Nil.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1.1	Continual improvement in IPR, transparency and accountability
G4	Sound Organisation
G4.3	Ensure optimum organisational capacity and efficiency

COMMUNITY CONSULTATION

Nil – No Statutory Requirement to publicise the Committee Meeting dates

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Low.

Health – Risk Matrix Rating is considered as Low.

Reputation – Risk Matrix Rating is considered as Low Risk.

Operation – Risk Matrix Rating considered Low. Committee Meetings to be aligned with Council Meeting Calendar and considered normal Operations of Council and Management.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT/ EXECUTIVE SUMMARY

- Committee to determine its Meeting Schedule for the next 12 Months.
- As no Delegation Authority has been given by Council to Committees, statutory advertising of Committee Meeting dates is not required.
- Meeting Schedule based on format of Committee and Council Meetings introduced in 2018.
- Noting that the Committees may determine to hold additional Committee/Forums as and when required.

OFFICER RECOMMENDATION

RESOLUTION: AR11-18/19

MOVED Cr McGuinness SECONDED Cr McRae

That the Risk and Audit Committee Recommend to Council that: -

Council to support the following Committee Meeting schedule for 2019 to commence at 5 pm in the Council Chambers:

March	Tuesday, 12 th
June	Tuesday, 11 th
September	Tuesday, 10 th
December	Tuesday, 10 th

CARRIED 6/0

11.3 Use of Community Bus: Quairading District High School

Meeting Date	11 th December 2018
Responsible Officer	EMCS Nathan Gilfellon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	11.3.1 Letter – Use of Shire Community Bus
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

MATTER FOR CONSIDERATION

This report is to consider the Letter received from the Quairading District High School and the future use of the Shire's Community Bus.

BACKGROUND

Council adopted its fees and charges on the 31st of May 2018 for the 2018/19 financial year. These Fees and Charges listed the hire of the Community Bus as a fee per kilometre of \$1.75 inclusive of GST. The Fees and Charges already allow a 600km per annum subsidy for the use of the Bus by the Quairading District High School.

The Shire has received a letter (attached) from the Quairading District High School and the P&C dated the 19th of November 2018 requesting Council to review the Hire Fees for the Community Bus to either allow the Quairading District High School free use of the Community Bus or a significantly reduced fee.

STATUTORY ENVIRONMENT

Local Government Act 1995

6.16. Imposition of fees and charges

- 1) A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide other than a service for which a service charge is imposed.

*Absolute majority required.

- 2) A fee or charge may be imposed for the following —
 - a. providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;
 - b. supplying a service or carrying out work at the request of a person;
 - c. subject to section 5.94, providing information from local government records;
 - d. receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;
 - e. supplying goods;
 - f. such other service as may be prescribed.
- 3) Fees and charges are to be imposed when adopting the annual budget but may be —
 - a. imposed* during a financial year; and
 - b. amended* from time to time during a financial year.

* Absolute majority required.

6.19. Local government to give notice of fees and charges

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

- a) its intention to do so; and
- b) the date from which it is proposed the fees or charges will be imposed.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

If the fee is waived or reduced this will reduce the income received from the bus.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 – 2027

Social Objective: Active, healthy, safe and inclusive community

ITEM	OUTCOMES AND STRATEGIES
S4	Inclusive community
S4.2	Actively support youth development

COMMUNITY CONSULTATION

Nil

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Medium Risk. Any change to the Fees and Charges will have an impact on the income from the Bus.

Health – Risk Matrix Rating is considered as Low Risk.

Reputation – Risk Matrix Rating is considered as Medium Risk. There is a possible of changes to the Shire's reputation and its cooperation with the Quairading District High School.

Operation – Risk Matrix Rating considered Low Risk.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT/ EXECUTIVE SUMMARY

Since receiving the letter it has come to Officer's attention that the P&C has discussed the purchase of their own bus for the Quairading District High School. Council is expecting a letter to confirm this action that will be circulated to Councillors once received.

If the Quairading District High School and the P&C do purchase their own Bus this will have a large impact on the Councils Community Bus service as currently the Quairading District High School is a major user of the service.

Due to the complexity of the different strategies for the Shire, both short term and long term and in regards to the Fees and Charges and the Asset Management of the Bus it is recommendation to defer any decision regarding the bus to the February 2019 Strategic Planning Meeting. This will allow appropriate time for officers to create several strategies for the future of the Bus.

If the Fees and Charges are adjusted for the Bus this must be passed by council in an Ordinary Council Meeting by Absolute Majority. There is also a requirement to give local public notice for a change of Fees and Charges changed after adoption of the Annual Budget.

OFFICER RECOMMENDATION

That the Risk and Audit Committee Recommend to Council that: -

Any decision regarding the Community Bus be deferred to the February 2019 Strategic Planning Meeting.

RESOLUTION: AR12-18/19

MOVED Cr McRae SECONDED Cr Smith

That the Risk and Audit Committee Recommend to Council that: -

- 1) This item be deferred to the March Audit and Risk Committee Meeting.
- 2) The Officers Report to include Community consultation undertaken, feasibility study, users and future user's analysis and historical to inform the officer's recommendation.

CARRIED 6/0

ITEM 12 COUNCILLORS' EMERGING ISSUES

Nil.

ITEM 13 CONFIDENTIAL BUSINESS – AS PER LOCAL GOVERNMENT ACT S5.23 (2)

13.1 Write off Outstanding Sundry Debtors (Confidential Item)

The Meeting will be closed by Council Resolution to the Public under Part 5 Division 2 Section 5.23(2)(b) of the Local Government Act 1995 as the Item relates to “the personal affairs of any person”.

RESOLUTION: AR13-18/19

MOVED Cr Smith SECONDED Cr McGuinness

That the Risk and Audit Committee Recommend to Council that: -

To write off the amounts for Sundry Debtors 91383, 91162, 93707, 93825, 91790.

CARRIED 5/1

ITEM 14 NEXT MEETING DATE

The next Audit & Risk Committee Meeting is scheduled to take place on Tuesday 12th March 2019, commencing at 5.00pm on at the Council Chambers, 10 Jennaberring Road, Quairading.

ITEM 15 CLOSURE

There being no further business, the Chairman closed the Meeting at 7.03 pm.

I certify the Minutes of the Audit & Risk Committee Meeting held on 11th December 2018 were confirmed on 12th March 2019 as recorded on Resolution No. _____

Confirmed..... 12/03/2019

Audit & Risk Committee - Terms of Reference 7.6

6.1 Council Meeting with Auditor

Arrangements have been made with Council's Auditor Mr Greg Godwin of Moore Stephens to participate in a Telephone meeting at the commencement of the Audit & Risk Committee Meeting.

For Councillor's reference Mr Godwin's Audit Report and Management Letter are attachments to this Committee Meeting Agenda Papers.

Statutory Requirements

Local Government Act 1995

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to: -
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must: -
 - (a) examine an audit report received by the local government; and
 - (b) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (c) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must: -
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Council Delegated of Authority

Delegation F.1 – Audit Committee: Meeting with Auditor

Council delegates authority and power to the Audit & Risk Committee to meet with the Local Government's Auditor at least once per year.

6.2 Responses to Audit Management Letter

Meeting Date	12 th March 2018
Responsible Officer	CEO Graeme Fardon
Reporting Officer	EMCS Nathan Gilfellow
Attachments	6.2.1 2018 Management Report
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

OFFICER RECOMMENDATION

That the Audit and Risk Committee Recommend to Council that: -

Council consider the strategies presented in their preparation of the 2019/20 Annual Budget.

VOTING REQUIREMENTS – Simple Majority

IN BRIEF

- The Management Letter received by the Auditor's, highlighted the Operating Ratio and the lack of a Disaster Recovery Program as key issues arising from the Audit.
- Staff have listed strategies for Council to consider in the next Annual Budget process.

MATTER FOR CONSIDERATION

Issues raised in the 2018 Management Letter and Strategies to be consider in the next Annual Budget.

BACKGROUND

In the Audit and Risk Committee Terms of Reference 7.7 External Audit (g), the Audit and Risk Committee is to review the report to the Chief Executive Officer and management's response to the External auditor's findings and recommendations.

On the 10th December 2018 Shire Auditor Greg Godwin presented his management letter to Shire President Wayne Davies and a copy to CEO Graeme Fardon.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 7.12A (2) & (3).

POLICY IMPLICATIONS

Audit and Risk Committee Terms of Reference 7.7 External Audit (h), the Audit and Risk Committee is to review the report to the Chief Executive Officer and management's response to the External auditor's findings and recommendations.

FINANCIAL IMPLICATIONS

No direct financial implications, however each strategy will have an impact on future years if undertaken.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Low Risk. Strategies identified are to improve the financial position of the Shire.

Health – Risk Matrix Rating is considered as Low Risk.

Reputation – Risk Matrix Rating is considered as Low Risk.

Operation – Risk Matrix Rating considered Low Risk. Some strategies may have an impact on operations if undertaken.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT

Following the Audit of the 2017/18 Financial Statements and the issues raised in the Auditor's Management Letter, Executive Staff have prepared the below strategies for consideration by the Committee and Council.

Operating Surplus

1. Council to explore business activities but only where a robust business plan has been developed with a view to maximise returns.
2. Council to explore operating grants that fund their current operations and in regard to services that are funded by operating grants, that these services only be delivered in line with their funding.
3. Council set a rate increase at a percentage above the 'business as usual' rate with a view of decreasing the operational deficit.
4. Council to charge full cost recovery on Fees and Charges where considered fair and equitable.
5. Council will only consider subsidies and concessions where there are sound and consistent reasons to do so.
6. Council to review current accounting and payroll procedures to allocate and budget employee costs to capital works where able to in regards to the AASB Standards.
7. Council to review current services and service levels of operations with a view to reduce services in order to achieve operational savings.
8. Council to focus on capital projects and capital grants that reduce operating expenditure or create operational efficiencies.
9. Council improve year to date budgeting and budget monitoring processes to better understand and manage operational trends.
10. Council not to use debt unless to create income producing assets.

It is to be noted that while the operating surplus is currently in the negative, it has improved on the previous year. Also to be noted is a large decrease in the Valuation of the Roads that will decrease depreciation, decrease operating expenses and will have a large impact on the Financial Ratios.

Disaster Recovery Program

Council has already identified a need for a Disaster Recovery Program as part of the Focus Networks IT Audit which is to be presented to Council as a consideration in the 2019/20 budget.

10 December 2018

Cr W Davies
The Shire President
Shire of Quairading
PO Box 38
QUAIRADING WA 6383

Dear Cr Davies

MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2018

We advise that we have completed our audit procedures for the year ended 30 June 2018.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Shire's organisation gained during our work to make comments and suggestions which, we hope, will be useful to you.

We noted the following matters we wish to draw to your attention:

OPERATING SURPLUS RATIO

This ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates and operating grants.

The Shire's ratio has improved in the current year (from (0.42) to (0.24)) and is trending upwards over the last five years. However, it has been negative for the last three years. Analysis of the Shire's Statement of Comprehensive Income indicates the main reason for the downward trend to be the operating expenditure increases (in particular, materials and contracts associated with flood damage reinstatement) not being matched by the increase in operating revenue (mainly other revenue relating to WANDRRA reimbursements) during the year ended 30 June 2018.

A negative ratio indicates the local government is experiencing an operating deficit. A sustained period of deficits will erode the Shire's ability to service debt and maintain both its operational service level and asset base over the longer term whilst a positive ratio which is consistently above 0.15 provides the Shire with greater flexibility in meeting operational service levels and asset management requirements.

Both Council and management will need to consider ways to improve the operating position in order to increase the ratio above the basic acceptable target level of 0.01. This includes considering the sustainability of the current rating structure, identifying potential new avenues of revenue, and finding the optimum level of the Shire's operating expenses.

SUMMARY

Given the relative strength of the other ratios and the Shire's balance sheet, a lower operating surplus ratio may be acceptable in the short term provided other measures/strategies are maximised. Notwithstanding this, a number of ratios appear to be trending downwards over the longer term and this should be carefully considered moving forward to avoid the development of an adverse trend in the Shire's financial position.

We would like to take this opportunity to stress one off assessments of ratios at a particular point in time can only provide a snapshot of the financial position and operating situation of the Shire. As is the case with all ratios and indicators, their interpretation is much improved if they are calculated as an average over time with the relevant trends being considered.

DISASTER RECOVERY PLAN

Whilst reviewing the adequacy of the IT general environment, we noted the Shire does not have a documented disaster recovery plan. To help ensure continuity of Council operations in the case of a disaster or emergency, a disaster recovery plan should be developed and adopted.

We noted no other matters we wish to draw to your attention.

UNCORRECTED MISSTATEMENTS

We advise there were no uncorrected misstatements noted during the course of the audit.

We take this opportunity to thank the Shire for their assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



Greg Godwin
Partner
Moore Stephens

Encl.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF QUAIRADING

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Quairading (the Shire), which comprises the Statement of Financial Position as at 30 June 2018, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Quairading:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the 'Code') that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF QUAIRADING (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives of the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, international omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF THE SHIRE OF QUAIRADING (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In my opinion, the asset consumption ratio and asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

MATTERS RELATING TO THE ELECTRONIC PUBLICATION OF THE AUDITED FINANCIAL REPORT

This auditor's report relates to the annual financial report of the Shire of Quairading for the year ended 30 June 2018 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



GREG GODWIN
PARTNER

Date: 10 December 2018
Perth, WA

ITEM 7 STANDING ITEMS – INTERNAL AUDIT

Audit & Risk Committee - Terms of Reference 7.5

7.1 Statutory Compliance Audit Return

Meeting Date	12 th March 2019
Responsible Officer	CEO Graeme Fardon
Reporting Officer	CEO Graeme Fardon
Attachments	Compliance Audit Return 2018
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommend to Council that: -

The Statutory Compliance Audit Return for the period 1st January 2018 to 31st December 2018 be Adopted by Council.

VOTING REQUIREMENTS – Simple Majority

IN BRIEF

- High Level of Compliance observed.
- N/A Responses indicate that the particular Compliance Requirement was not actioned or required during the Year under Review.
- All Audit and Financial Management Compliance was completed within the Statutory timeframes.
- Question 5 of the Integrated Planning Section highlighted the need (as planned by Council) to review all Asset Plans.
- Question 7 of the Integrated Planning Section highlighted the current implementation work being undertaken on the Workforce Plan.

MATTER FOR CONSIDERATION

Consideration of the Statutory Compliance Audit Return for the year ended 31st December 2018.

BACKGROUND

Council is required to undertake a Compliance Audit, via the Statutory Compliance Return provided by the Department of Local Government each year.

The CEO has completed the Draft Compliance Return for Committee's Consideration.

Compliance Return comprises of Questions in the following Areas of Activity: -

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Tenders for Providing Good & Services

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

14. Compliance Audits by Local Governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) 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.
- (3) After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be: -
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

15. Compliance Audit Return, Certified Copy of etc. to be given to Executive Director

1. (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with: -
 - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit.
2. Is to be submitted to the Executive Director by 31st March next following the period to which the return relates.
3. (2) In this regulation: -

certified in relation to a compliance audit return means signed by: -

 - (a) the mayor or president; and
 - (b) the CEO.

POLICY IMPLICATIONS

N/A.

FINANCIAL IMPLICATIONS

Nil - Financial implications in 2018/19, as Statutory Compliance Return has been completed internally and online by the CEO following a review of Council's Processes and Practices for the 2018 Calendar Year.

The Statutory Compliance Return is to be presented to Audit & Risk Committee and then Report by Recommendation to Council at the March 2019 Ordinary Council Meeting.

Council is required to submit the Signed (Shire President and CEO) Statutory Compliance Return and relevant Council Minutes to the Director General of the Department of Local Government by the 31st March 2019.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability
G4	Sound Organisation
G4.1	Maintain sustainability ratios at or above basic level
G4.2	Increase non-rates revenue generation
G4.3	Ensure optimum organisational capacity and efficiency

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is assessed as Low. Risk is mitigated through ongoing review and monitoring of Council's Management & Compliance Procedures and Processes.

Health – Risk Matrix Rating is assessed as Low

Reputation – Risk Matrix Rating is assessed as Low.

Operation – Risk Matrix Rating is assessed as Low. Compliance undertaken as part of Council's day to day operations.

Natural Environment – Risk Matrix Rating is assessed as Low.

COMMENT

The CEO has reviewed the organisation's Procedures, Processes and Actions for the 2018 Calendar Year and prepared the Statutory Compliance Return for consideration by the Audit & Risk Committee and Recommendation to Council.



Quairading - Compliance Audit Return 2018

Certified Copy of Return

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

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2018.	N/A		Graeme Fardon
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2018.	N/A		Graeme Fardon
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2018.	N/A		Graeme Fardon
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2018.	N/A		Graeme Fardon
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Graeme Fardon



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes		Graeme Fardon
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes		Graeme Fardon
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes		Graeme Fardon
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes		Graeme Fardon
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes		Graeme Fardon
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Graeme Fardon
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Graeme Fardon
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Graeme Fardon
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Graeme Fardon
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Graeme Fardon
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Graeme Fardon
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2017/2018 financial year.	Yes		Graeme Fardon
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Graeme Fardon

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



No	Reference	Question	Response	Comments	Respondent
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Graeme Fardon
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Graeme Fardon
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Graeme Fardon
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	Yes		Graeme Fardon
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	Yes		Graeme Fardon
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Graeme Fardon
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Graeme Fardon
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Graeme Fardon
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Graeme Fardon
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Graeme Fardon
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Graeme Fardon
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Graeme Fardon



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

Disposal of Property

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

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Graeme Fardon
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	Yes		Graeme Fardon
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Graeme Fardon
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Graeme Fardon
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes		Graeme Fardon
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes		Graeme Fardon
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Graeme Fardon



Department of
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No	Reference	Question	Response	Comments	Respondent
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Graeme Fardon
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Graeme Fardon
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Graeme Fardon
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Graeme Fardon
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Graeme Fardon
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Graeme Fardon
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Graeme Fardon
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	No		Graeme Fardon
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	Yes	2019	Graeme Fardon



Integrated Planning and Reporting					
No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted by Council 26/10/2017	Graeme Fardon
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No		Graeme Fardon
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted by Council 26/10/2017	Graeme Fardon
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	No		Graeme Fardon
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Buildings & Structures (2011) Roads & Bridges (2012) Plant & Machinery (2018) All AMP Sections currently under review	Graeme Fardon
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted by Council 26/10/2017	Graeme Fardon
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	Yes	Adopted by Council 28/6/18	Graeme Fardon



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



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

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Graeme Fardon
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Graeme Fardon
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes		Graeme Fardon
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes		Graeme Fardon



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



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



Department of
**Local Government, Sport
and Cultural Industries**

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

Signed Mayor / President, Quairading

Signed CEO, Quairading

ITEM 8 STANDING ITEMS – FINANCIAL REPORTING

8.1 WANDRRA

Please see attached a copy of the Outstanding WANDRRA Claims and Outstanding Creditor Accounts as at the 28th March 2019.

WANDRRA CLAIMS

Number	Claim	Paid	Held	Ineligible	Due	Claims Submitted	To be claimed*	Claims Approved
1	\$177,798.75				\$0.00	3/10/2017		
2	\$466,371.28	\$483,127.52	\$161,042.51	\$153,400.00	\$7,642.51	26/10/2017		
3	\$594,596.42	\$475,677.13	\$118,919.29	\$0.00	\$118,919.29	30/01/2018	\$4,321.86	
4	\$667,119.75	\$533,695.80	\$133,423.95	\$5,350.50	\$128,073.45	30/01/2018	\$13,993.70	
		\$236,319.69			-\$236,319.69			
5	\$467,506.98	\$458,276.48		\$0.00	\$0.00	27/03/2018	\$9,230.50 ?	
6	\$503,314.09	\$503,314.09	\$0.00	\$0.00	\$0.00	9/05/2018		
7	\$454,576.03	\$454,576.03	\$0.00	\$0.00	\$0.00	9/05/2018		
8	\$466,355.85	\$466,355.85	\$0.00		\$0.00	1/06/2018		
9	\$512,090.88	\$512,090.88	\$0.00		\$0.00	25/06/2018		13/08/2018
10	\$532,666.71	\$532,666.71	\$0.00		\$0.00	12/07/2018		16/08/2018
11	\$374,269.51	\$374,269.51	\$0.00		\$0.00	24/07/2018		12/09/2018
12	\$155,498.69	\$155,498.69	\$0.00		\$0.00	13/09/2018		8/01/2019
13	\$314,734.80	\$306,824.30	\$0.00		\$0.00	24/10/2018	\$7,910.50	8/01/2019
14	\$489,752.47	\$489,752.47				19/11/2018		8/02/2019
15	\$410,137.68	\$410,137.68				17/12/2018		8/02/2019
16	\$316,204.65					4/02/2019		
Total to Date	\$6,902,994.54	\$6,392,582.83	\$413,385.75	\$158,750.50	\$18,315.56		\$35,456.56	

*Amounts to be claimed are disputed and have been presented as part of Claim 13 held over to be submitted with Claim 16

Letters written to Main Roads providing further detail and seeking approval to raise these amounts - Roadswest to follow up.

From: David Mckenna [<mailto:David.Mckenna@roadswest.com.au>]

Sent: Thursday, 7 March 2019 11:14 AM

To: Graeme Fardon <ceo@quairading.wa.gov.au>

Cc: Tony Saraullo <Tony.Saraullo@roadswest.com.au>

Subject: WANDRRA CLAIMS

Graeme:-

Please see below:-

Progress at Main Roads on Claim 16 :-

Spoke to Allison today and she is going to start looking at it today. Subject to queries I would assume it would be sent to Main Roads DAC next week.

Any progress on \$4321.86 and \$13993.70 the subject of Letters sent to Main Roads.

Allison advises she has a number of claims from other Shires to examine and then will look at these items.

Query on \$9230.50 shortfall on Claim No. 5 - has this been resubmitted or resolved?

\$ 1,436.25 of this shortfall was paid to SOQ at Claim 13

\$ 7,910.50 included in Claim 16.

Expected timing of submitting Claim No. 17

Next week \$ 84,797.27

Is there a final claim after No 17?

Claim 18 January \$ 68,389.08 to be submitted next week

Claim 19 February – awaiting QEM invoice

Any other relevant information

Roadswest will be returning to Shire – Original tender submissions, Daily Dockets, record of work done.

Regards

8.2 Medical Practice Comparison Report

Meeting Date	12 th March 2018
Responsible Officer	EMCS Nathan Gilfellon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	8.2.1 Medical Practice Long Term Financial and Patient Number Comparison
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

OFFICER RECOMMENDATION

That the Risk and Audit Committee Recommend to Council that: -

The Medical Practice Financial Statements and Patient Visitation Data (with historical data and trends) be received.

VOTING REQUIREMENTS – Simple Majority

IN BRIEF

- Council owns and operates the Quairading Medical Practice.
- GP Clinical Services are provided under a Contract Arrangement.
- Council's provide an Annual Budget Provisions for the Operation of the Medical Practice.
- Council receives all Revenue associated with the Medical Practice.
- The six (6) monthly reviews by the Audit and Risk Committee will ensure an additional level of scrutiny and a process to monitor trends.
- Financial and Patient Visitation Information beyond the last 3.5 years have been added to provide greater context to the trends.
- The patient's figures have been included to add additional information.

MATTER FOR CONSIDERATION

Medical Practice Financial and Patient Visitation Number Comparisons for the last four (4) financial years and the first six months of the 2018/19 year.

BACKGROUND

At the February 2018 Ordinary Meeting, Council directed that the Deputy Chief Executive Officer provide the Audit and Risk Committee with detailed financial records on the Medical Practice income and expenditure on a six (6) monthly basis for the last 3 years.

The analysis is designed to identify any noticeable trends for the Medical Practice and strategies that could be utilised to reduce Council's financial exposure and risk in this Activity Area.

In the December 2018 Audit and Risk Meeting, the dates of reporting have been shifted to the closest Committee meeting after the end of each six-month period.

STATUTORY ENVIRONMENT

Nil.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Council has budgeted for an Operating Shortfall of \$165,000. This Shortfall is funded through Council's General Revenue.

The Operating Shortfall as at 31st December 2018 is \$129,592.

The Budget Review Process in February and March has identified a projected reduction of \$36K in the Budgeted Operating Expenditure but also a larger projected reduction in Operating Income (Government Grants & Subsidies of \$72.5K and Consultation Fees of \$16.5K).

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Social Objective: Active, healthy, safe and inclusive community

ITEM	OUTCOMES AND STRATEGIES
S2	Healthy community
S2.1	Advocate on behalf of the community for improved access to health
S2.2	Promote public health

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

COMMUNITY CONSULTATION

The Medical Practice and Health Services in general was identified as a High Priority in Council's Community Engagement Process (March 2017).

RISK ASSESSMENT

Financial – Risk Matrix Rating is considered as Medium Risk. Risk level assessed due to the withdrawal of various Grant / Subsidy Programs previously included in the Practice Income and the ongoing trend of an increasing Operating Shortfall.

Health – Risk Matrix Rating is considered as Low Risk. Public Health Risk will escalate for the Community if the Medical Practice (with GP's) is not operating in a sustainable and effective manner.

Reputation – Risk Matrix Rating is considered as Low Risk. Heightened risk identified as Community expectation of a continuing Medical Service in the District is High. Reputational Risk if Medical Practice / GP availability is not maintained.

Operation – Risk Matrix Rating considered Low Risk. Operation of the Medical Practice and GP Contractor Model is incorporated into Council's operations and budgets. Further Monitoring and Liaising role through Council's Medical Executive Committee.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT

There is an increasing trend in the operating shortfall of the Medical Practice evident in the first half of the 2018/19 financial year as shown in the attached Medical Practice Income and Expenditure Long Term Comparison.

The attached patient's analysis has been extrapolated to a full year based on the year to January figures and shows a decrease in the level of patients and the income received (income achieved includes Consultation fees and Government Grants and Subsidies for operation).

Operating Expenditure has been closely monitored by the Practice Manager/s during the past 6 months and is within Operating Budget.

Practice Nurse has been on Parental Leave for the year to date and correspondingly Practice Nurse Incentive Program (PNIP) income has not been received.

Also included with this Report is the Patient/Income Analysis on a Monthly basis from July 2018 to January 2019. This reflects that the average number of Patients seen per month is 405 Billable Patients (both at the Surgery and the Hospital). The 12-year Average for Patients seen per Month is 475 Patients and 4-year Average is 448 Patients per Month.

Over the 12 years there has been a steady overall population (est.1020 Persons) but with an increasingly Ageing Community and a community with many on Welfare / Pension Benefits.

Further strategies for the future could include longer Consulting hours, but this would need to be discussed in a future GP Model.

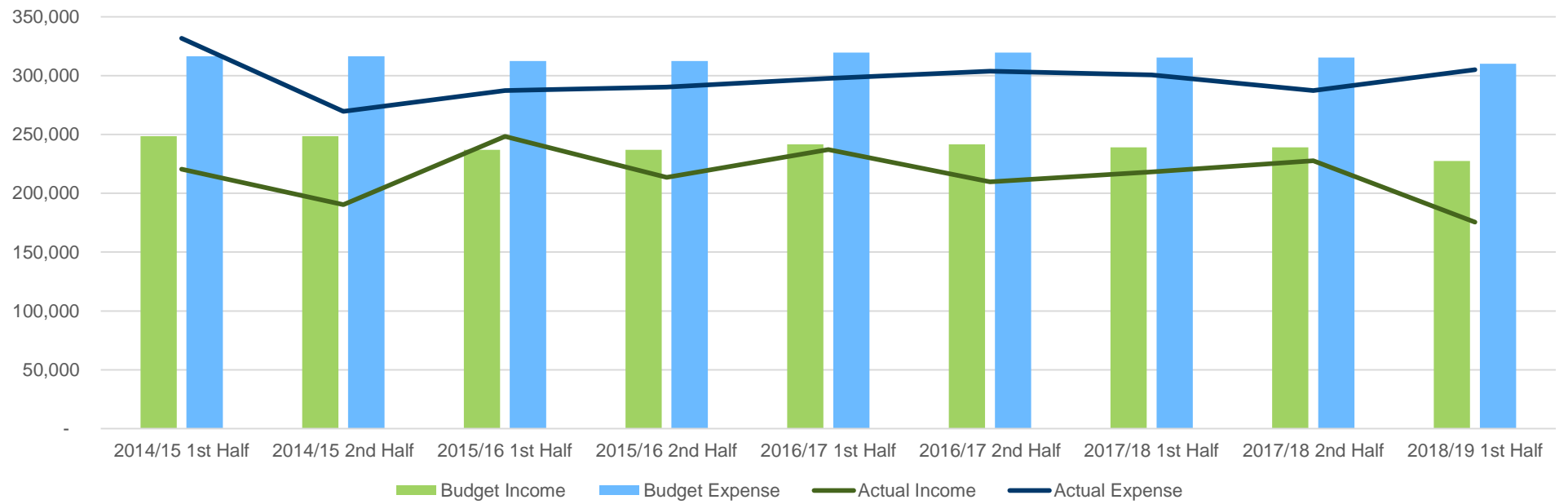
To counter the loss of Grants / Incentive Funding, Rural Health West have advised of several Funding Pools which have been recently rebadged or launched and they are being researched to ascertain whether the Practice and Dr Adeleye are eligible for these Income Sources.

These Programs include: -

- General Practice Rural Incentive Payment (GPRIP)
- Practice Incentive Payments (PIP's)
- Country Health Innovation (CHI)

Note that the Practice Nurse Incentive Program (PNIP) and the GP Rural Incentives Program (GPRIP) will be transitioned to the Workforce Incentive Program effective 1st July 2019. The Medical practice is already registered for the PNIP Stream of this Funding.

Medical Practice Income and Expenditure Long Term Comparison



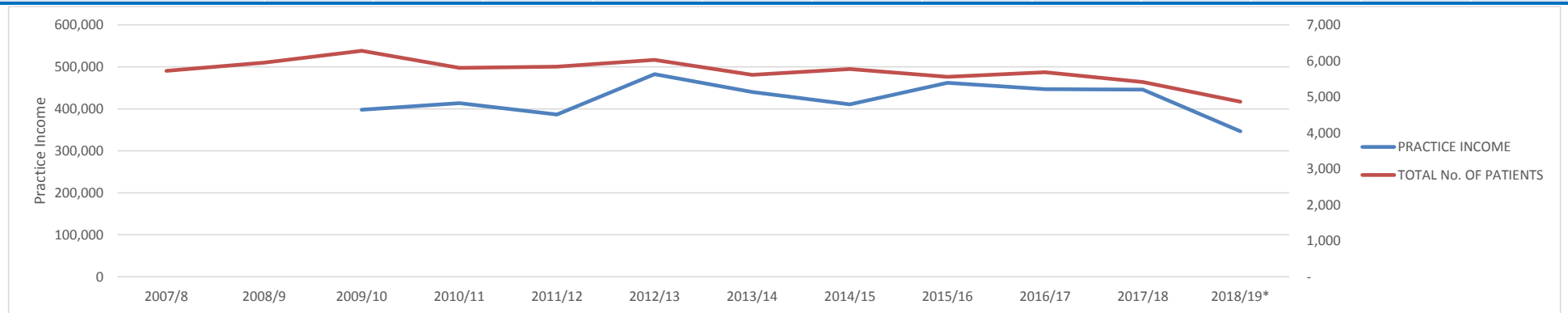
	Budget Year 2014 - 2015				Budget Year 2015 -2016			
	Budget 2014/2015	First Half Actual	Second Half Actual	Full Year Actual	Budget	First Half Actual	Second Half Actual	Full Year Actual
Income Source								
Interest Support Packages	1,000	46	431	477	700	1,132	155	1,287
HIC Payments (PIP) & (SWWML) & (CIR)	30,000	11,777	13,474	25,251	30,000	19,098	8,602	27,700
RFD Payments	6,000	3,000	3,000	6,000	6,300	2,400	3,000	5,400
Practice Nurse Incentive Grant	30,000	13,805	6,370	20,175	24,000	-	-	-
Receipts from Consultations	80,000	36,306	30,099	66,405	80,000	33,163	25,905	59,068
VTA Benefits / M'Care	240,000	107,129	117,164	224,293	225,000	124,693	105,849	230,542
SiHi GP Incentive	26,000	10,800	4,700	15,500	26,000	13,050	10,850	23,900
VMP Payments	84,000	37,692	15,001	52,693	80,000	53,462	57,820	111,282
Sundry Payments					2,000	1,337	1,401	2,738
	497,000	220,555	190,239	410,794	474,000	248,335	213,582	461,917
Expenditure Source								
Contractor Doctor	328,000	110,750	190,400	301,150	422,250	195,122	207,257	402,379
Doctor - Base Salary	79,717	113,481	-	113,481			-	
Practice Nurse (4 Days a week)	72,761	20,439	8,508	28,947	45,346	15,370	5,558	20,928
Practice Mgr Receptionists - Job Share 3 Staff (1.6 FTE)	78,988	45,986	47,905	93,891	88,491	48,480	51,531	100,011
Super - Doctor	5,594	8,221	-	8,221			-	
Super Practice Nurse	6,912	1,890	707	2,597	4,308	1,517	459	1,976
Super Receptionists	7,461	4,299	4,512	8,811	8,406	3,771	5,054	8,825
Workers Compensation	16,000	12,000	-	12,000	6,932	7,132	-	7,132
Medical Indemnity / Professional Fees	-	-	990	990	990	-	990	990
Staff Development	1,000	636	510	1,146	1,000	1,243	195	1,438
Materials - Medical / Other	10,000	3,838	7,235	11,073	12,000	7,126	2,229	9,355
Electrical Consumed	3,750	1,338	1,490	2,828	3,400	1,673	1,890	3,563
Phone	3,500	1,720	1,750	3,470	3,500	1,499	1,670	3,169
Postage, Printing & Stationery	4,500	1,280	2,057	3,337	3,900	2,039	1,421	3,460
Minor Capita Expenditure			-		6,500	179	2,994	3,173
Computer - M tce (Non Capital)	4,000	1,127	678	1,805	2,000	-	3,338	3,338
Credit Card / Merchant Fees	1,000	323	259	582	800	284	194	478
Other Surgery Expenditure	9,500	4,411	2,610	7,021	15,000	1,888	5,503	7,391
	632,683	331,739	269,611	601,350	624,823	287,323	290,283	577,606
Income / Expenditure Outcome	135,683	111,184	79,372	190,556	150,823	38,988	76,701	115,689

	Budget Year 2016 -2017				Budget Year 2017 -2018			
	Budget	First Half Actual	Second Half Actual	Full Year Actual	Budget	First Half Actual	Second Half Actual	Full Year Actual
Income Source								
Interest Support Packages	700	850	2,103	2,953	2,000	886	2,180	3,066
HIC Payments (PIP) & (SWWML) & (CIR)	30,000	4,891	9,323	14,214	20,000	17,174	14,855	32,029
RFD Payments	6,300	2,400	2,400	4,800	6,300	2,400	1,800	4,200
Practice Nurse Incentive Grant	24,000	11,553	11,741	23,294	24,000	12,553	12,025	24,578
Receipts from Consultations	80,000	27,904	25,439	53,343	65,000	20,352	20,227	40,579
VTA Benefits / M'Care	230,000	129,445	105,060	234,505	240,000	111,323	120,288	231,611
SiHi GP Incentive	26,000	9,650	8,950	18,600	26,000	8,400	11,250	19,650
VMP Payments	84,000	50,487	44,764	95,251	95,000	44,935	44,936	89,871
Sundry Payments	2,000	-	-	-	-	167	105	272
	483,000	237,180	209,780	446,960	478,300	218,190	227,666	445,856
Expenditure Source								
Contractor Doctor	422,550	188,604	202,789	391,393	425,085	193,140	198,428	391,568
Doctor - Base Salary			-				-	
Practice Nurse (4 Days a week)	46,846	9,030	25,638	34,668	38,857	16,993	14,379	31,372
Practice Mgr Receptionists - Job Share 3 Staff (1.6 FTE)	91,538	54,061	49,074	103,135	97,609	45,577	51,981	97,558
Super - Doctor			-				-	
Super Practice Nurse	4,450	839	1,824	2,663	3,691	1,581	1,336	2,917
Super Receptionists	8,696	5,282	5,425	10,707	9,273	4,234	4,745	8,979
Workers Compensation	7,932	8,853	-	8,853	8,000	8,000	-	8,000
Medical Indemnity / Professional Fees	990	-	990	990	1,000	-	1,485	1,485
Staff Development	1,000	-	816	816	1,000	-	-	-
Materials - Medical / Other	10,000	2,714	3,770	6,484	8,000	4,424	3,698	8,122
Electrical Consumed	3,400	2,043	1,738	3,781	2,400	1,647	1,558	3,205
Phone	3,500	1,973	2,500	4,473	4,500	1,906	2,441	4,347
Postage, Printing & Stationery	3,500	1,666	2,085	3,751	3,800	2,943	1,982	4,925
Minor Capita Expenditure	8,750	4,188	4,537	8,725	3,000	-	1,533	1,533
Computer - M tce (Non Capital)	2,000	857	1,635	2,492	2,000	2,699	2,420	5,119
Credit Card / Merchant Fees	500	286	217	503	500	211	189	400
Other Surgery Expenditure	23,500	17,271	776	18,047	22,000	17,153	1,091	18,244
	639,152	297,667	303,814	601,481	630,715	300,508	287,266	587,774
Income / Expenditure Outcome	156,152	60,487	94,034	154,521	152,415	82,318	59,601	141,919

Budget Year 2018 -2019				
	Budget	First Half Actual	Second Half Actual	Full Year Actual
Income Source				
Interest Support Packages	2,000	772	N/A	772
HIC Payments (PIP) & (SWWML) & (CIR)	20,000	-	N/A	-
RFD Payments	4,800	3,000	N/A	3,000
Practice Nurse Incentive Grant	23,000	259	N/A	259
Receipts from Consultations	64,200	20,254	N/A	20,254
VTA Benefits / M'Care	220,000	113,757	N/A	113,757
SiHi GP Incentive	26,000	-	N/A	-
VMP Payments	95,000	37,446	N/A	37,446
Sundry Payments	-	-	N/A	-
	455,000	175,488	-	175,488
Expenditure Source				
Contractor Doctor	431,553	196,247	N/A	196,247
Doctor - Base Salary			N/A	-
Practice Nurse (4 Days a week)	29,380	-	N/A	-
Practice Mgr Receptionists - Job Share 3 Staff (1.6 FTE)	99,801	68,680	N/A	68,680
Super - Doctor			N/A	-
Super Practice Nurse	2,791	-	N/A	-
Super Receptionists	9,709	5,164	N/A	5,164
Workers Compensation	2,972	1,971	N/A	1,971
Medical Indemnity / Professional Fees	990	250	N/A	250
Staff Development	1,000	-	N/A	-
Materials - Medical / Other	8,214	2,143	N/A	2,143
Electrical Consumed	1,900	1,032	N/A	1,032
Phone	4,200	2,368	N/A	2,368
Postage, Printing & Stationery	4,850	2,385	N/A	2,385
Minor Capita Expenditure	3,000	2,425	N/A	2,425
Computer - M tce (Non Capital)	3,000	3,344	N/A	3,344
Credit Card / Merchant Fees	500	198	N/A	198
Other Surgery Expenditure	16,140	18,873	N/A	18,873
	620,000	305,081	-	305,081
Income / Expenditure Outcome	165,000	129,592	-	129,592

Analysis of patient seen at Quairading Medical Practice between 2007 and 2019 (including hospital)

YEAR	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*
PRIVATE	1,650	1,693	1,685	1,545	1,512	1,244	1,125	1,159	1,211	1,158	843	914
BULK BILL	3,751	3,898	4,171	3,879	3,953	4,400	4,161	4,301	4,140	4,344	4,418	3,811
VET AFFAIRS	188	227	279	257	254	250	174	154	79	64	42	46
OTHER	135	130	145	127	122	131	154	157	125	116	109	94
TOTAL No. OF PATIENTS	5,724	5,948	6,280	5,808	5,841	6,025	5,614	5,771	5,555	5,682	5,412	4,865
PRACTICE INCOME			398,133	413,517	386,540	482,597	440,071	410,794	461,917	446,960	445,856	346,551

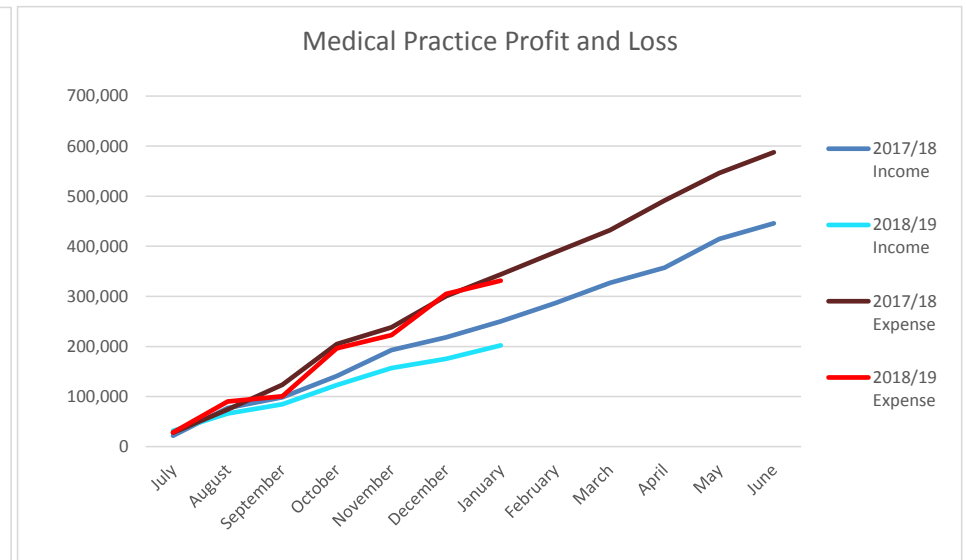
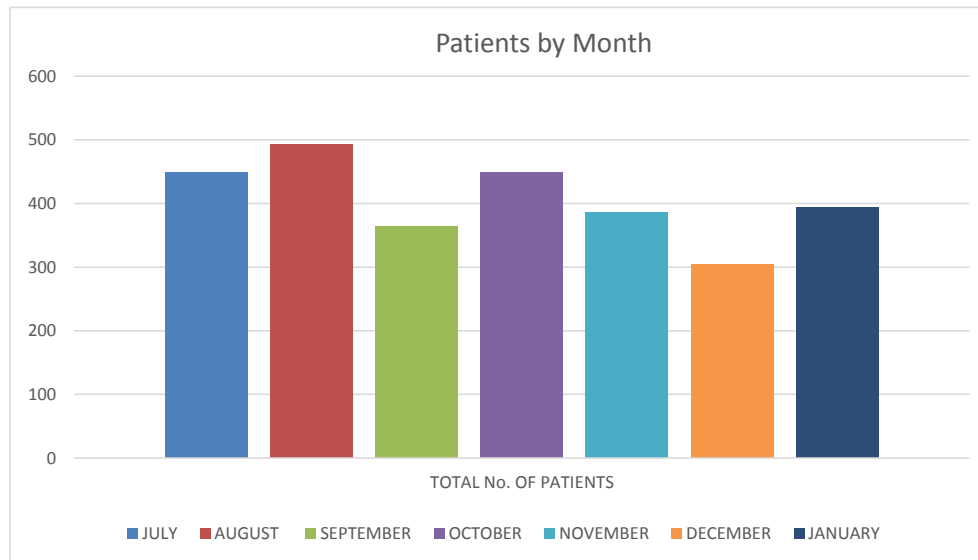


*2018/19 Figures have been extrapolated based on the Figures to the end of January.

Analysis of Patients seen at Quairading Medical Practice & Hospital

01/07/2018 TO 31/01/2019

MONTH	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	YTD Total	Monthly Average
PRIVATE	80	107	59	86	74	54	73	533	76
BULK BILL	347	378	293	348	299	244	314	2223	318
VET AFFAIRS	8	3	3	3	3	4	3	27	4
OTHER	14	5	8	12	10	2	4	55	8
TOTAL No. OF PATIENTS	449	493	363	449	386	304	394	2838	405
MONTHLY FEES (EXCL GST)	\$31,541	\$34,768	\$18,444	\$38,023	\$34,183	\$18,529	\$26,667	\$202,155	\$28,879



8.3 March 2019 Budget Review

Meeting Date	12 th March 2018
Responsible Officer	EMCS Nathan Gilfellon
Reporting Officer	EMCS Nathan Gilfellon
Attachments	8.3.1 March 2019 Budget Review
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil.

OFFICER RECOMMENDATION

That the Risk and Audit Committee Recommend to Council that: -

That Council adopt the March 2019 Budget Review Report and adopt the Variations to Budget as detailed in attachment 8.3.1 – March 2019 Budget Review.

VOTING REQUIREMENTS – Simple Majority

IN BRIEF

Following a Budget Review Workshop on the 20th of February 2019 the March Budget Review and Budget Variations has been submitted.

MATTER FOR CONSIDERATION

Statutory Budget Review Report and Supporting Summary of Major Budget Variations

BACKGROUND

Council is required to conduct a Budget Review between 1st January and 31st March each Financial Year and to submit the Review Report and relevant Council Minutes to the Department of Local Government within 30 days of Council's Determination.

This year Council also undertook a November Budget Review that has reduced the burden to this budget review.

STATUTORY ENVIRONMENT

Local Government Act 1995 Section 6.2

Local Government (Financial Management) Regulations 1996

33A. Review of budget

- (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.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The Budget Variations are detailed in this report.

These will change the Budgeted closing surplus to \$50,432 from the current surplus of \$34,327.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability
G4	Sound Organisation
G4.1	Maintain sustainability ratios at or above basic level
G4.2	Increase non-rates revenue generation
G4.3	Ensure optimum organisational capacity and efficiency

COMMUNITY CONSULTATION

Nil.

RISK ASSESSMENT

Financial – Risk Matrix Rating considered Low Risk. Review process mitigates the financial variability (risk) of Council Financial Position as a result of the review of the actual Outcomes of Council's Operations and Projects undertaken Year to Date.

Health – Risk Matrix Rating considered Low Risk.

Reputation – Risk Matrix Rating considered Low Risk.

Operation – Risk Matrix Rating considered Low Risk. Adopted Review provides for sufficient Funding to enable the continuation of Council's Activities and Projects.

Natural Environment – Risk Matrix Rating considered Low Risk.

COMMENT

An Annual Budget Review is a statutory requirement however, is also part of Best Practice.

Officers conducted two budget workshops, the first with senior officers and the second with Councillors and senior officers in attendance. Variations to the budget have been outlined in the attached budget review report and are now recommended to this Committee.

**SHIRE OF QUAIRADING
BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2019**

**LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

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SHIRE OF QUAIRADING
STATEMENT OF BUDGET REVIEW
(NATURE OR TYPE)
FOR THE PERIOD ENDED 28TH FEBRUARY 2019

Note	Budget v Actual		Predicted		
	Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End (a)+(c)+(d)
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Net current assets at start of financial year surplus/(deficit)	1,839,098	1,857,964	(204,302)		1,634,796 ▼
Revenue from operating activities (excluding rates)					
Operating grants, subsidies and contributions	4,309,459	689,626	19,593		4,329,052 ▲
Profit on asset disposals 4.1.1	15,358				15,358 ▲
Fees and charges 4.1.2	1,149,903	643,684	(98,500)		1,051,403 ▼
Interest earnings 4.1.7	94,444	63,083			94,444 ▲
Other revenue 4.1.8	281,081	2,536,350	(1,500)		279,581 ▼
	5,850,245	3,932,743	(80,407)	0	5,769,838
Expenditure from operating activities					
Employee costs 4.2.1	(2,296,150)	(1,484,933)	71,269		(2,224,881) ▼
Materials and contracts	(4,789,952)	(3,284,075)	(4,824)		(4,794,776) ▲
Utility charges 4.2.3	(221,056)	(134,391)	(25,000)		(246,056) ▲
Depreciation on non-current assets	(3,373,211)	(1,284,858)	1,217,331		(2,155,880) ▼
Interest expenses	(28,228)	(9,289)	10,000		(18,228) ▼
Insurance expenses	(202,444)	(151,154)			(202,444) ▲
Loss on asset disposals 4.2.6	(5,656)	(13,882)			(5,656) ▲
Other expenditure 4.2.7	(105,030)	(122,607)	314		(104,716) ▼
	(11,021,728)	(6,485,189)	1,269,090	0	(9,752,638)
Operating activities excluded from budget					
Depreciation on assets	3,373,211	(1,284,858)	(1,217,331)		2,155,880 ▼
(Profit)/loss on asset disposal 4.4.3	(9,702)	13,882			(9,702) ▲
Adjust provisions and accruals	0	40,019			0 ▲
Amount attributable to operating activities	31,124	(1,925,439)	(232,950)	0	(201,826)
INVESTING ACTIVITIES					
Non-operating grants, subsidies and contributions 4.1.3	683,780	360,833			683,780 ▲
Purchase land and buildings	(711,964)	(146,150)	96,350	10,450	(605,164) ▼
Purchase plant and equipment	(590,700)	(37,727)	32,561		(558,139) ▼
Purchase and construction of infrastructure-roads	(1,639,967)	(901,012)			(1,639,967) ▲
Purchase and construction of infrastructure-other	(560,340)	(37,150)	15,000	217,255	(328,085) ▼
Proceeds from disposal of assets	192,000	29,774	(6,818)		185,182 ▼
Amount attributable to investing activities	(2,627,191)	(731,432)	137,093	227,705	(2,262,393)
FINANCING ACTIVITIES					
Proceeds from new borrowings	150,000				150,000 ▲
Proceeds from self supporting loans	34,572	16,133			34,572 ▲
Transfers to cash backed reserves (restricted assets)	(463,900)	(444,891)			(463,900) ▲
Repayment of debentures	(85,199)	(48,306)			(85,199) ▲
Transfers from cash backed reserves (restricted assets)	783,867	50,000	(115,743)		668,124 ▲
Amount attributable to financing activities	419,340	(427,063)	(115,743)	0	303,597
Budget deficiency before general rates	(2,176,727)	(3,083,934)	(211,600)	227,705	(2,160,622)
Estimated amount to be raised from general rates	2,211,054	2,209,166			2,211,054
Closing funding surplus(deficit)	34,327	(874,768)	(211,600)	227,705	50,432 ▲

SHIRE OF QUAIRADING
STATEMENT OF BUDGET REVIEW
FOR THE PERIOD ENDED 28TH FEBRUARY 2019

Note	Budget v Actual		Predicted			Material Variance
	Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (Carryover) (d)	Year End (a)+(c)+(d)	
	\$	\$	\$	\$	\$	
OPERATING ACTIVITIES						
Net current assets at start of financial year surplus/(deficit)	1,839,098	1,857,964	(204,302)		1,634,796	▼
Revenue from operating activities (excluding rates)						
Governance	16,076	10,747			16,076	
General purpose funding	969,927	502,825			969,927	
Law, order, public safety	188,450	105,582	9,593		198,043	▲
Health	456,258	202,295	(89,000)		367,258	▼
Education and welfare	186,798	111,797			186,798	
Housing	109,576	68,190			109,576	
Community amenities	204,725	150,399	(3,500)		201,225	▼
Recreation and culture	278,539	22,999			278,539	
Transport	3,020,996	2,412,005			3,020,996	
Economic services	128,180	156,212	33,000		161,180	▲
Other property and services	290,720	189,692	(30,500)		260,220	▼
	5,850,245	3,932,743	(80,407)	0	5,769,838	
Expenditure from operating activities						
Governance	(709,875)	(502,472)	12,609		(697,266)	▼
General purpose funding	(99,288)	(39,360)	10,000		(89,288)	▼
Law, order, public safety	(342,832)	(214,539)			(342,832)	
Health	(715,529)	(429,287)	55,000		(660,529)	▼
Education and welfare	(301,663)	(185,329)	(10,000)		(311,663)	▲
Housing	(243,041)	(127,370)			(243,041)	
Community amenities	(529,451)	(255,954)	16,814		(512,637)	▼
Recreation and culture	(890,436)	(611,433)	(11,500)		(901,936)	▲
Transport	(6,340,397)	(3,458,970)	1,217,331		(5,123,066)	▼
Economic services	(609,950)	(314,084)	(30,000)		(639,950)	▲
Other property and services	(239,266)	(346,390)	8,836		(230,430)	▼
	(11,021,728)	(6,485,188)	1,269,090	0	(9,752,638)	
Operating activities excluded from budget						
Depreciation on assets	3,373,211	(1,284,858)	(1,217,331)		2,155,880	▼
Adjust (Profit)/Loss on Asset Disposal	(9,702)	13,882			(9,702)	
Adjust Provisions and Accruals	0	40,019			0	
Amount attributable to operating activities	31,124	(1,925,438)	(232,950)	0	(201,826)	
INVESTING ACTIVITIES						
Non-operating grants, subsidies and contributions	683,780	360,833			683,780	
Purchase land and buildings	(711,964)	(146,150)	96,350	10,450	(605,164)	▼
Purchase plant and equipment	(590,700)	(37,727)	32,561		(558,139)	▼
Purchase and construction of infrastructure - roads	(1,639,967)	(901,012)			(1,639,967)	
Purchase and construction of infrastructure - other	(560,340)	(37,150)	15,000	217,255	(328,085)	▼
Proceeds from disposal of assets	192,000	29,774	(6,818)		185,182	▼
Amount attributable to investing activities	(2,627,191)	(731,432)	137,093	227,705	(2,262,393)	
FINANCING ACTIVITIES						
Repayment of borrowings	(85,199)	(48,306)			(85,199)	
Proceeds from new borrowings	150,000				150,000	
Proceeds from self supporting loans	34,572	16,133			34,572	
Transfers to cash backed reserves (restricted assets)	(463,900)	(444,891)			(463,900)	
Transfers from cash backed reserves (restricted assets)	783,867	50,000	(115,743)		668,124	▼
Amount attributable to financing activities	419,340	(427,063)	(115,743)	0	303,597	
Budget deficiency before general rates	(2,176,727)	(3,083,934)	(211,600)	227,705	(2,160,622)	
Estimated amount to be raised from general rates	2,211,054	2,209,166			2,211,054	
Closing Funding Surplus(Deficit)	34,327	(874,768)	(211,600)	227,705	50,432	▲

SHIRE OF QUAIRADING
NOTES TO AND FORMING PART OF THE BUDGET REVIEW REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019

1. BASIS OF PREPARATION

The budget review report has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this budget review report are presented below and have been consistently applied unless stated otherwise.

The report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Shire of Quairading controls resources to carry on its functions have been included in the financial statements forming part of this budget review.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

CRITICAL ACCOUNTING ESTIMATES

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

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

2018/19 ACTUAL BALANCES

Balances shown in this budget review report as 2018/2019 Actual are as forecast at the time of budget review preparation and are subject to final adjustments.

ROUNDING OFF FIGURES

All figures shown in this budget review report are rounded to the nearest dollar.

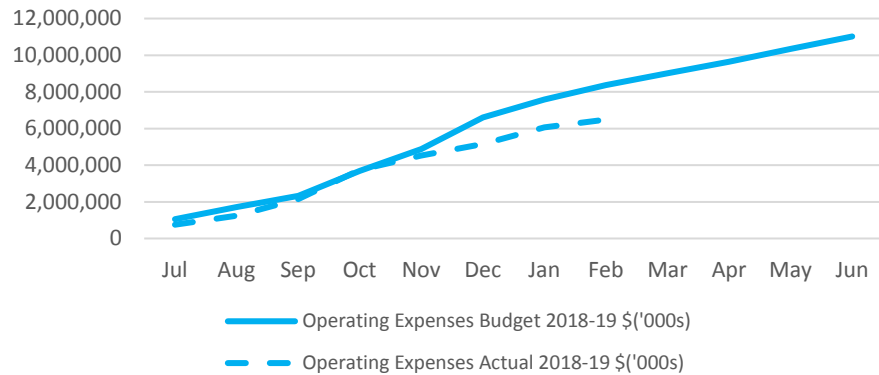
BUDGET COMPARATIVE FIGURES

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

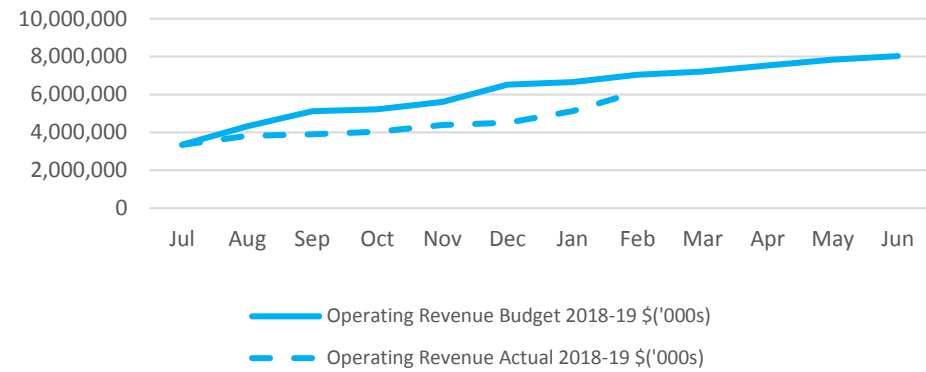
SHIRE OF QUAIRADING
SUMMARY GRAPHS - BUDGET REVIEW
FOR THE PERIOD ENDED FOR THE PERIOD ENDED 28TH FEBRUARY 2019

2. SUMMARY GRAPHS - BUDGET REVIEW

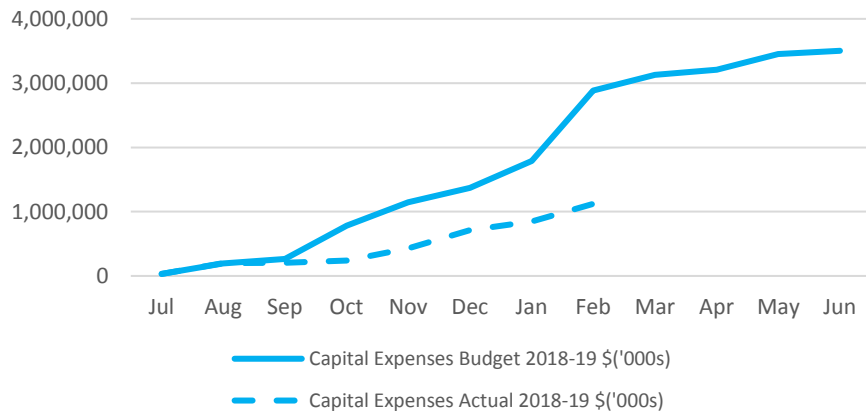
Operating Expenses



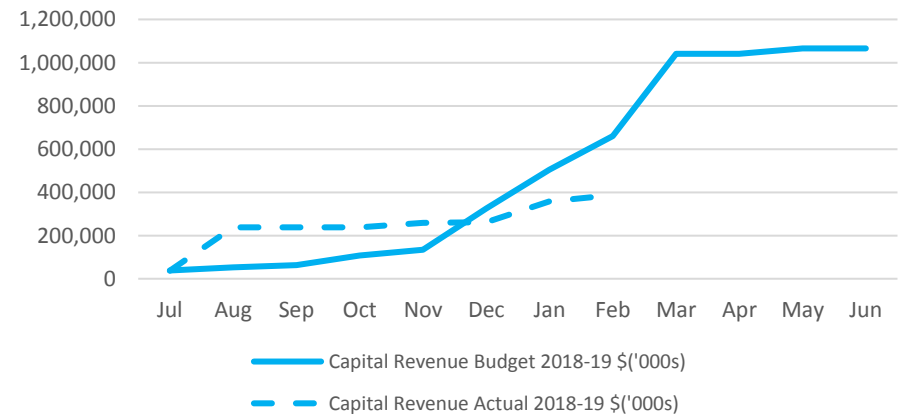
Operating Revenue



Capital Expenditure



Capital Revenue



This information is to be read in conjunction with the accompanying financial statements and notes.

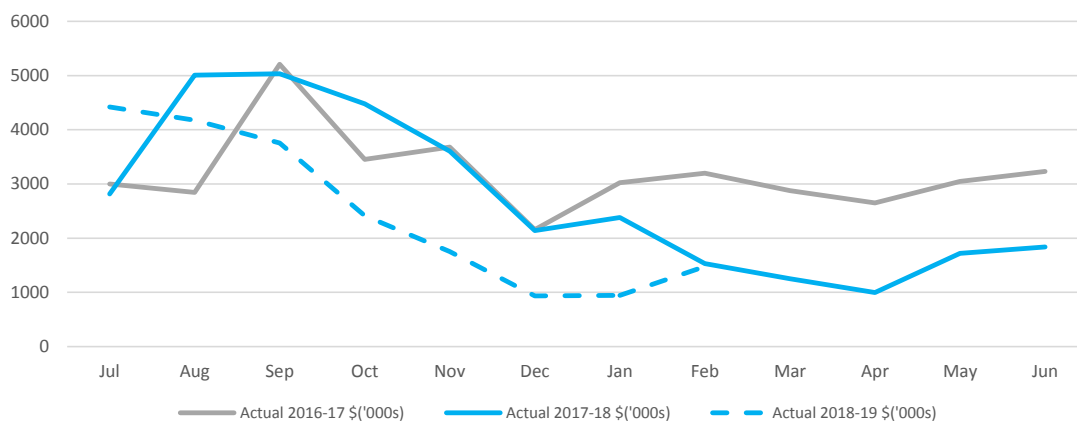
SHIRE OF QUAIRADING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2019

3. NET CURRENT FUNDING POSITION

Positive=Surplus (Negative=Deficit)
2018-19

Note	This Period	Last Period	Same Period Last Year
	\$	\$	\$
Current assets			
Cash unrestricted	964,904	928,571	921,848
Cash restricted	2,691,245	2,691,245	2,163,212
Receivables - rates	278,346	292,036	271,299
Receivables - other	714,276	167,152	836,660
Inventories	(27,245)	(27,245)	7,533
	<u>4,621,526</u>	<u>4,051,759</u>	<u>4,200,552</u>
Less: current liabilities			
Payables	(307,513)	(242,129)	(302,900)
Provisions	(424,077)	(424,077)	(396,269)
	<u>(731,590)</u>	<u>(666,206)</u>	<u>(699,169)</u>
Less: cash restricted	(2,691,245)	(2,691,245)	(2,163,212)
Add: Provision - Employee and Loan Liability	278,423	230,857	190,693
Net current funding position	<u>1,477,114</u>	<u>925,165</u>	<u>1,528,864</u>

Liquidity Over the Year



**SHIRE OF QUAIRADING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2019**

3. COMMENTS/NOTES - NET CURRENT FUNDING POSITION (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 2 Net Current Assets of the budget.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

INVENTORIES

General

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

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

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire of Quairading's operational cycle. In the case of liabilities where the Shire of Quairading does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Shire of Quairading's intentions to release for sale.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss. Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of Quairading prior to the end of the financial year that are unpaid and arise when the Shire of Quairading becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

EMPLOYEE BENEFITS

Short-Term Employee Benefits

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

The Shire of Quairading's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current of financial trade and other payables in the statement position. Shire of Quairading's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

PROVISIONS

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

RATES, GRANTS, DONATIONS AND OTHER CONTRIBUTIONS

Rates, grants, donations and other contributions are recognised as revenues when the Shire of Quairading obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

SHIRE OF QUAIRADING
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2019

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
4.1 OPERATING REVENUE (EXCLUDING RATES)		
4.1.1 PROFIT ON ASSET DISPOSAL		
No Material Variance		
4.1.2 FEES AND CHARGES		
Medical Practice Income - HIC, PNIG, SiHi (\$67,500 Grants not attracted), Consultations (Private and Bulk Billed) down \$16,500, VMP indexing - reduced by \$5,000	(89,000)	
Landfill Site - Increase of expected charges	3,000	
Town Planning Fees - Reduction of expected fees	(1,500)	
Community Bus Operating Income - Reduction of expected fees	(3,500)	
Building Permits - Reduction of expected fees	(2,000)	
Standpipes - Increase in fees charged due to roadworks	25,000	
Private Works Income - Electrician - Reduction of expected fees	(30,500)	
4.1.3 GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Grants ESL - Extra Quarter expected this year	9,593	
Tourist Signage Grant Successful	10,000	
4.1.7 INTEREST EARNINGS		
No Material Variance		
4.1.8 OTHER REVENUE		
Reimbursement Tennis Club Utilities	(1,500)	
Predicted Variances Carried Forward	(80,407)	
Predicted Variances Brought Forward	(80,407)	
4.2 OPERATING EXPENSES		
4.2.1 EMPLOYEE COSTS		
Medical Practices Expense - Practice Nurse on leave savings \$26,000, Adjustment of Accrued Leave \$10,000 from staff changeover	36,000	
Youth Centre Building - Decrease Employee cost to Cemetery	3,000	
Cemetery - Increase Employee costs from Cemetery	(3,000)	
Private Works Electrical Contractor - Administration and Material - Adjustments to Original Budget	31,523	
Private Works Electrical Contractor - Labour Private Works - Adjustments to Original Budget	3,746	
4.2.2 MATERIAL AND CONTRACTS		
Conferences Members = Savings from attendance of Local Government Week	8,000	
Members -Other Expenditure - Reduction of \$5,000 Consulting, Remove 8,000 Advertising for Meetings Local Laws	13,000	
Member - Advertising - Four Tenders to Call this Year	(5,000)	
Audit fees and Accounting Support - Monthly Reporting Template to be created by Staff	10,000	
Other Labour/ Relief Staff - Increase due to actual expenses	(13,391)	
Medical Practices Expense - \$16,000 Surgery Closed during Holidays and when Doctor unavailable, Other Minor Savings \$3,000	19,000	
Arthur Kelly Village - Increased provision for repairs	(10,000)	
Heritage Consultancy	7,500	
Community Bus Operating Expenses - Increase based on actuals	(2,500)	
Ovals and Grounds - Additional provision for materials	(5,000)	
Fuels and Oils - Increase due to actuals	(26,433)	
4.2.3 UTILITY CHARGES		
Ovals and Grounds - Additional provision for Utilities	(5,000)	
Standpipes - Increase of water usage due to use in roadworks	(20,000)	
4.2.4 DEPRECIATION (NON CURRENT ASSETS)		
Change in Depreciation due to Road Revaluations	(1,217,331)	
4.2.4 INTEREST EXPENSES		
Interest on Overdrafts - Not used and not expected to be used	10,000	
4.2.5 INSURANCE EXPENSES		
No Material Variance		
4.2.6 LOSS ON ASSET DISPOSAL		
No Material Variance		
4.2.7 OTHER EXPENDITURE		
NRM Community Grant - Community Connecting Corridors reduced	10,314	
Contribution to Quairading Rainmakers Public Artwork	(10,000)	
Predicted Variances Carried Forward	(1,245,979)	0

SHIRE OF QUAIRADING
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2019

4. PREDICTED VARIANCES

Comments/Reason for Variance	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(1,245,979)	0
4.3 CAPITAL REVENUE		
4.3.1 GRANTS, SUBSIDIES AND CONTRIBUTIONS		
No Material Variance		
4.3.2 PROCEEDS FROM DISPOSAL OF ASSETS		
Proceeds of Sale of Light Vehicle	(6,818)	
4.3.3 PROCEEDS FROM NEW DEBENTURES		
No Material Variance		
4.3.4 PROCEEDS FROM SALE OF INVESTMENT		
No Material Variance		
4.3.5 PROCEEDS FROM ADVANCES		
No Material Variance		
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL		
No Material Variance		
4.3.7 TRANSFER FROM RESERVES (RESTRICTED ASSETS)		
No Material Variance		
Predicted Variances Carried Forward	(1,252,797)	0
Predicted Variances Brought Forward	(1,252,797)	0
4.4 CAPITAL EXPENSES		
4.4.1 LAND HELD FOR RESALE		
No Material Variance		
4.4.2 LAND AND BUILDINGS		
64 Coraling St Roof Restoration - Removed in favour of Roof Replacement in 2019/20		10,450
Park Cottages - Expected savings from Cottage Project	90,000	
Works Depot - Savings from Apron of Building	6,350	
4.4.3 PLANT AND EQUIPMENT		
Q190 - EMWS Vehicle	2,765	
Q3856 - Spray Ute	8,636	
Q465 - Shared Works Ute	5,929	
Q551 - Team Leader Crew Cab	4,364	
Q633 - Excavator Ute	8,182	
Q661 - Town Gdn Ute	2,684	
4.4.4 FURNITURE AND EQUIPMENT		
No Material Variance		
4.4.5 INFRASTRUCTURE ASSETS - ROADS		
No Material Variance		
4.4.6 INFRASTRUCTURE ASSETS - OTHER		
Removal of New Lighting Quairading Lighting - To proceed in 2019/20		207,255
Hall Car Park Upgrade - Savings from Design of Carpark	15,000	
Winches For Swimming Pool Poles - Expected in 2019/20		10,000
4.4.7 PURCHASES OF INVESTMENT		
No Material Variance		
4.4.8 REPAYMENT OF DEBENTURES		
No Material Variance		
4.4.9 ADVANCES TO COMMUNITY GROUPS		
No Material Variance		
Predicted Variances Carried Forward	(1,108,886)	227,705

SHIRE OF QUAIRADING
NOTES TO THE REVIEW OF THE ANNUAL BUDGET
FOR THE PERIOD ENDED 28TH FEBRUARY 2019

4. PREDICTED VARIANCES

Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
Predicted Variances Brought Forward	(1,108,886)	227,705
4.5 OTHER ITEMS		
4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)		
No Material Variance		
4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)		
Funds from Plant reserve	(25,743)	
Funds from Building Reserve not needed due to savings from Park Cottages	(90,000)	
4.5.1 RATE REVENUE		
No Material Variance		
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)		
No Material Variance		(204,302)
4.5.3 NON-CASH WRITE BACK OF PROFIT (LOSS)		
Change in Road Valuations due to Revaluations		1,217,331
Total Predicted Variances as per Annual Budget Review	(211,600)	227,705

**SHIRE OF QUAIRADING
NOTES TO THE BUDGET REVIEW REPORT
FOR THE PERIOD ENDED 28TH FEBRUARY 2019**

5. BUDGET AMENDMENTS

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
	Budget Adoption		Opening Surplus(Deficit)				41,805	
	Inclusion of the Profit/ Loss on the sale of Council Vehicle	95-18/19	Operating Revenue		15,358		57,163	
	Reduction in the expected income from cottages	95-18/19	Operating Revenue			6,500	50,663	
	Increase in income from sale of miscellaneous materials	95-18/19	Operating Revenue		25,000		75,663	
	Rent to be received on 8 Dall St	95-18/19	Operating Revenue		3,800		79,463	
	Increase of the Federal Assistance Grants	95-18/19	Operating Revenue		68,021		147,484	
	Increase of Main Roads Direct Grant	95-18/19	Operating Revenue		48,971		196,455	
	Bowling Club contribution to the repair of Bowling Club Lighting	95-18/19	Operating Revenue		18,750		215,205	
	Contribution to admin vehicle	95-18/19	Operating Revenue			3,800	211,405	
	Insurance received due to damages from the Bowling Green, Light Pole and removal of debris	95-18/19	Operating Revenue		220,750		432,155	
	Increase of staff costs due to pay out of leave entitlements, increase of incorrectly calculated childcare wages and increase of wages from overlap of staff during handovers due to retirements and parental leave	95-18/19	Operating Expenses			130,302	301,853	
	Decrease in the provision of leave entitlements.	95-18/19	Operating Expenses		80,000		381,853	
	It Audit - High and Medium Risk Items	95-18/19	Operating Expenses			16,667	365,186	
	Reduction in expected costs of accounting support	95-18/19	Operating Expenses		30,000		395,186	
	Shire Rebranding	95-18/19	Operating Expenses			12,500	382,686	
	Stationary as part of Shire Rebranding	95-18/19	Operating Expenses			2,600	380,086	
	Meeting local laws and advertising	95-18/19	Operating Expenses			8,000	372,086	
	Removal of debris and the removal and replacement of fencing at the bowling club	95-18/19	Operating Expenses			10,500	361,586	
	Soil contamination testing - PTA (ex valley ford)	95-18/19	Operating Expenses			10,000	351,586	
	New files for record keeping	95-18/19	Operating Expenses			1,500	350,086	
	Repair of 4 light towers at the Bowling Club	95-18/19	Operating Expenses			25,000	325,086	
	Secondary freight route project - Better regions grant application contribution	95-18/19	Operating Expenses			6,000	319,086	
	Reduction of strategic contractors in members other expenditure	95-18/19	Operating Expenses		5,000		324,086	
	Design costs for saleyard subdivision	95-18/19	Operating Expenses			20,000	304,086	
	Reduction of expected cost of loan 118 (depot) and reduced cost of new loan due to timing	95-18/19	Operating Expenses		9,133		313,219	
	Extra actual cost of ESL insurance	95-18/19	Operating Expenses			4,350	308,869	
	Loss on sale of Q190 Ford Ranger	95-18/19	Operating Expenses			5,656	303,213	
	Reduction in expected doubtful debts to match balance sheet	95-18/19	Operating Expenses		16,667		319,880	
	Contribution from the bowling Club for the new green upgrade	95-18/19	Capital Revenue		25,000		344,880	
	Contribution from the Rural Youth (in trust) for Centenary Park	95-18/19	Capital Revenue			73,500	271,380	
	Grant from Lotterywest for Centenary Park	95-18/19	Capital Revenue			75,000	196,380	
	Contribution for RSL Hall Ramps	95-18/19	Capital Revenue		15,500		211,880	
	Lotterywest grant for Old School site development	95-18/19	Capital Revenue			40,000	171,880	
	Reduction in expected proceeds from sale of Shire vehicles	95-18/19	Capital Revenue			43,000	128,880	
	RSL Hall Ramps	95-18/19	Capital Revenue			15,500	113,380	
	Depot - Final Payment (Retention money held)	95-18/19	Capital Revenue			17,250	96,130	
	Old School Site development	95-18/19	Capital Revenue		85,000		181,130	

Culvert Cleaner	95-18/19	Capital Expenses	50,000		231,130
Q3856 - Spray Ute	95-18/19	Capital Expenses	2,000		233,130
Q465 - Shared Works Ute	95-18/19	Capital Expenses		2,000	231,130
Q551 - Team Leader Crew Cab	95-18/19	Capital Expenses		2,000	229,130
Q633 - Excavator Ute	95-18/19	Capital Expenses	2,000		231,130
Q661 - Town Gdn Ute	95-18/19	Capital Expenses	5,000		236,130
New Bowling Green	95-18/19	Capital Expenses		230,000	6,130
Centenary Park moved to next year	95-18/19	Capital Expenses	225,000		231,130
Lights for Quairading Oval	95-18/19	Capital Expenses		219,000	12,130
Funds from Long Service Leave and Annual Leave to assist in the payment of leave entitlements	95-18/19	Capital Revenue	25,000		37,130
Funds from Plant reserve for increases trade in cost of plant	95-18/19	Operating Revenue	38,000		75,130
Funds from Building Reserve not needed for Old School Site in the current year	95-18/19	Operating Revenue		45,000	30,130
Funds from the Town Planning and Development Reserve to fund design costs for saleyards subdivision	95-18/19	Operating Revenue	20,000		50,130
Adjustment of Profit and Loss	95-18/19	Non Cash Item	(9,703)		40,427
Hiring of Light Trailers for Quairading Oval	136-18/19	Operating Expenses		6,100	34,327
					34,327
			(9,703)	1,033,950	1,031,725
					34,327

Amended Budget Cash Position as per Council Resolution

ITEM 9 STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

Audit & Risk Committee - Terms of Reference 7.2

Nil.

ITEM 10 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

Audit & Risk Committee - Terms of Reference 7.1, 7.3

10.1 Report on Excess Annual Leave and Long Service Leave

Meeting Date	12 th March 2019
Responsible Officer	EMCS Nathan Giffellon
Reporting Officer	EMCS Nathan Giffellon
Attachments	Nil
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil

OFFICER RECOMMENDATION

That the Audit and Risk Committee Recommend to Council that: -

Council receive the report on the Shire's Annual Leave and Long Service Leave Liabilities.

VOTING REQUIREMENTS – Simple Majority

IN BRIEF

- Information shows the current Annual and Long Service Leave for the 2018/19 Financial Year by Month
- There are no Employees with Excess Leave entitlements.

MATTER FOR CONSIDERATION

Report on Excess Annual Leave and Long Service Leave Entitlements and Leave Liabilities.

BACKGROUND

Since 2017, Council has requested that excess Annual Leave and Long Service Leave be reported to the Audit and Risk Committee.

The current policy defines excess leave is when the employee has accrued more than 8 week's paid annual leave.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Long Service Leave Regulations)

Local Government Industry Award 2010

Excess Leave is defined as per the Industry Award: -

*"An Employee has an **excess leave accrual** if the employee has accrued more than 8 week's paid annual leave"*

POLICY IMPLICATIONS

Current Policy: Leave Management Policy (ORG.2)

FINANCIAL IMPLICATIONS

Annual and Long Service Leave Reserve Fund Cash Balance as at 31st January 2019 is \$200,440 and a Projected Closing Balance as at the 30th June 2019 of \$160,373

Current Leave is treated as Accruals in the Annual Budget.

Any prior year Leave entitlements taken by Staff or paid out can be funded from the Annual and Long Service Leave Reserve Fund.

The current Liability for both types of Leave (if all Claimed on 28/2/2019) is calculated at \$236,901.

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

Governance Objective: Strong governance and community engagement

ITEM	OUTCOMES AND STRATEGIES
G1	Robust Integrated Planning and Reporting (IPR)
G1.1	Continual improvement in IPR, transparency and accountability

COMMUNITY CONSULTATION

N/A

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial – Risk Matrix Rating is considered as Medium Risk. Financial exposure and therefor Risk escalation, if Leave accruals are not monitored and managed.

Health – Risk Matrix Rating is considered as Low Risk.

Reputation – Risk Matrix Rating is considered as Low Risk.

Operation – Risk Matrix Rating considered Low Risk.

Natural Environment – Risk Matrix Rating is considered as Low Risk.

COMMENT

This report has been prepared to inform the Audit and Risk Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As at the 28th of February 2019 there are no employee with excess annual leave.

The CEO has approved of One Employee's Plan to take their Long Service Leave in 3 instalments.

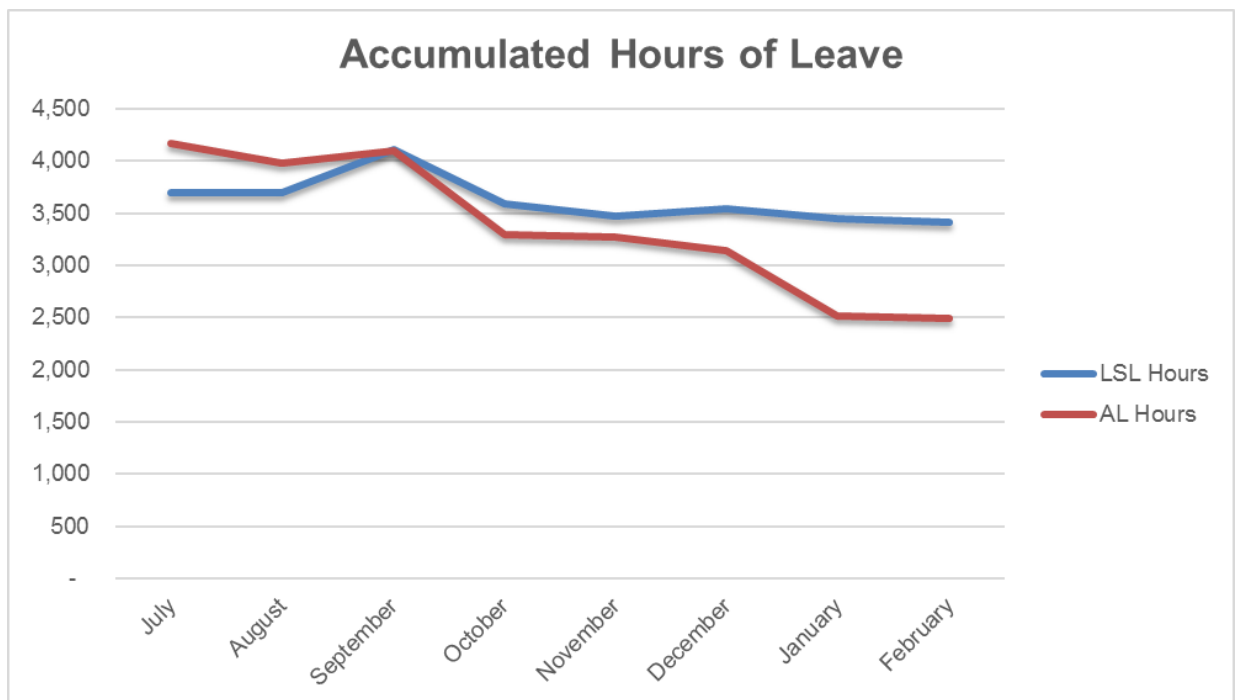
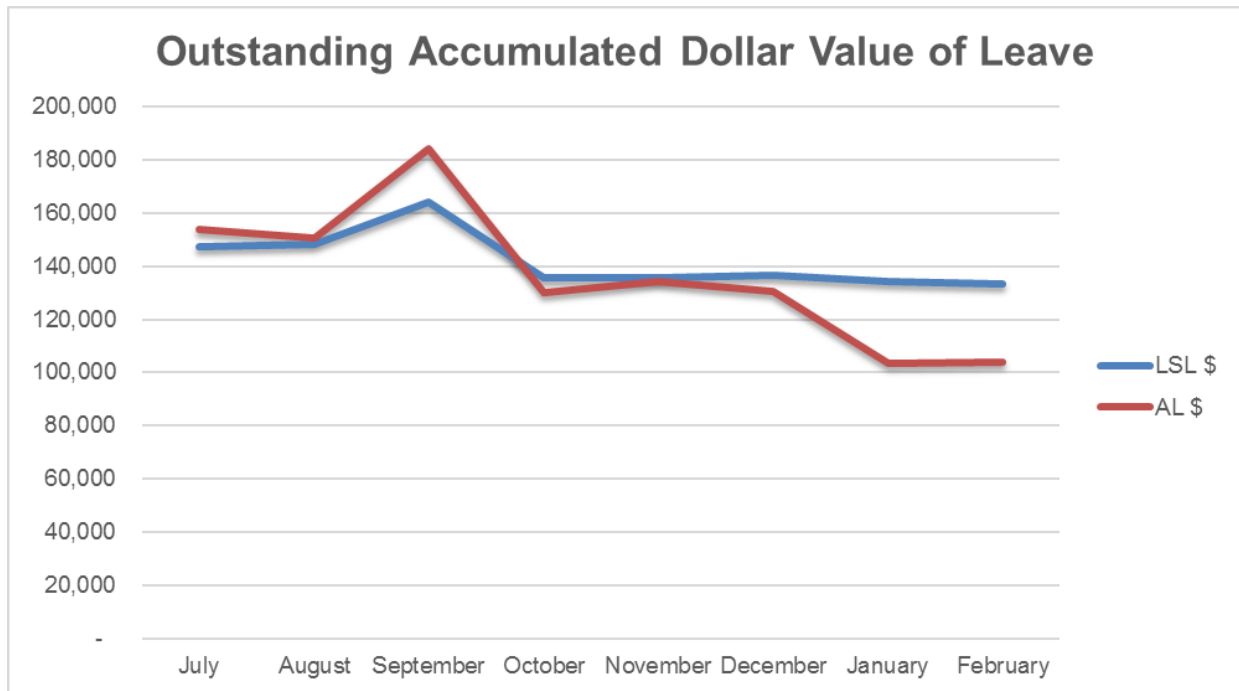
There are no further Employees that have reached excess Long Service Leave Liabilities.

During the 2018/19 Financial year, there has been a significant reduction of 43% (in Dollar Value) in the Annual Leave Liability through a combination of Retirements and current staff taking accrued Annual Leave.

The Long Service Leave Liability has been reduced by 18% (in Dollar Value) from a high in September 2018.

STAFF LEAVE ENTITLEMENT MONTH BY MONTH

	LSL Hours	LSL \$	AL Hours	AL \$
JULY	3,696	147,281	4,165	153,719
AUGUST	3,696	148,420	3,984	150,760
SEPTEMBER	4,113	164,099	4,093	184,068
OCTOBER	3,588	135,714	3,294	129,947
NOVEMBER	3,478	135,647	3,273	134,268
DECEMBER	3,538	136,792	3,139	130,596
JANUARY	3,454	134,336	2,521	103,514
FEBRUARY	3,413	133,155	2,498	103,756



ITEM 11 STANDING ITEMS – OTHER

Audit & Risk Committee - Terms of Reference 9.2

11.1 Results of Consultation Survey – Community Bus

Meeting Date	12 th March 2019
Responsible Officer	CEO – Graeme Fardon
Reporting Officer	GPO – Sarah Caporn
Attachments	Community Survey; Results from Survey
Owner/Applicant	Shire of Quairading
Disclosure of Interest	Nil

OFFICER RECOMMENDATION

That the Audit and Risk Committee recommend to Council that: -

1. That the Officer's Report on the Community Bus be received.
2. Council retain the current Community Bus for a further three years or until it reaches 100,000 Kilometres
3. The Hire Rate be reduced to \$0.90/km inc. GST (to cover Operating Costs) for a trial period of two years to as an initiative to promote greater use of the Community Bus.

VOTING REQUIREMENTS – Simple Majority

IN BRIEF

- Current bus was purchased in 2012 and has registered 65,169 kms to date
- 2018/19 Budget allocations including a changeover amount of \$108,700 for trading in the current bus on a new model
- A study on the use of the Community Bus over the past four years has been conducted.
- Statistics on use, patronage has been collated and running costs per kilometre determined
- Council requested that a community survey be conducted to gather opinions on the Community Bus
- A community survey has recently conducted with 65 respondents (30 on paper, 35 electronic) to gauge community opinions on the Community Bus.
- Consultation with Sporting Clubs, Community Groups and Organisations was held to determine travel frequency and distance, vehicle source, and numbers
- Findings of the Community Consultation are included in the body of the report
- Feedback from the Community is that:
 - There is a need for a community bus;
 - It's size is appropriate;
 - It needs modifications to make it more aged friendly;
 - That the high hire cost of the bus is a deterrent to use the bus.
- Feedback from Clubs, Groups and Organisations is that:
 - The cost of hire is too high and there are cheaper options available;
 - The size of the bus is too large for smaller clubs;
 - Aged friendly / access is an issue;
 - Some clubs / organisations have acquired their own vehicles.

MATTER FOR CONSIDERATION

The Future of the Community Bus – Immediate and Longer Term.

BACKGROUND

Current bus was purchased in 2012 and has registered 65,169 kms to date.

At the time of purchase it had an expected life of 10 years.

Community Bus Usage

Life time bus usage is approximately 9,300 km per annum. Usage of the bus has been declining over time. (Documented usage only goes back to November 2016)

The largest user has been the Quairading District High School followed by QARRAS, and Sporting Clubs.

Data from January 2017 – January 2019		
User Group	Distance Travelled (kms)	%
QDHS	4,981	41%
QARRAS	2,235	18%
Single User	2,219	18%
Sporting Clubs	1,628	13%
Service & Repairs	800	7%
Shire	414	3%
Grand Total	12,277	100%

Community Bus Financials

Community Bus was purchased for \$116,390 in 2012.

Historical financial data for Community Bus from 2015/16 to 2018/19.

Year	Income	Expense (O & M)	Depreciation	Total Cost (Exp + Dep)
15/16	\$8,620	\$3,081	\$3,550	\$6,631
16/17	\$10,553	\$7,415	\$2,320	\$9,735
17/18	\$7,143	\$3,108	\$5,909	\$9,017
18/19 ¹	\$3,748	\$4,882	\$3,481	\$8,362

Community Bus Running Costs (\$/km)

Year	Distance (kms)	Running cost (Exc Dep) \$/km	Running Cost (inc Dep) (\$/km)
17/18	6,307	\$0.49	\$1.43
18/19	3,548	\$1.38	\$2.36
Average	4,928	\$0.81	\$1.76

¹ Figures for Year to Date (31 Jan 2019)

Average Running costs (\$/km) over the two-year period that mileage statistics have been documented is **\$0.81/km** ((ex depreciation) and **\$1.76/km** (inc depreciation). Figure for 2018/19 appear elevated because it includes annual costs (insurance, licencing) and there has been a significant reduction in hiring of the bus.

Shire Community Bus Hire Rates and Subsidies

Shire currently hires the Community Bus at a rate of \$1.75/km (inc GST) and inclusive of fuel.

Council provides a Subsidy to Senior Citizens & Youth Centre - Max 500Km / Annum each.

Council provides a Subsidy to School "Moving Forward Program" - 600km.

Comparison with Other Shires

Data was collected from three neighbouring Shires.

Shire	Class	Rate	+ / - Fuel
Beverley ²	"Standard"	\$1.55 / km	Including Fuel
	"School Age" (50% subsidy)	\$0.77 / Km	Including Fuel
Bruce Rock	"Resident"	\$0.86 / km	Including Fuel
	"Non-Resident"	\$1.25 / km	Including Fuel
Kellerberrin	"Standard"	\$0.60 / km	Excluding Fuel
	"Seniors Groups"	\$0.50 / km	Excluding Fuel
Quairading	"Standard"	\$1.75 / Km	Including Fuel

Shire of Quairading has the highest hire rates for a Community Bus in the immediate neighbourhood.

SURVEY RESULTS

INDIVIDUAL SURVEYS

Staff conducted a community survey from 14th February through to 1st March 2019. A total of 66 surveys responses were received: 31 paper surveys were returned, and 35 were received electronically via a Survey Monkey link promoted on social media.

Five (5) Key Questions were asked with an opportunity to provide additional feedback and comments at the end.

Bus Usage – Frequency

- 58% of respondents used the Bus less than once a year or never.
- 6% of respondents used the bus on a regular basis (quarterly)

Need for a Community Bus

- 97% of respondents believed that the Community Bus was a service that should be provided by the Shire

Size of Bus

- 82% of respondents wanted to retain a bus of the existing size

² Beverley Community Bus is over 10 years old and has clocked 200K+ Kilometres.

Importance of Universal Access

- 95% of respondents indicated that there was a need to address access within the bus
- This is not surprising considering the majority of respondents were in the 50+ and over category.

Price Structure

- 84% of the respondents believed the cost of the Bus should be subsidized.

General Comments

- Community bus is too expensive to hire
- Have been hiring bus from neighbouring shires because of the high cost.
- Not affordable to local clubs and community groups
- Value of service recognised but too expensive
- Need for better promotion / advertising of the service.

GROUPS / CLUBS AND INSTITUTIONS

The following Clubs, Groups and Institutions were interviewed

Institutions	Sports Clubs	Social Community Groups
P&C QDHS	Football Club	QARRAS
Hospital	Quairading Aquatic Club	Curtain Raisers
CRC	Hockey	Quairading Youth
	Tennis	

Sporting Clubs

Frequency of Travel

- Seasonal use between 1 to 2 times per month (max 10 time per season)

Means of Transport

- Smaller clubs use private vehicles but also hire the Footy Club mini-bus
- Football club has own vehicle but also uses private vehicles.

Numbers of Passengers

- Numbers range between 5 and 25

Distances travelled

- Majority of travel is Local / Regional (1 – 1½ Hours)
- There are occasional trips to Perth.

Comments

- Bus would be used if cheaper
- Size of bus too large for the smaller clubs – hence use of Footy Club mini-bus

Community Clubs

Frequency of Travel

- Year round use but frequency less
- Quarterly / Annually
- Bus not used by Youth Group currently

Means of Transport

- Community Bus
- Occasional rental when numbers exceed seating of Community Bus.

Numbers of Passengers

- Numbers range between 5 and 35 (QARRAS)

Distances travelled

- Bus is used predominantly for regional travel and to Perth.

Comments

- Is used for cultural and social events
- Needs to be more universal friendly
- Needs storage for walker frames
- Constraint is the issue of needing a special drivers licence

Institutions

Frequency of Travel

- Year round
- School and hospital organise travel at least once per month
- CRC once every six months

Means of Transport

- Hospital has own vehicle (12 seater) funded through HACC Program
- School (PC) has been renting buses from neighbouring Shires. It has now purchased its own bus
- CRC both uses private vehicles and hires Footy Club Bus. Once a year will use the Community Bus

Numbers of Passengers

- Hospital between 5 and 10
- School between 15 and 30
- CRC between 5 and 12

Distances travelled

- Travel is a combination of local, regional travel and to Perth.

Comments

- Biggest deterrent for the use of the Community Bus has been the high price to hire with cheaper options in neighbouring Shires.
- Bus too large for needs
- Need for a special driver's licence.

FURTHER CONSIDERATIONS

The Quairading DHS P&C has recently purchased a 24 seat bus for the school to use. The P&C have confirmed that the bus will be used exclusively for the school at this time but it may be available to junior sporting clubs and other community groups in the future.

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The 2018/19 Budget provides the following:

9706	Purchase Price – New Coaster Bus	\$135,700
7066	Sale of Current Community Bus (Q458)	\$27,000
	<i>Changeover Balance</i>	<i>\$108,700</i>
	Funding	
	Amount Allocated from Reserves	\$85,000
	Amount Allocated from Municipal Acct	\$23,700

STRATEGIC IMPLICATIONS – Strategic Community Plan 2017 - 2027

This project achieves multiple items within the Shire's Strategic Community Plan.

ITEM	OUTCOMES AND STRATEGIES
S1	Active community
S1.1	Provide facilities and support participation in sport and recreational activities, facilities and clubs
S1.2	Promote increased participation in the social and cultural life of the community
B2	Enhanced and Sustainably Managed Assets and Infrastructure
B2.2	Ensure the provision of community facilities and other built assets takes into account the needs of the community
G3	Community Engagement
G3.1	Provide appealing opportunities for the community to participate in decisions that affect them

COMMUNITY CONSULTATION

A survey was circulated to the community through a postal drop off and through social media and Survey Monkey.

Short interviews were conducted with Sporting Clubs, Community Groups and other local institutions.

Results from these consultations have been included in the body of the report.

RISK ASSESSMENT – Risk Management Policy and Risk Management Governance Framework Applicable.

Financial - Risk Matrix Rating is assessed as Low. Council budgets for the Operation and Hiring of the Community Bus. Frequency of Hirings have diminished considerably in the past 2 years whilst many Operating Costs such as Licensing and Insurance are Fixed Costs. Financial Risk for Council will escalate if Council were to purchase a new Bus and still have low patronage and low Hiring Income.

Health – Risk Matrix Rating is considered Low

Reputation – Risk Matrix Rating is considered Low. There is a potential reputational risk, if Council does not review the Hire Rate to promote greater local use of the Community Bus.

Operation – Risk Matrix Rating is considered Low. The Community Bus is established within Council's operations and Budget.

Natural Environment – Risk Matrix Rating is considered Low.

COMMENT

Shire Community Bus is seven (7) years old with only 65K Kilometres on the clock. The bus is in good condition with low operational and maintenance costs. It should be retained for the next three years and traded in a 100K Kilometres.

A study on the use of the Community Bus over the past four years has been conducted.

Statistics on use, patronage has been collated and running costs per kilometre determined.

The current rate used by the Shire (\$1.75 /Km) is equivalent to full cost recovery @ \$1.76 / km verses recovery (exc depreciation) @ \$0.81 / km.

Comparisons of fees and charges have been made with neighbouring Shires to determine the competitiveness of the Shire's Community Bus. The Quairading Community Bus is the most expensive to hire. This is a deterrent for clubs and organisations to hire it.

It is recommended that Council should consider a trial reduction in Hire Rate and subsidize the hire of the bus in an effort to promote greater use of the Bus in the short term.

It is also highlighted that the P&C Bus will only be utilised for School activities (possibly later on for Junior Sport)

Feedback from the Community is that:

- i. There is a need for a community bus;
- ii. It's size is appropriate;
- iii. It needs modifications to make it more aged friendly;
- iv. That the high hire cost of the bus is a deterrent to use the bus.

Feedback from Clubs, Groups and Organisations is that:

- i. The cost of hire is too high and there are cheaper options available;
- ii. The size of the bus is too large for smaller clubs;
- iii. Aged friendly / access is an issue;
- iv. Some clubs / organisations have acquired their own vehicles.

COMMUNITY BUS SURVEY



We invite you to provide your thoughts and feedback regarding the Shire's Community Bus.

Please take a moment to complete this survey and drop it in the box at the Shire Offices by Friday 1 March.

Or, complete online via surveymonkey.com/

Shire of Quairading

Call: 9645 2400

Email: shire@quairading.wa.gov.au

Thank you for your feedback!

Complete the survey overleaf and add any further comments below:

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Shire of Quairading

Call: 9645 2400

Email: shire@quairading.wa.gov.au

Thank you for your feedback!

Complete the survey overleaf and add any further comments below:

How often have you used the current Community Bus (hire or passenger)?

- Every 3 months
- Every 6 months
- Once per year
- Less than once per year
- Not used

Do you think the Shire needs a Community Bus?

- Yes
- No

What would be the ideal size?

- 12-14 seats
- 21– 24 seats
- 25+ coach

How strongly do you rate universal / disabled access?

- Not at all
- Somewhat important
- Very important

What would be your ideal pricing structure?

- Free
- Subsidised
- Full Cost recovery

Optional:

How old are you? _____

What is your gender? _____

How often have you used the current Community Bus (hire or passenger)?

- Every 3 months
- Every 6 months
- Once per year
- Less than once per year
- Not used

Do you think the Shire needs a Community Bus?

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- No

What would be the ideal size?

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- 12-14 seats
- 21– 24 seats
- 25+ coach

How strongly do you rate universal / disabled access?

- Not at all
- Somewhat important
- Very important

What would be your ideal pricing structure?

- Free
- Subsidised
- Full Cost recovery

Optional:

How old are you? _____

What is your gender? _____

Community Bus Survey

Individuals

1 Demographics

Gender	Responses
Female	33
Male	22
(blank)	11
Grand Total	66

Age	Responses
Under 50	17%
50 - 65 years	30%
Over 65	36%
(blank)	17%
Grand Total	100%

2 Bus Usage

How Often Have You Used The Current Community Bus?	Responses
Every 3 months	6%
Every 6 months	9%
Once per year	29%
Less than once per year	27%
Not used	29%
Grand Total	100%

3 Need for Bus

Do you think the Shire needs a Community Bus?	Response
Yes	97%
No	3%
Grand Total	100%

4 Size of Bus

What Would Be The Ideal Size?	Responses
12 - 14 seats	11%
21 - 24 seats	82%
25+ coach	8%
Grand Total	100%

5 Disability Access

Is Disabled Access Important?	Responses
Not at all	5%
Somewhat important	38%
Very important	58%
Grand Total	100%

6 Price Structure

What Would Be Your Ideal Pricing Structure?	Responses
Free	3%
Subsidised	84%
Full Cost recovery	13%
Grand Total	100%

OTHER COMMENTS / FEEDBACK

Many of the comments received on the surveys stated that the current hire fees were too expensive to warrant hiring the Community Bus (current charges are \$1.75/km incl fuel).

Comment – It's Too Expensive:

Bus is far too expensive to hire, even if you supplied a driver, it's still expensive. It should be subsidised as a service to community. Maybe it's to cover Shire employee's car expenses to go to Perth every weekend and show outside town.

Extremely disappointed the school had to use a bus from a neighbouring shire for a camp last year as it was more affordable than the Quairading Community Bus and then even more disappointed the P&C felt it more economical to purchase a bus taking valuable funds away from the classroom.

It needs to be more affordable, currently it is far too expensive to hire it out. Hence why groups aren't using it.

Not enough groups have hired the bus, it's too expensive

The bus is far too expensive to hire. If subsidised, community members are given greater opportunities.

The cost of this bus is far too expensive

What we have now is completely ridiculous pricing and no one can afford to use it so it will sit in the shed with people using other options. It needs to be made so that all groups can afford to use it. Better to be used often at a small price than not used at all.

The cheaper it is the more often it will be used. >\$1.50 km is just too much

Currently the hire fees for the community bus render it nonviable for most community groups and users.

Other comments could be divided into how to better structure fees going forwards, suggestions for possible user groups and general comments.

Fees Going Forwards

Free for rate payers. Pay for non-rate payers

It's a great service that the rate payers should have. We don't have taxi services, so the community bus is a great alternative. But lately it has become expensive.

Maybe look at grants to run bus or donations. It is obviously too expensive as the school etc couldn't afford it at times and used even another town's bus

Now that the football club and school have their own bus, the need for a community bus has decreased significantly. As a rate payer the large cost of purchasing a new bus and its depreciation costs vs the reduced usages indicates that we hold the bus for another year or so as the trade in price is low regardless or the shire sells the bus and allows for private contractors to pick up the business. If we keep the bus it must be marketed more to clubs and community and monitor its need for a replacement. The fact that the community are purchasing their own bus shows that they have moved to the need for a community bus and that the club sizes are diminishing.

Sporting clubs pay a fair price per head

The point of a Community Bus is to allow the Community to have a valued service available for all community members to use. It is not seen as a service to make a profit from, but a service available to all ratepayers to enjoy trips as a group

Being proactive will always be better than reactive. Local governments can never recover full costs - a bit of socialism. A community service not provided will never be used but will be one that creates complaints. In our society services can generate part cost recovery. NEVER FULL!!

Free for elderly as they have worked hard to get it in the first place

User Groups

It could be used by more community groups than current. Eg school excursions

May need it when I get older

Qdg Tidy Towns, Bowls, Private Functions, QARRAS

QUARRAS, Sports Clubs

Seniors groups who can travel by the community to events and sites out of town

Users could include Belcanto, CWA

We are becoming an aged population

Don't rate disabled access at all while there is a HACC bus. QUARRAS

General Comments

I think there is a need for a bus maybe not because I do not know how often it is used

It is good to have a bus available 24x7. I know school buses can be hired but only when it is not needed for school.

Not having used the bus I don't know how big one needs to be or how well partitioned it is. Similarly, without knowing how much it costs to run, can't comment on pricing structure

Dash cam should be fitted to cover drivers

Coach sized with an on-board toilet

ITEM 14 NEXT MEETING DATE

The next Audit & Risk Committee Meeting is scheduled to take place on Tuesday 11th June 2019, commencing at 5.00pm on at the Council Chambers, 10 Jennaberring Road, Quairading.

ITEM 15 CLOSURE

There being no further business, the Chairman closed the Meeting at _____ pm.