



AGENDA

OF MEETING

HELD ON

25 JULY 2017

3.00PM

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1. OPENING, OBITUARIES, VISITORS

1.1 OPENING

1.2 OBITUARIES

2. RECORD OF ATTENDANCE/APOLOGIES

2.1 RECORD OF ATTENDANCE

D.E. Metcalf	President	Town Ward
R.I. Trepp		Rural South Ward
D.P. Hudson		Town Ward
A.J. Metcalf		Town Ward
B.N. Walsh		Town Ward
T.A. Jones		Rural North Ward
A.J. Selvey	Chief Executive Officer	
I. Edwardson	Finance Manager	
S.F. Geerdink	Assets & Works Manager	
E.L. Richards	Council Liaison/Minutes	

2.2 LEAVE OF ABSENCE

W.E. Coote	Deputy President	Rural North Ward
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2.3 APOLOGIES

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4. DECLARATION OF ELECTED MEMBERS

5. PUBLIC QUESTION TIME

6. APPLICATIONS FOR LEAVE OF ABSENCE

7. CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION – ITEM 7.1

THAT THE MINUTES OF THE ORDINARY MEETING OF THE DOWERIN SHIRE COUNCIL HELD ON 27 JUNE 2017 BE CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.

8. PETITIONS/DEPUTATIONS/PRESENTATIONS

9. ANNOUNCEMENTS BY PRESIDENT WITHOUT DISCUSSION

9.1 PRESIDENT ANNOUNCEMENTS

10. REPORTS OF COMMITTEE AND OFFICERS

10.1 OPERATIONS

10.1.1 DRAFT ELECTORAL CODE OF CONDUCT JULY 2017

Date:	5 July 2017
Applicant:	Shire of Dowerin
Location:	N/A
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	Andrea Selvey – Chief Executive Officer
Attachments:	1. Draft Electoral Code of Conduct

Summary

This item brings a draft Electoral Code of Conduct before Council and recommends that Council adopts the document.

Background

The Local Government (Elections) Regulations stipulates that a Code of Conduct is adopted to ensure all electoral officers act lawfully, professionally, fairly and impartially, with honesty and integrity and without any conflict of interest.

Comment

WALGA has prepared a Model Electoral Code of Conduct and the attached draft is based on that Model.

Consultation

Nil

Financial Implications

There are no financial implications directly resulting from this Code of Conduct.

Risk Implications

An Electoral Code of Conduct is a regulatory requirement to minimize the risk of improper behavior of the Returning Officer (in this case the CEO) and other electoral officers.

Policy Implications

Should Council adopt this Electoral Code of Conduct as a Policy it will be included in the Shire of Dowerin Policy Manual and be used for future elections.

Statutory Implications

Regulation 8 of the Local Government (Electoral) Regulations requires the adoption of an Electoral Code of Conduct. This document complies with the Regulations.

Strategic Implications

Community Strategic Plan

Objective 4.1 – An efficient and informative organisation

Voting Requirements

A Simple Majority is required for adopting the policy.

OFFICER RECOMMENDATION – ITEM 10.1.1

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO REGULATION 8 OF THE LOCAL GOVERNMENT (ELECTIONS) REGULATIONS 1997 RESOLVES TO ADOPT THE ELECTORAL CODE OF CONDUCT.

10.1.2 FINANCIAL MANAGEMENT REVIEW AND PROBITY COMPLIANCE AUDIT
REPORT – IMPLEMENTATION PLAN UPDATE

Date: 3 July 2017
Applicant: Shire of Dowerin
Location: N/A
File Ref:
Disclosure of Interest: Nil
Author: Andrea Selvey, CEO
Attachments: 2. Financial Management Review and Probity Compliance Audit
Report Implementation Plan Update

Summary

An update on actions arising from the Financial Management Review and Probity Compliance Audit is presented for Council review and consideration.

Background

At the Ordinary Meeting of Council on 26 April 2017, it was resolved by Council to:

- **RECEIVE THE UPDATE ON ACTIONS FROM THE FINANCIAL MANAGEMENT REVIEW AND PROBITY COMPLIANCE AUDIT REPORT IMPLEMENTATION PLAN; and**
- **DIRECT THE CEO TO PROVIDE A FURTHER UPDATE ON PROGRESS AT THE ORDINARY MEETING OF COUNCIL IN JULY 2017.**

In accordance with that resolution, this item provides Council with an update on progress of the recommendations from the Financial Management Review and Probity Compliance Audit.

Comment

All the actions have been either completed or are in progress. The most significant actions to have been achieved since the last update to Council in April 2017 include the following:

1. Bank Reconciliations module has been implemented;
2. The Code of Conduct, based on WALGA's model was adopted at the 26 April Council meeting;
3. Sharepoint Records Management system is being implemented;
4. The Delegations Register has been adopted by Council;
5. Several policies have been developed and presented to Council;
6. Staff have undertaken a significant amount of training in financial management, procurement, disposal of assets and the rating system.
7. Purchased Management Package from ITVision which includes daily backup (offsite) of financials and provides second copy of back up.
8. Mirror server installed in Shire office to assist with security of data.
9. Health Check on Rating Module carried out by ITVision and recommendations implemented. Procedure for on-going maintenance in place.

Consultation

Key staff have been consulted in preparing this agenda item.

Financial Implications

Whilst most of the recommendations do not have a direct financial cost, they are labour intensive to establish and require staff time in ongoing management. Council included \$50,000 for improved compliance in the 2016/17 budget actions have been progressed within that resource allocation.

Policy Implications

Nil

Statutory Implications

All actions are progressing compliance with the Local Government Act 1995 and associated regulations.

Strategic Implications

The Strategic Community Plan

Objective 4.2 - Strong leadership and governance

Voting Requirements

Simple majority

OFFICER RECOMMENDATION – ITEM 10.1.2

THAT COUNCIL BY SIMPLE MAJORITY PURSUANT TO SECTION 3.18 OF THE LOCAL GOVERNMENT ACT 1995 RESOLVES TO:

- 1. RECEIVE THE UPDATE ON ACTIONS FROM THE FINANCIAL MANAGEMENT REVIEW AND PROBITY COMPLIANCE AUDIT REPORT IMPLEMENTATION PLAN.***

10.1.3 RELATED PARTY DISCLOSURES

Date:	3 July 2017
Applicant:	Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	Andrea Selvey, CEO
Attachments:	3. WALGA Infopage – Related Party Disclosures; 4. Department of Local Government and Communities Implementation Guide; and 5. Draft Disclosure forms.

Summary

This item brings before Council the requirements for related party disclosures now required for Local Governments under the *Australian Accounting Standards Board 124 (AASB 124) Related Party Disclosures*.

Background

The scope of AASB 124 has been extended to include not for profit entities, including Local Governments with the first disclosures required in the Financial Statements for the year ended 30 June 2017. The Department of Local Government and Communities has provided Councils with an Implementation Guide for changes required to Council's Annual Financial reporting via the new standards. The objective is to ensure that local government financial statements contain the disclosures necessary to draw attention to the possibility that its financial position may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

This will require Councillors and Key Management personnel to disclose, via a return, information regarding related parties.

This is a requirement specified by an Australian Accounting Standard and is in addition to and different from the Disclosure of Interest and Gift and Travel Disclosure requirements that are imposed under the *Local Government Act 1995* and associated Regulations.

Comment

The objective of the standard is to ensure financial statements contain disclosures of the existence of relationships regardless of whether a transaction has occurred or not. The advice from Moore Stephens as per the WALGA Guide is that "or each financial year, the Shire/Town/City must make an informed judgement as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required." The following are the disclosures required:

Identification of Related Parties, related party relationships, transactions and outstanding balances;

Identification of related party transactions which is a transfer of resources, services or obligations Between the Shire and related party, regardless of whether a price is charged;

Disclosure Requirements - elected Council members and key management personnel as identified above, will be required to complete a Related Party Disclosures Declaration form for submission to financial services;

Management will be required to put a recommendation to Council annually in regard to its opinion that transactions have been provided as per Ordinary Citizen Transactions or if any discount or special terms were received.

Related Party Disclosure Declarations from Councillors and key personnel will need to be made each quarter, before any election and prior to termination of employment.

Please see attached WALGA Infopage for detailed information which includes practical examples.

Staff will be working with the Shire's Auditors to ensure the appropriate information is gathered from Councillors and Key management personnel prior to the finalisation of the Annual Financial report. Also attached are the draft forms for Councillors' information. These have been reviewed and approved by the Shire's Auditors.

Financial Implications

Nil

Risk Implications

There is a risk that this new requirement will not be understood or complied with. Staff will work with the Auditor to ensure Councillors and impacted staff are provided with good quality and timely information to ensure compliance is achieved.

Failure to comply carries with this requirement carries the risk of receiving a qualified audit. Councillors and relevant staff will be made aware of the importance of compliance and assisted as required.

Consultation

This matter was presented to the Audit Committee for noting at their June meeting.

Policy Implications

Nil currently – A policy will be developed.

Statutory Implications

This disclosure is required under Accounting Standard AASB 124.

Strategic Implications

Nil

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION – ITEM 10.1.3

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO ACCOUNTING STANDARD AASB 124 NOTES REQUIREMENT FOR RELATED PARTY DISCLOSURES AND APPROVES THE DRAFT DISCLOSURE FORMS.

10.1.4 LOCAL LAW REVIEW COMPLETED

Date:	16 July 2017
Applicant:	Shire of Dowerin
Location:	N/A
Disclosure of Interest:	Nil
File Ref:	
Author:	Andrea Selvey, CEO
Attachments:	Nil

Summary

This report provides Council with information regarding the completion of the statutory review of the Shire's Local Laws in accordance with s.3.16 of the Local Government Act 1995, inclusive of recommendations for the repeal and amendment of specified Local Laws.

Background

Council at its meeting held 18 October 2016, resolved to commence the statutory review of its suite of Local Laws as per requirements under section 3.16 of the *Local Government Act 1995*.

In accordance with legislation, the following has been undertaken:

- Statewide Public Notice of the Local Law Review was published in the West Australian Newspaper on Saturday 14 January 2017. Local Public Notice was also published in the Dowerin Despatch on the Thursday 2 February 2017 and was placed on the Public Notice Boards at the Shire Office and on the Shire's website. These notices called for public submissions on the Shire's suite of Local Laws:
 - Swimming Pool Local Law (Gazetted 19/02/1969)
 - Dowerin and Minnivale Cemeteries Local Law (Gazetted 09/02/1970 as amended)
 - Health Local Law (Gazetted 20/11/1988)
 - Standing Orders Local Law (Gazetted 08/01/2002)
 - Activities on Thoroughfares Local Law (Gazetted 08/01/2002)
 - Local Government Property Local Law (Gazetted 08/01/2002)
 - Refuse Disposal Facilities Local Law (Gazetted 03/07/2007)
 - Dogs Local Law (Gazetted 29/02/2008)
 - Fencing Local Law (Gazetted 30/09/2008)
 - Waste Local Law (Gazetted 15/06/2010)
- The Public Submission period closed on 28 February 2017 with no public submissions having been received.

As no public submissions have been received, s.3.16 procedures now require Council to determine whether to retain, repeal or amend each local law subject of this review.

Comment

As part of the statutory review process an administrative review of each Local Law has been undertaken, with a focus on comparison of the Shire's Local Laws with the WALGA Model Local Laws. It is noted that the WALGA Model Local Laws have been reviewed and approved by the Parliamentary Joint Standing Committee on Delegated Legislation, ensuring that they represent a

standardised and compliant arrangement of Local Law matters. The outcomes of the Administrative review are presented in the table below:

Local Law Title	Review Comment	Recommended Action
Swimming Pool Local Law	This former By-law requires review as its functions are more appropriately provided for as part of a revised Local Government Property Local Law.	Repeal, subject to review of the Shire's Local Government Property Local Law.
Dowerin and Minnivale Cemeteries Local Law	This Local Law was last amended in 1985 and would benefit from review in context of the WALGA Model Cemeteries Local Law. It currently includes Fees and Charges, which if removed from the Local Law would enable Council to set relevant fees as part of the Annual Budget rather than via Local Law amendments.	Repeal and adopt a new Cemeteries Local Law based upon the WALGA Model Cemeteries Local Law.
Health Local Law	This Local Law will require substantial amendment to align with the new <i>Public Health Act 2016</i> . Department of Health and WALGA have advised however, that Health Local Law amendments should not be undertaken until after Stage 5 of the Public Health Act is implemented, as the Public Health Regulations (yet to be drafted) will impact Local Law drafting.	Repeal and adopt a new Health Local Law subject to implementation of State 5 of the <i>Public Health Act 2016</i> .
Standing Orders Local Law 2001	This Local Law was based upon the Shire of Coolgardie Standing Orders Local Law and has not been amended since. The Local Law remains operable and no immediate amendment is required. However, it is noted that the order of business in the Standing Orders differs to the order of business in current Agenda template. The administration view is that the order of business in the current Agenda template is preferable and that the Standing Orders be amended accordingly in due course.	Amend Standing Orders to reflect order of business as per Agenda Template.
Activities on Thoroughfares Local Law 2001	This Local Law's functions remain relevant and only minor amendment may be necessary, subject to a more detailed analysis of this Local Law in context of the WALGA model Activities in Thoroughfares and Public Places and Trading Local Law.	Amend, subject to further review of the WALGA Model Activities in Thoroughfares and Public Places and Trading Local Law.
Local Government Property Local Law 2001	The WALGA model Local Government Property Local Law, incorporates a number of relevant legislative	Amend, subject to further review of the WALGA Model Local Government Property Local Law.

Local Law Title	Review Comment	Recommended Action
	amendments which have not been incorporated into the Shire's Local Government Property Local Law, including functions related to control of signs in local government property and public swimming pools. Amendment will enable consolidation of the Shire's Swimming Pool Local Law.	
Refuse Disposal Facilities Local Law 2007	This Local Law was amended in 2008. The WALGA model Waste Local Law incorporates functions associated with the regulation of Waste Disposal Facilities. It is recommended that this Local Law be repealed and its functions incorporated into the Shire's Waste Local Law.	Repeal, subject to amendment of the Shire's Waste Local Law.
Dogs Local Law 2008	This Local Law contains a schedule of modified penalties. The Dog Act 1976 has also been amended to require microchipping of Dogs. The Local Law will benefit from amendment to update modified penalties and functions arising from Dog Act amendments.	Amend, subject to review of the WALGA Model Dog Local Law and consequential requirements arising from Dog Act amendments.
Fencing Local Law 2010	This Local Law is considered sufficient for the Shire's operations. No amendment is recommended at this time, however at some point in the future, the Shire will review it in context of the WALGA Model Fencing Local Law.	No action required.
Waste Local Law 2010	Amendment of this Local Law will enable consolidation of the Shire's Refuse Disposal Facilities Local Law as well as incorporate any amendments arising from a review in context of the WALGA Model Waste Local Law.	Amend, subject to review of WALGA Model Waste Local Law and incorporation of the Shire's Refuse Disposal Facilities Local Law 2007.

There is a substantial body of work required to undertake the necessary Local Law repeal and amendment proposals. This work will be prioritised and provided to Council for its consideration as individual reports dealing with each Local Law repeal / amendment as the work is completed.

The proposals for repeal or amendment are provided in the Officer Recommendations presented in this report.

Consultation

WALGA has provided information and advice to Shire regarding the Local Law Review. A Councillor Workshop on 18 October 2016 initiated the Review process. Public consultation has been

undertaken via a public submission period in accordance with s.3.16 of the Act. Any amended or new Local Laws will be subject to workshops with Council and advertised for public submissions.

Financial Implications

There are no direct financial implication arising from this report, however financial implications will arise from the repeal and amendment of each Local Law, which will incur public notice advertising and gazettal costs, which will be variable dependent on the requirements specific to each Local Law. Specific financial implications will be included in the future Council reports which will initiate the repeal and amendment processes for each Local Law.

Risk Implications

Local Laws which are not aligned with contemporary legislative requirements may be inoperable.

Policy Implications

Nil.

Statutory Implications

Section 3.16 of the Local Government Act 1995, prescribes the following procedure for the Review of Local Laws:

1. Council determines to commence a review.
2. Statewide Public Notice is given stating that:
 - a. The Local Government proposes to review the Local Laws
 - b. A copy of the Local Laws may be inspected or obtained at any place specified in the notice:
3. Local Public Notice must also be given and the Notices must also be placed on the Public Notice Boards at the Shire Offices and Library.
4. Local Government is to consider any submissions received during the consultation period.
5. Local Government is to prepare a report to Council.
6. Council is to consider the report and may determine (by absolute majority) whether or not to repeal or amend the Local Laws.

Should Council resolve to repeal or amend Local Laws, then the Shire will be required to comply with the procedural requirements of section 3.12 of the Local Government Act 1995, which require (similar to the statutory review requirements of s.3.16), public notice advertising, public submission period of not less than 6-weeks and Council resolutions by absolute majority to make a repeal local law or an amendment local law as necessary.

However, it should be noted that Council has now met its statutory responsibility to ensure a review has been carried out. This report closes that requirement. The ongoing work of repealing and amending Local Laws can be scheduled as resources allow.

Strategic Implications

Local Laws provide the legislative basis for Council to make and enforce strategic decisions about the good governance and management of the Shire. Maintaining a modern and appropriate suite of Local Laws assists the Shire to manage its regulatory, public health and safety and property management functions.

Voting Requirements

Absolute Majority Required.

OFFICER RECOMMENDATION – ITEM 10.1.4

1. THAT COUNCIL, BY ABSOLUTE MAJORITY, PURSUANT TO SECTION 3.16 OF THE LOCAL GOVERNMENT ACT 1995 RESOLVES TO COMPLETE THE PROCESS OF REVIEWING THE SHIRE OF DOWERIN LOCAL LAWS AND MAKE THE FOLLOWING DETERMINATION:

- A. AMEND THE SHIRE OF DOWERIN STANDING ORDERS LOCAL LAW TO REFLECT THE ORDER OF BUSINESS AS PER THE CURRENT AGENDA TEMPLATE;**
- B. REPEAL THE SHIRE OF DOWERIN SWIMMING POOL LOCAL LAW, SUBJECT TO REVIEW OF THE SHIRE'S LOCAL GOVERNMENT PROPERTY LOCAL LAW;**
- C. REPEAL THE DOWERIN AND MINNIVALE CEMETERIES LOCAL LAW AND ADOPT A NEW CEMETERIES LOCAL LAW BASED UPON THE WALGA MODEL CEMETERIES LOCAL LAW;**
- D. REPEAL THE SHIRE OF DOWERIN HEALTH LOCAL LAW AND ADOPT A NEW HEALTH LOCAL LAW SUBJECT TO IMPLEMENTATION OF STATE 5 OF THE PUBLIC HEALTH ACT 2016;**
- E. AMEND THE SHIRE OF DOWERIN ACTIVITIES ON THOROUGHFARES LOCAL LAW 2001, SUBJECT TO FURTHER REVIEW OF THE WALGA MODEL ACTIVITIES IN THOROUGHFARES AND PUBLIC PLACES AND TRADING LOCAL LAW;**
- F. AMEND THE SHIRE OF DOWERIN LOCAL GOVERNMENT PROPERTY LOCAL LAW 2001, SUBJECT TO FURTHER REVIEW OF THE WALGA MODEL LOCAL GOVERNMENT PROPERTY LOCAL LAW;**
- G. REPEAL THE SHIRE OF DOWERIN REFUSE DISPOSAL FACILITIES LOCAL LAW 2007, SUBJECT TO AMENDMENT OF THE SHIRE'S WASTE LOCAL LAW;**
- H. AMEND THE SHIRE OF DOWERIN DOGS LOCAL LAW 2008, SUBJECT TO REVIEW OF THE WALGA MODEL DOG LOCAL LAW AND CONSEQUENTIAL REQUIREMENTS ARISING FROM DOG ACT AMENDMENTS;**
- I. NOTE THE COMPLETION OF THE REVIEW OF THE SHIRE OF DOWERIN FENCING LOCAL LAW 2010 AND TAKE NO FURTHER ACTION;**
- J. AMEND THE SHIRE OF DOWERIN WASTE LOCAL LAW 2010, SUBJECT TO REVIEW OF WALGA MODEL WASTE LOCAL LAW AND INCORPORATION OF THE SHIRE'S REFUSE DISPOSAL FACILITIES LOCAL LAW 2007.**

2. THAT COUNCIL, BY SIMPLE MAJORITY, IN ACCORDANCE WITH CLAUSE 3.2 OF THE SHIRE OF DOWERIN'S STANDING ORDERS LOCAL LAW, COUNCIL RESOLVES TO AMEND THE ORDER OF BUSINESS FOR ORDINARY COUNCIL MEETINGS TO BE AS FOLLOWS:

- 1.1 OPENING**
- 1.2 OBITUARIES**
- 2.1 RECORD OF ATTENDANCE**
- 2.2 LEAVE OF ABSENCE**
- 2.3 APOLOGIES**

- 3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
- 4. DECLARATION OF ELECTED MEMBERS**
- 5. PUBLIC QUESTION TIME**
- 6. APPLICATIONS FOR LEAVE OF ABSENCE**
- 7. CONFIRMATION OF MINUTES**
- 8. PETITIONS/DEPUTATIONS/PRESENTATIONS**
- 9. ANNOUNCEMENTS BY PRESIDENT WITHOUT DISCUSSION**
- 10. REPORTS OF COMMITTEE AND OFFICERS**

**THIS AMENDMENT IS TO EXPIRE AT THE TIME COUNCIL ADOPTS A SHIRE OF DOWERIN
STANDING ORDERS AMENDMENT LOCAL LAW.**

10.2 FINANCE REPORT**10.2.1 FINANCIAL ACTIVITY STATEMENT – 30 JUNE 2017**

Date:	14 July 2017
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	Ina Edwardson – Finance Manager
Senior Officer:	Andrea Selvey – Chief Executive Officer
Attachments:	6. Monthly Financial Activity Statements – June 2017

Summary

The financial statements for the period ending 30 June 2017 are presented for the Finance Committee review.

Background

Section 6.4 of the Local Government Act 1995 requires a Local Government to prepare financial reports.

The Local Government (Financial Management) Regulations 34 & 35 set out the form and content of the financial reports which have been prepared for the periods as above and are presented to Council for approval. The statements have been prepared in AAS27 format in accordance with FMR Reg 35.

Comment

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the Shire's overall financial performance on a year to date basis, the following financial reports are attached:

- Statements of Financial Activity – Statutory Reports by Program and Nature or Type

The Statements of Financial Activity provide details of the Shire's operating revenues and expenditures on a year to date basis. The reports further include details of non-cash adjustments and capital revenues and expenditures, to identify the Shire's net current position; which reconciles with that reflected in the associated Net Current Position note (Note 3).

- Capital Acquisitions

This report provides year to date budget performance in respect of the following capital expenditure activities and their funding sources. Individual project information can be found at Note 12.

- Note 1 – Significant Accounting Policies

This note provides details of the accounting policies relating to the Shire's accounts.

- Note 2 - Explanation of Material Variances

Council adopted (in conjunction with the Annual Budget) a material reporting variance threshold of 5% or \$5,000, whichever is the greater. This note explains the reasons for any material variances identified in the Statements of Financial Activity at the end of the reporting period.

- Note 3 - Net Current Funding Position - Statutory Requirement

This note provides details of the composition of the net current asset position on a year to date basis, and reconciles with the closing funding position as per the Statement of Financial Activity.

- Note 4 – Cash and Investments

This note provides Council with the details of the actual amounts in the Shire's bank accounts and/or Investment accounts as at reporting date.

- Note 5 – Budget Amendments

This note provides council with a list of all budget amendments to date.

- Note 6 – Receivables

This note provides Council with the sundry debtors outstanding as at reporting date.

- Note 7 - Cash Backed Reserves

This note provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a year to date basis.

- Note 8 – Rating Information

This note provides details of rates levied during the year.

- Note 9 – Information on Borrowings

This note shows the Shire's current debt position and lists all borrowings.

- Note 10 – Grants and Contributions received

This note lists all grants funds Budgeted and received during the year.

- Note 11 – Trust Funds

This note shows the balance of funds held by the Shire in its Trust Fund on behalf of another person/entity.

- Note 12 – Capital Acquisitions

This note details the capital expenditure program for the year.

Consultation

The Finance Committee reviewed the Financial Activity Statements at their meeting on 17 July 2017 and raised the following queries:

Query: Why has interest on reserves not been received yet?

*Response: Awaiting confirmation statement's from NAB & Bendigo. NAB arrived 17/7/2017
These will be updated into June Annual financials on receiving.*

Query: Can the pie graphs on Page 2 (Operating Revenue and Operating Expenses) both be shown in percentages?

Response: Applied and completed

Query: Can the Line Graph on Page 2 (Budget operating revenue and expenses to Year to Date Actual) have the same scale – i.e. \$8million?

Response: Data is pulled from actuals and cannot be manually manipulated

Query: Other property and services expenditure variance is significant. Is this accurate?

Response: It appears that this account has been over-recovered depreciation through plant. This will be reviewed but requires significant time to correct, but has no net impact on the budget.

Query: The Ratio showing Liquidity over the year (Page 11) shows two different figures?

Response: Should read \$2.56 and has been corrected.

Financial Implications

Any financial implications are detailed within the context of this report.

Policy Implications

Nil

Statutory Implications

Council is required to adopt monthly finance reports to comply with Reg. 34(1) of the Local Government (Financial Management) Regulations 1996.

Strategic Implications

Nil

Voting Requirements

A Simple Majority will be required at the Ordinary Meeting of Council.

COMMITTEE AND OFFICER RECOMMENDATION – ITEM 10.2.1

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO REGULATION 34(4) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS RECEIVES THE STATUTORY FINANCIAL ACTIVITY STATEMENT REPORTS FOR THE PERIOD ENDING 30 JUNE 2017.

10.2.2 ACCOUNTS FOR PAYMENT 5 JUNE 2017 TO 4 JULY 2017

Date:	14 July 2017
Applicant:	Shire of Dowerin
Location:	N/A
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	Emma Hardy – Finance Officer
Senior Officer:	Ina Edwardson – Finance Manager
Attachments:	7. List of Accounts 8. Credit Card Summaries

Background

The attached schedules of cheques drawn and electronic payments that have been raised by delegated authority during the month since the last meeting are presented.

Comment

The list as presented has been reviewed by Chief Executive Officer, Finance and Corporate Services and Manager Assets and Works.

Statutory Implications

Reg 12 & 13 of the Local Government (Financial Management) Regulations 1996 requires that a separate list be prepared each month for adoption by Council showing payments made from Municipal Fund, Trust Fund and Reserve Fund by Chief Executive Officer under delegated authority from Council.

Policy Implications

Payments have been made under delegation.

Consultation

The Finance Committee reviewed the List of Accounts and Credit Card Statements at their meeting on 17 July 2017 and raised the following queries:

Query: Don't all payments relating to Maisey Street repairs (EFT 4904, 4940) attract a Contra?

Response: Yes, they do. This will be amended in the report that goes to Council.

Query: Is the Alchemy Technology payment EFT4917 a contra?

Response: Yes, this is a contra and will be amended in the report that goes to Council.

Query: Why was a payment of \$2200 made to Wheeldon Vale for Gravel (over the policy limit)?

Response: This arrangement was made prior to the adoption of the Council policy.

Financial Implications

Funds expended are in accordance with Council's adopted budget for the 2016/17 financial year.

Risk Implications

Nil

Strategic Implications

Nil

Voting Requirements

A Simple Majority will be required at the Ordinary Meeting of Council.

OFFICER AND COMMITTEE RECOMMENDATION – ITEM 10.2.2

THAT COUNCIL, BY SIMPLE MAJORITY, PURSUANT TO REG 12 & 13 OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996 RECEIVES THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO CREDITOR PAYMENTS FROM THE MUNICIPAL FUND FOR THE PERIOD 05 JUNE 2017 TO 04 JULY 2017.

10.2.3 INVESTMENTS

Date:	18 July 2017
Applicant:	Shire of Dowerin
Location:	N/A
File Ref:	ADM
Disclosure of Interest:	A. Selvey, Chief Executive Officer
Author:	A. Selvey, Chief Executive Officer
Attachments:	9. Quote from Bendigo Bank 10. Quote from NAB

Background

Shire investments of \$946,156 currently invested matured at the end of June 2017. While investments decisions have been delegated to the Chief Executive Officer, given that the Chief Executive Officer's conflict of interest the matter will need to be presented to Council for a decision.

Comment

In accordance with Council policy, officers have invited the two local banks, NAB and Bendigo, to provide the Shire with their term deposit rates. See attached.

While legislation and Council policy allows for investments of up to three years, the officers understanding of the current financial environment is that the Reserve Bank of Australia will keep interest rates on hold and it anticipated that rates will remain flat for the next 12 months and pick up after that time. Therefore, the officers' view is that investment should be for a maximum of 12 months at this stage.

Statutory Implications

All investments are to comply with the following:

- Local Government Act 1995 (as amended) Section 6.14;
- The Trustees Act 1962 (as amended) Part III Investments;
- Local Government (Financial Management) Regulations 1996 (as amended) – Regulation 19, Regulation 28, and Regulation 49
- Australian Accounting Standards

Under Sect. 5.70 of the Local Government Act, employees must disclose interests relating to advice or reports:

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest.

Penalty: \$10 000 or imprisonment for 2 years.

Under Sect. 5.71 if an employee has delegated power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and

Penalty: \$10 000 or imprisonment for 2 years.

The Chief Executive Officer is on the Board of Goomalling and Districts Community Bank (Bendigo Bank) and therefore has an impartiality interest.

Policy Implications

Council adopted the Shire of Dowerin Investment Policy at the Ordinary Meeting of Council on 27 June 2017. This matter has been considered in the context of that Council policy.

Financial Implications

An investment of \$1 million provides a return of approximately \$25,000 per annum which is a significant revenue source for the Shire.

Risk Implications

Term deposits with banks are considered low risk. However, there are risks inherent in any investment. Changes to the rates can have a positive or negative impact on returns. Another risk to consider is that the Shire is one of the larger customers and a decision by the Shire to invest in either bank will impact on the other.

Strategic Implications

Nil

Voting Requirements

A Simple Majority will be required at the Council meeting.

COMMITTEE RECOMMENDATION – ITEM 10.2.3

THAT COUNCIL INVESTS FUNDS OF \$946,156 PLUS ANY INTEREST EARNED ON THIS AMOUNT WITH BENDIGO BANK FOR A TERM OF 12 MONTHS.

10.3 MINUTES TO BE RECEIVED

10.3.1 MINUTES FROM COMMITTEE MEETINGS TO BE RECEIVED

Date:	9 July 2017
Applicant:	The Shire of Dowerin
Location:	N/A
File Ref:	
Disclosure of Interest:	Nil
Author:	Andrea Selvey, CEO
Attachments:	11. Minutes Finance Committee Meeting (Unconfirmed) – 16 July 2017

Summary

The report formally presents the minutes of Advisory Groups and Committees of Council from the previous month.

Background

The Shire has established the following Committees of Council:

- Audit Committee;
- Finance Committee;
- Local Emergency Management Committee;
- Bush Fire Advisory Committee;
- Wheatbelt Heritage Rail Committee;

The above Committees do not have any delegated authority; therefore any recommendations requiring a Council decision that result from a Committee meeting must be brought before Council. This will be done via agenda items to Council.

(NB: The list above excludes those Committees that are external to the Shire, i.e. established and managed by an external group, on which the Shire has nominated representatives. Council representatives from the external committees will report back to Council verbally at the next available Council meeting. Should a decision of Council be required, an agenda item will be prepared for Council.)

Comment

The attached minutes are the unconfirmed minutes of the meetings of Committees of Council held in the previous month.

Consultation

N/A

Financial Implications

The Officer's recommendation for Council to receive the minutes of Committee meetings carries no financial commitment for Council. Should any recommendation require a financial commitment or

have any implication outside the CEO's delegated authority, the matter will be referred to Council as a specific agenda item.

Risk Implications

Nil

Policy Implications

Nil

Statutory Implications

Administration regulation 11 sets out the content that the minutes of council or committee meetings must contain, including:

- the names of members present at the meeting;
- details of each motion moved, the mover and the outcome of the motion;
- details of each decision made at the meeting; and
- written reasons for each decision made at a meeting that is significantly different from the committee's or council employee's recommendation.

Section 5.22(2) and (3) of the Act requires that the minutes of a council or committee meeting are to go to the next meeting of the council or committee for confirmation and signing by the person presiding to certify the confirmation.

Strategic Implications

The Strategic Community Plan

Objective 4.2 - Strong leadership and governance

Voting Requirements

Simple majority

OFFICER RECOMMENDATION – ITEM 10.3.1

THAT COUNCIL BY SIMPLE MAJORITY PURSUANT TO SECTION 3.18 OF THE LOCAL GOVERNMENT ACT 1995 RESOLVES TO:

1. RECEIVE THE MINUTES OF THE:

- a. FINANCE COMMITTEE MEETING (UNCONFIRMED), 16 JULY 2017***

11. NEW BUSINESS OF AN URGENT NATURE

12. ELECTED MEMBERS MOTIONS

13. CONFIDENTIAL ITEMS

14. CLOSURE OF MEETING



SHIRE OF DOWERIN

ELECTORAL CODE OF CONDUCT

JULY 2017

Version	Date	Purpose	Status
1	5 July 2017	Draft for Council consideration	

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Shire of Dowerin

Electoral Code of Conduct

Introduction

This code of conduct contains the principles and standards we are to apply in performing electoral officer duties.

Elections are the very foundation of our democratic society and vigilance is required in preserving the integrity of the electoral process. Elections can also be an emotional experience for winning and losing candidates and a fertile area for disputation if cause exists. All candidates are entitled to expect that we will so conduct ourselves as to ensure the election outcome is a true expression of the will of the electorate.

An election is also an opportunity for personal contact with a big number of the Shire's customers. Casting a vote will be one of the few direct contacts some will have with the Council during the course of the year. Our goal should be to project an image of professionalism, impartiality and friendliness.

The charter for this Code of Conduct is contained in Elections Regulation 8, which provides:

- "8. (1) *This regulation applies to the ordinary elections to be held in 1999 and to each subsequent election.*
- (2) *The RO (Returning Officer) for any election to which this regulation applies is to prepare or adopt an electoral code of conduct for the election that aims to ensure that all electoral officers, act -*
- a) lawfully;*
 - b) professionally;*
 - c) fairly and impartially;*
 - d) with honesty and integrity; and*
 - e) without any conflict of interest,*
in relation to the election.
- (3) *The RO is to provide each electoral officer with a copy of, or access to a copy of, the electoral code of conduct.*
- (4) *An electoral officer is to observe and comply with the electoral code of conduct."*

This Code of Conduct is a living document in that it will be examined by us each year to ensure that the guidance contained therein remains relevant and attuned to on-the-job experiences.



Community contribution to this on-going review will be appreciated and in the interim, do not hesitate to raise, either directly with the RO or through an appropriate forum, ethical issues impacting on our role as electoral officers.

Our Commitment

Act Lawfully

We will:

- complete the Form 1 declaration before acting;
- ensure we are familiar with the Act and Regulations, and the duties expected of us : ask questions so that uncertainties are resolved before election day;
- exercise care in carrying out duties and making decisions: penalties for electoral offences are high;
- abide by the detail of the Act, Regulations, and instructions issued, in performing all duties;
- maintain surveillance to ensure security of election papers and secrecy of the ballot;
- report offences to the appropriate authority.

We will not:

- make improper use of official information for the gain or detriment of any person, or falsify reports.

Act Professionally

We will:

- dress in a manner which depicts the professional position we hold;
- open on time;
- behave in a consistently ethical, competent and reliable manner;
- be familiar with the Local Government Act and Regulations;
- obey promptly any lawful instruction of a supervising officer;
- assist and cooperate with other staff;
- observe “no smoking” policies of the Shire.

Act Fairly and Impartially

We will:

- act impartially to serve the common good, while recognising that equity can involve treating people differently according to their circumstances;
- be polite and sensitive to customer needs : explain the reason for decisions;
- be alert to any attempt by candidates/scrutineers to gain an unfair advantage : report any questionable activities in this regard to the appropriate authority;
- refrain from making comments of a party political nature, or about candidates or local referendum issues, or policies of the Council.



We will not:

- solicit or accept gifts, fees, favours or remuneration of any kind, from a candidate or person assisting a candidate.

Act with Honesty and Integrity

We will:

- advise if we cannot allow a vote, and why;
- have available a supply of Enrolment Eligibility Claim forms;
- invite aggrieved persons to exercise their rights of appeal or complaint;
- explain processes and procedures.

Duty of Care

As electoral officers we must exercise a duty of care in order to fulfil our obligations effectively and without causing harm. Such a duty of care includes:

- ensuring the efficient and effective use of the resources placed at our disposal;
- being accountable for the use of those resources; and
- setting an example by supporting and monitoring ethical behaviour.

Act with No Conflict of Interest

Electoral officers are to act without conflict of interest. Generally, a conflict of interest exists if the relationship between a prospective electoral officer and a candidate is such as could influence, or be seen by others to influence, the partiality with which electoral provisions are administered.

Examples of “closely associated” relationships an officer could have to a candidate where a conflict of interest might arise include:

- A spouse (includes defacto) of the candidate;
- A parent of a candidate;
- A close relative of a candidate;
- A partner of a candidate;
- An employee of a candidate;
- A trustee, if a candidate is a beneficiary;
- Associated through his/her spouse who is living with the officer and is -
 - (a) parent of a candidate living with them
 - (b) partner of a candidate
 - (c) an employee of a candidate; or
 - (d) a trustee, if a candidate is a beneficiary.



If any officer has such a “close association” or is the director of a company associated with a candidate they must disclose the relevant detail to the RO and accept that person’s judgment as to whether or not the ‘interest’ should preclude their engagement as an electoral officer.

DRAFT

Shire of Dowerin - Financial Review Action Plan March 2016

1 FINANCIAL SYSTEMS							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	COMMENT
1.1	HIGH	Staff training and mentoring	Staff training program developed	08-Apr-16	20000 - 30000	Ongoing	Individual Development Plans developed as part of annual Perf Review Process. Staff trained in procurement and disposal of assets July 2017. Training in Bank Recs scheduled for early August. 5 June 16 - Online training for WALGA intro to the Local Govt Act purchased with date for all staff to complete online module together. Introductions to Northam to arrange staff PD swaps. Training program being developed in one on one meetings with staff. Training/mentoring commenced. 13/04 LGIS can provide some resilience training and team building training.
1.2	HIGH	Bank Reconciliation undertaken and process in ITVision utilised	Develop and implement a process for monthly Bank Reconciliations to be undertaken, reviewed, certified and signed by senior officers.Get quotes from ITVision to set up and include in 2016/17 process for council consideration	01-Jul-16	1000	Completed	3 July 2017 Bank Reconciliation Module fully implemented. April 2017 Bank Rec Module installed however experiencing system errors. ITVision requested to fix errors 3 April. Staff trained in using the module March 2017. ITVision requested to remove incorrect data in bank reconciliation program to coincide with training.
1.3	HIGH	Processing of all payments via the creditors system.	All Payments (including credit card and direct debits) be processed through creditors system.	Completed	-	Completed	Procedure developed and implemented, Interim Audit comment regarding separation of duties. Person processing could not upload. This is now in place. When shortstaff, reason is noted on the batch and when staff are back on deck, they sign retrospectively.
1.4	HIGH	Monthly financial reports	Monthly financial reports to be upgraded to the Moore Stephens model.	30-May-16	2000	Completed	30 May 2016 - Moore Stephens core template for compliance introduced at 17 May Council meeting. SK to attend training with Moore Stephens at next opportunity to looks additional reporting.
1.5	MEDIUM	Electronic purchase orders implemented	Electronic purchase order module be used.	15-Aug	1000	Completed	Electronic purchase order module fully implemented and working well. ITVision electronic purchase order module has been purchased.
1.6	HIGH	Trust fund accounts	Correct and process trust fund accounts via Synergy Soft	15-Aug		In progress	Trust fund fully reconciled and processed via Synergysoft and reported in monthly financial statements to Council. 1 July Northam Shire to take over AROC trust fund in new financial year. Staff training in process Trust Fund transactions
1.7	MEDIUM	Annual reports - staff training	See staff training program at 1.1	15-Aug		Completed	
1.8	LOW	Loan Module	Set up loan module in Synergy Soft	15-Aug		Completed	More training needed to be able to fully utilise the module. Loan module set up - staff training to use module scheduled for mid August
2 ICT SYSTEMS							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	

ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	
	4.1 LOW	Fund Accounts	Investigate merging three accounts into one for reporting in SynergySoft	Jun-17	2000	Not started	Discussed with Megan Shirt - low priority. Further action to be discussed and determined if necessary.
	4.2 LOW	Direct Debt	Investigate offering ratepayers direct debt as a less labour intensive process for staff and to ensure regular payments are made.	Jul-17		Not started	Low priority. Investigate risks and risk mitigation before implementing when resources permit.
	4.3 HIGH	Direct Credit reports	Develop and implement process for reports to be signed by authorising staff	Completed		Completed	Procedures reviewed and updated. Ongoing review as part of monthly internal control.
5 PAYMENTS REPORTING							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	
	5.1 HIGH	Cheque and dollar reconciliations	Sequences included in list presented to Council	May-16		Completed	Implemented
	5.2 HIGH	Certification of payments	Certification signed by preparer and supervisor included in list presented to Council	May-16		Completed	Implemented
6 FINANCIAL REPORTS							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	
	6.1 HIGH	Monthly reports	Implement Moore Stephens template and review process for determining materiality level annually	May-16		Completed	See Item 1.4 above
	6.2 HIGH	Annual Financial Reports	Complete 2014/15 Annual reports asap	01-May-16	4500	Completed	Audit report received by Council on 21 June and presented to Annual Electors Meeting on 30 June. 15 June 16 - Annual Report Completed and being presented to Audit Committee on 15 June with view to presenting to Council on 21 June. Underway with aim to present to Council on 17 May at Council Meeting
	6.3 HIGH	Mid Year Budget Review	Ensure compliance with legislation to complete review by end April.	01-Apr-16		Completed	30 April - Completed and submitted to the Dept on time to achieve compliance. Underway with aim to present to Council on 19 April at Council Meeting
7 SYSTEMS REVIEW - INTERNAL CONTROLS							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	
	7.1 HIGH	Rating System	Develop, document and implement procedures for reconciliations and end of month reporting	Jun-17		Completed	June 2017. ITVision engaged to carryout health check of rates module. Recommendations from health check have been carried out to fully reconcile the module. Monthly procedure in place. Draft policy and procedure manual being reviewed by Shire Auditor. Some procedures in place. Review of all procedures underway to ensure currency and creating a central database. New governance coordinator will have records management as a key priority.
	7.2 HIGH	Procedures for Creditor Payment System	Develop, document and implement procedures for reconciliations and end of month reporting	Dec-16		In progress	See 3.1. As above.
	7.3 HIGH	Procedures for Debtors System	Develop, document and implement procedures for reconciliations and end of month reporting	Dec-16		In progress	As above. See 3.1
	7.4 HIGH	Procedures for Cash Receipting System	Develop, document and implement procedures for banking ensuring review by Senior Officer	May-16		Completed	Procedure developed and has implemented.

7.5 HIGH		Procedures for Payroll System	Develop, document and implement procedures for fortnightly audit of payroll system	May-16	Completed	Procedure being followed using ITVision procedure manual. Payroll checked and authorised by senior officer each fortnight. Intermin audit raised concerns regarding personnel files and documentation of authorisation for any deductions and allowances. Full review of personnel files to be carried out in 2017/18.	
7.6 HIGH		Payroll System	Review on-cost charge process in payroll parameters	May-16	Ongoing	Ongoing review as part of budget process. Review carried out as part of setting the 2016/17 budget. Monitor and review in September 2016	
8 COMPLIANCE WITH STATUTORY RQUIREMENTS							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	
8.1	HIGH	Workforce Plan	Review and update	Sep-17		In progress	20 July LGIS confirmed offer of assistance after Strategic Community Plan completed. 3 July 2017 - follow up email to LGIS. 30 May 2016 -
8.2		Asset Management Plans	Prepare asset management plans in accordance with IPR	As per Dept. guidelines fro different classes of assets		In progress	3 July 2017 - Asset Management plans being progressed. 30 May 16 - New positions (Manager Assets and Works and Asset and Risk Officer) being proposed to Council as part of restructure. Get quotes and Review HR capacity and capability to undertake this task as part of review of structure. Some support from DLGC as per item 3.5 above.
8.3		Long Term Financial Plan	Develop LTFP in accordance with IPR	Dec-16		In progress	3 July 2017. LTFP commenced to be done in conjunction with strategic plan. Get quotes for this work for consideration by Council as part of 2017/18 budget process.
9 GENERAL							
ITEM NUMBER	PRIORITY	ITEM	ACTION	TIMEFRAME	COST	STATUS	
9.1	HIGH	Audit Committee	Undertake review under Audit Regulation 17 for risk management	Jul-16		Completed	Reg 17 Review completed in December 2016. 30 June - Confirmed with LGIS that they will do Reg 17 Audit as part of their Risk review in Sept 2016.
9.2		Audit Committee	Audit Committee establish timetable for CEO review on compliance, risk and internal controls	Aug-16		Completed	Audit Committee reviewed Compliance Calendar. Regular reporting to the Audit Committee on implementation. 30 June - Review commenced with first workshop to review Strategic Community Plan
9.3		Position Descriptions	Review and update all position descriptions	Jul-16		Completed	3 July 2017. All staff PDs developed and reviewed as part of Performance Management Process. 30 June - PDs for FM, WM, CDO, Asset officer completed. 30 May 16. All PDs under review. Commencing in April with one-on-one meetings with all staff
9.4		Elected Member Training	Elected Member Training programme developed	08-Apr-16	12,000	Completed/ongoing	Training offered on an ongoing basis. \$8,000 in 2017/18 Draft Budget for new Councillors. First four modules of WALGA's Elected Member Training confirmed for Saturday 16 and Tuesday 19 July.
9.5		Auditor	Review contract for Auditors	01-May-16		Completed	May 2017. New Auditor appointed. Contract in place until 16/17; new scope developed for Auditor when carrying out 2015/16 audit
ADDITIONAL ACTIONS							

HIGH	Internet Banking	Develop register of users to ensure accountable authorisation management	30-Apr	Completed	Register and forms for signature of staff that outline responsibilities of staff (including securing dongle and password).
HIGH	Records Management	Review and Implement Records Management Plan	Sep-17	In progress	Records Management under Sharepoint. 30 May 2016. New Governance Position in restructure.Review HR capacity and capability to undertake this task as part of review of structure
HIGH	Public Interest Disclosure	Develop Policy to provide councillors, staff and contractors with info regarding rights and responsibilities and protection	Jul-16	Completed	Policy adopted by Council at 19 July Council meeting
HIGH	Acquittals	Roads to Recovery; CLGF; Swimming Pool	Jun-16	Completed	Outstanding acquittals completed

PROBITY REPORT ACTIONS							
Recommendation Number	Priority	Recommendation	Actions	Timeframe	Cost \$ and Staff resources	Status	Comment/notes
1	High	Review of Delegations Register	Consult with WALGA and then workshop with Council. After workshop formally present to Council via an agenda item	Dec-16	\$0/ 20 hours	Completed	30 April 2017. New Delegations Register adopted at Council meeting on 28 April. Delegations presented to March Council meeting. Deferred until April Council meeting. Review underway; workshop with Councillors scheduled on 18 October
	2 High	Register of Financial Interests	Councillor training on making declarations of interest. Ensure trigger in corporate calendar for annual returns; forms on councillor desks at council and committee meetings; and call for declarations of interest in all agendas and verbally made at every meeting. Register commenced.	Oct-16	\$0/38hours per annum approx	Initial actions completed; ongoing monitoring by Governance team and CEO	Training provided by WALGA; Governance Officer has reminder in corporate calendar for annual returns. Meeting agendas include section for declarations
	3 High	Agendas and minutes	Training with WALGA on decision-making for elected members; staff training in preparing agendas and minutes; internal peer review of agenda items; seek DLGC advice and review of difficult agenda items.	Jun-17	\$1000/30 hours staff training; ongoing approx 150 hours per annum review	Completed.	19 July. E Richards attended full day training at WALGA on agendas and minutes (E Richards noted that our processes are very good.) Taining of elected members completed. Staff training to be scheduled to take place asap. Peer review process commenced; advice from DLGC commenced.
4 High	5 High	Financial interest returns	See item 2 above	Mar-17	\$0/20 hours	Completed	13 July 2017 - Training completed. WALGA procurement training included Disposal of Property and development of procedure
5 High		Disposal of property	Develop procedure for all staff to follow; training in procedure for relevant staff; procedure saved in corporate procedure manual				
6 High	7 high	Policy review	Review current policies; research policies from other similar sized local governments; Develop a list of key policies and liaise with DLGC to ensure list covers all mandatory and recommended policies. Provide draft policies to DLGC and/or WALGA for review.	Jun-17	\$0/150 hours staff time approx	Ongoing	Policy Manual under ongoing review.
7 high		Purchasing policy review	Review current policy against Reg 11A and include procedures; conduct staff training session on the policy and procedure. Monitor expenditure to ensure it is compliant with policy and procedure	Feb-17	\$0/15 hours initially to review policy/procedure and train staff; 100 hours per annum ongoing monitoring	Completed	New policy adopted by Council 28 March 2017. Follows the WALGA model policy. Staff training in procurement to be scheduled.
8 High	9 High	Review Procurement	Ensure tenders are called for any purchase over \$150,000. Maintain proper tender register. Requires training for staff in procurement and ongoing monitoring by CEO and FM.	Feb-17	Labour intensive process and each tender cost aprox \$600 to advertise	Completed/ongoing	Links to above item (Recommendation 7)
9 High		Procurement	Staff training in procurement; process for capturing and recording quotes		See 7 above		Links to above item (Recommendation 7)

10 High	Training for staff involved in tender process	Staff training to be scheduled; informal peer support from other Local Govt eg Northam and Wanneroo. WALGA tender review service to be utilised for complex tenders		\$1000 for each tender reviewed by WALGA.	Completed/ongoing	
11 High	Tender Register	New tender register introduced and ongoing maintenance of register	Feb-17	Training to be costed.	Completed/ongoing	Links to above item (Recommendation 7)
12 Medium	Review of committees	Review Terms of Reference of each committee to ensure delegations are clear and if they are established under S5.8 of the Act or simply advisory groups. Develop procedures for calling of meetings; agendas and minutes.	Oct-17 Mar-17	\$0/3 hours per tender \$0/38 initially and 50 hours per annum	Completed	Links to above item (Recommendation 7)
13 Medium	Terms of Reference for committees	See item 12 above	Mar-17	See 12 above	Completed	Links to above item (Recommendation 12)
14 Medium	Process for calling meetings	See item 12 above	Mar-17	See 12 above	Completed	Links to above item (Recommendation 12)
15 Medium	Complaints register	Establish a formal complaints register		\$0/3hours initially; 38hours per annum ongoing management		
16 High	Gift register	Establish a gift register and make it availabe online	Oct-17 Dec-17	t \$0/8 hours in	Completed Completed	
17 Medium	Code of Conduct	Review Code of Conduct. Utilise WALGA's model Code of Conduct	Feb-17	\$0/38	Completed	New Code of Conduct (based on WALGA Model Code of Conduct) adopted by Council April 2017
18 High	Consolidate all actions into one register	Combine with Fin Management Review Recommendations and CAR actions	Mar-17		Completed	Actions from Fin Management Review and Probity Audit combined. CAR actions list not yet developed.

To: Chief Executive Officers

**From: Tony Brown,
Executive Manager Governance
And Organisational Services**

Organisation: All Local Governments

Date: 22 June 2017

Reference:

Priority: High

Subject: Related Party Disclosures AASB 124

IN BRIEF:

Operational Area:	Finance & Governance
Key Issues:	• Related Party Disclosures need to be made for the year ending 30 June 2017
Action Required:	Ensure related party disclosures are made in accordance with the accounting standards

Local Governments are required to disclose related party transactions in annual financial reports in 2017.

Changes to accounting standards mean certain transactions of Key Management Personnel (effectively all senior management and Councillors) will need to be detailed separately in the annual financial report for the year ended 30 June 2017.

This will have significant impact on both the disclosures within the financial report as well as the mechanisms in place to ensure related parties are properly identified and the necessary data collected.

What needs to be disclosed?

All related party transactions during the periods covered by the annual financial report.

This includes:

- the nature of the related party relationship; and
- information about those transactions and outstanding balances.

Examples include:

- a) purchases or sales of goods (finished or unfinished);
- b) purchases or sales of property and other assets;
- c) rendering or receiving of services; and
- d) leases.

At a minimum, disclosures shall include:

- a) The amount of the transactions;
- b) The amount of outstanding balances, including commitments, and:
 - i. their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - ii. details of any guarantees given or received;
- c) Provisions for doubtful debts related to the amount of outstanding balances; and
- d) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

Who is a Related Party?

Essentially for local government it will relate to those defined as Key Management Personnel (KMP).

KMP include all senior management, Councillors and their close family members or even wider if there is a strong personal connection.

Responsibility

It also needs to be remembered this differs from the primary/annual return disclosure requirements.

Those are the responsibility of the individuals concerned whereas financial statements disclosures are, required by the Act and regulations as the responsibility of management (and ultimately the CEO).

Further information

The Department of Local Government have produced a circular which is available here: <https://www.dlgc.wa.gov.au/Publications/Pages/Circular-07-2017.aspx>

Further, WALGA has been working with Moore Stephens who have prepared the attached Guidance Note and are available to assist Local Governments with presentations and forums.

If your Local Government is interested in contracting Moore Stephens for a presentation please contact David Tomasi on (08) 9225 5355.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

AASB 2015-6

This Standard was issued in March 2015 and extends the Scope of AASB 124 *Related Party Disclosures* to include application by not-for-profit entities.

Operative Date for Local Government: 1 July 2016 (effectively for the year ended 30 June 2017).

Comparatives: No comparatives will be required to be presented in the period of initial implementation.

AASB 124

SUMMARY

APPLICATION AND SCOPE

AASB 124.2

This standard is applied in:

- Identifying related party transactions and relationships;
- Identifying outstanding balances including commitments between an entity and its related parties;
- Identifying circumstances in which disclosure of the above items are required;
- Determining the disclosures to be made about those items.

PURPOSE OF RELATED PARTY DISCLOSURES

AASB 124.5 TO 124.8

Knowledge of related party transactions, outstanding balances and relationships is important to understanding and assessing an entity's operations.

DEFINITIONS

AASB 124.9 TO 124.12

Definitions include related party, compensation, control, key management personnel, director and remuneration as well as some explanations and clarifications.

DISCLOSURE

AASB 124.13 TO 124.27

Includes:

- Relationships between parents and subsidiaries of the entity, regardless of whether there have been any transactions between the related parties (may be applicable to local government under new legislation);
- Information about key management personnel compensation in total and for certain categories;
- Certain information about transactions between related parties and any outstanding balances at reporting date for each type of related party; and
- Information about government-related entities.

ILLUSTRATIVE EXAMPLES

Includes illustrative examples – one specifically relating to a Councillor of a local government.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

DISCLOSURES

KEY REQUIREMENTS OF AASB 124

AASB 124.17

A local government shall disclose key management personnel compensation in total and for each of the following categories:

- a) Short-term employee benefits;
- b) Post-employment benefits;
- c) Other long-term benefits;
- d) Termination benefits; and
- e) Share-based payment.

AASB 124.18

If the local government has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:

- a) The amount of the transactions;
- b) The amount of outstanding balances, including commitments, and
 - i. their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - ii. details of any guarantees given or received;
- c) Provisions for doubtful debts related to the amount of outstanding balances; and
- d) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

AASB 124.18A

Amounts incurred by the local government for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.

AASB 124.19

The disclosures required by paragraph 18 should be made separately for each of the following categories:

- a) The parent;
- b) Entities with joint control or significant influence over the entity;
- c) Subsidiaries;
- d) Associates;
- e) Joint ventures in which the entity is a venturer;
- f) Key management personnel of the entity or its parent; and
- g) Other related parties.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

DISCLOSURES (CONTINUED)

AASB 124.21

The following are examples of transactions that are disclosed if they are with a related party:

- a) purchases or sales of goods (finished or unfinished);
- b) purchases or sales of property and other assets;
- c) rendering or receiving of services; and
- d) leases.

AASB 124.23

Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

AASB 124.24

Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the local government.

RELEVANT DEFINITIONS

AASB 124.9

Related Party:

A person or entity that is related to the local government that is preparing its financial statements.

A person or a close member of that person's family is related if that person:

- i. (not applicable to local government);
- ii. Has significant influence over the reporting entity; or
- iii. Is a member of the key management personnel of the reporting entity.

An entity is related if any of the following conditions applies:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others) - may be applicable; or
- ii. A person is a member of the key management personnel of the entity.

Note: Many of the other conditions listed in this paragraph do not apply and we have chosen, for the sake of clarity, not to list them here.

Related Party Transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

RELEVANT DEFINITIONS (CONTINUED)

Close Members of the Family of a Person:

Those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- a) That person’s children and spouse or domestic partner;
- b) Children of that person’s spouse or domestic partner; and
- c) Dependants of that person or that person’s spouse or domestic partner.

Compensation

Includes all employee benefits – refer to content of AASA 124.9 for specific details.

Key Management Personnel

Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

In the case of local government will include all Councillors and Senior Staff.

Senior Staff would include the CEO, deputy CEO and any staff member at a Director or Executive Manager level.

In the case of rural/regional local governments, there would also be the need to include the works supervisor, health inspector, planning officer where they have direct responsibility for an operational area of local government.

SUBSTANCE OVER FORM

AASB 124.10

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

CLARIFICATIONS

AASB 124.11

In the context of AASB 124, the following are not related parties:

- a) Two entities simply because they have a member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
- b) Two joint ventures simply because they share joint control over a joint venture.
 - i. providers of finance,
 - ii. trade unions,
 - iii. public utilities, and
 - iv. departments and agencies of a government that does not control, jointly control or significantly influence the local government.
 - v. simply by virtue of their normal dealings with the local government (even though they may affect the freedom of action of a local government or participate in its decision-making process).
- c) A customer, supplier, franchisor, distributor or general agent with whom the local government transacts a significant volume of business.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

EXAMPLE DISCLOSURE

NOTE: Such disclosure is not required until the year ended 30 June 2017. The City/Town/Shire of Somewhere model will be adjusted to incorporate the disclosure requirements of AASB 124 at that time.

The purpose of this example disclosure is to provide information and guidance with respect to upcoming requirements.

They are in addition to existing disclosure requirements which will be adjusted at the time.

For example, if material, certain disclosures relating to sales of goods, assets etc are already made elsewhere in the financial report and can easily be expanded to include a line item for related parties.

We have also only provided examples of those relating to local government with a comment on their likelihood.

Please see pages 6 and 7 for example disclosure.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

EXAMPLE DISCLOSURE

Key Management Personnel Compensation Disclosure

The totals of remuneration paid to KMP of the City/Town/Shire during the year are as follows:

	2017	2016
	\$	\$
AASB 124.17(a) Short-term employee benefits	AAA	EEE
AASB 124.17(b) Post-employment benefits	BBB	FFF
AASB 124.17(c) Other long-term benefits	CCC	GGG
AASB 124.17(d) Termination benefits	DDD	HHH
Total KMP compensation	ZZZ	XXX

Short-term employee benefits

These amounts include all salary, paid leave benefits, fringe benefits and cash bonuses awarded to KMP.

Details in respect to fees and benefits paid to Councilors may be found at Note XX.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City/Town/Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

EXAMPLE DISCLOSURE (CONTINUED)

Related Party Transactions Detail Disclosure**Related Parties****The City/Town/Shire’s main related parties are as follows:**i. *Key management personnel:*

AASB 124.9, 18

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Councilor, are considered key management personnel.

ii. *Entities subject to significant influence by the City/Town/Shire*

AASB 124.9, 18

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

For details of interests held in associated entities, refer to Note X.

iii. *Joint venture entities accounted for under the equity method:*

AASB 124.9, 18

The Group has a 50% interest in Somewhere Regional Council. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note YY.

Transactions with related parties:

AASB 124.23

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

The following transactions occurred with related parties:

2017**\$****Associated companies/individuals:**

Sale of goods and services

Likely

Purchase of goods and services

Likely

Joint venture entities:AASB 124.18(a),
19(e), 21(g)

Distributions received from joint venture entities

Possible

Amounts outstanding from related parties:

Trade and other receivables

Possible

Loans to associated entities

Possible but highly unlikely

Loans to key management personnel

Possible but highly unlikely

Note: If loans of this nature are provided, then details relating to terms and conditions should be disclosed in narrative form.

Amounts payable to related parties:

Trade and other payables:

Loans from associated entities

Possible



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

IMPLEMENTATION GUIDANCE

Implementation and guidance applying to public sector entities (ie local government) forms an integral part of AASB 124.

Some key paragraphs to assist with interpretation have been extended and are detailed (unaltered) as follows:

KEY MANAGEMENT PERSONNEL

AASB 2015-6. IG 3

Paragraph 9 of the Standard defines key management personnel as being those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. In a public sector context, entities should consider the facts and circumstances in assessing whether a person is a member of the key management personnel, as defined, of the entity. For example, the facts and circumstances may reflect that not all persons described as ‘senior executive staff’ or ‘Secretary’ or ‘Minister’ may be key management personnel of the entity. Similarly, in relation to a not-for-profit public sector entity, the facts and circumstances may reflect that a person’s powers do not give rise to a capacity to direct or control the activities of an entity, where the powers are only ceremonial or procedural in substance.

RELATED PARTY TRANSACTIONS

AASB 2015-6. IG 9

Paragraph 18 of the Standard requires an entity to disclose information about transactions that have occurred between the entity and its related parties, including transactions between the entity and its key management personnel or key management personnel of the entity’s parent, that is necessary for users to understand the potential effect of the relationship on the financial statements.

AASB 2015-6. IG 10

Ministers, councillors and other senior public servants may qualify as a related party of a public sector entity under one or more of the criteria set down in paragraph 9(a) of the definition of ‘related party’ in AASB 124. For example, a Minister who is a member of the key management personnel of his government is, under the definition of ‘related party’, a related party not only of the government but also of each controlled entity of that government. In such instances, the Standard requires the controlled government entity to disclose related party transactions with that Minister, whether or not the Minister has responsibility for the entity.

AASB 2015-6. IG 11

A related party transaction is a transfer of resources, services or obligations between an entity and its related party, regardless of whether a price is charged. In the not-for-profit public sector, many entities are likely to engage frequently with persons who are a related party of that entity in the course of delivering the entity’s public service objectives, including the raising of funds (for example, rates and taxes) to meet those objectives. These related party transactions often occur on terms and conditions no different to those applying to the general public (for example, the Medicare rebate or public school fees). A not-for-profit public section entity may determine that information about related party transactions occurring during the course of delivering its public service objectives and which occur on no different terms to that of the general public is not material for disclosure in its general purpose financial statements is included in AASA 101 “Presentation of Financial

Statements and AASA 108 “Accounting Policies, Changes in Accounting Estimates and Errors. The factors described in paragraph 27 of the Standard may also assist an entity in making this determination.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

IMPLEMENTATION GUIDANCE (CONTINUED)

AASB 2015-6. IG 12

Examples 7-8 describe different types of related party transactions that may occur between not-for-profit public sector entities and their related parties.

Example 7

Councillor P is a member of the key management personnel of the LMN local government (the Council). The Council’s functions include raising revenue to fund its functions and activities, and planning for and providing services and facilities (including infrastructure) for the local community. In carrying out its functions, the Council undertakes a wide range of activities including the imposition of rates and charges upon constituents, and the provision without charge of services such as parks and roads.

Councillor P is a ratepayer residing within the Council’s constituency. As such, he takes advantage of the availability of free public access to local parks and libraries. Councillor P also used the swimming pool at the Council’s Recreation Centre twice during the financial year, paying the casual entry fee applicable to the general public each time. The recreation centre has approximately 20,000 visitors each financial year.

All of the transactions described above between the Council and Councillor P are related party transactions of the Council and are considered for disclosure in the Council’s general purpose financial statements. Based on the facts and circumstances described, the Council may determine that these transactions are unlikely to influence the decisions that users of the Council’s financial statements make having regard to both the extent of the transactions, and that the transactions have occurred between the Council and Councillor P within a public service provider/taxpayer relationship.

Note: Example 8 was not included as it does not relate to local government.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

BASIS FOR CONCLUSIONS

Whilst not forming part of the standard, the AASB has provided explanations in respect to their conclusions. We have extracted (unaltered) some key bases (as they relate to local government).

DEFINITION OF KEY MANAGEMENT PERSONNEL

AASB 2015-6. BC 8

The Board considered whether an amendment of the definition of key management personnel for the not-for-profit public sector would be necessary to facilitate a decision to remove the not-for-profit public sector exemption from AASB 124, but decided that the present definition was suitable. The AASB noted that, in a public sector context, entities should consider the facts and circumstances in assessing whether a person is a member of the key management personnel, as defined, of the entity.

AASB 2015-6. BC 9

The Board considered that normally, the determination of key management personnel will be similar for entities in the public sector or the private sector. For example, a not-for-profit public sector entity will need to determine whether all, or only certain, of its senior executive service employees meet the definition of key management personnel. However, the Board acknowledged constituents' concerns that the determination of key management personnel may not be straightforward in the not-for-profit public sector given ministerial type roles. The Board noted that it does not regard a Minister to always be a member of the key management personnel of a not-for-profit public sector entity or of a for-profit public sector entity; rather, this is dependent on the particular circumstances of the jurisdiction and of the entity. Accordingly, the Board decided to add guidance to the Standard, in the absence of a private sector analogy, to assist public sector entities in applying the definition of key management personnel to Ministers, as ministerial-type roles do not usually arise in a private sector.

AASB 2015-6. BC 17

The Board noted that, as is often the case with related party transactions, judgement would be required as to when transactions are material, especially when qualitative assessments are made about the nature of transactions. The Board considered situations in which Ministers or local government councillors paid taxes, levies or other statutory charges or fees faced generally by citizens. The Board does not expect, absent unusual circumstances, that the application of materiality would result in disclosure in many of these situations. In contrast, a commercial contract entered into by a Minister or local government councillor with a related public sector entity may be relevant for disclosure, similar to a commercial contract between a member of the key management personnel of a for-profit entity and the reporting entity (for example, a contract to provide accountancy services between the entity and an entity controlled by a member of the key management personnel). Accordingly, the Board observed that a not-for-profit public sector entity would also need to apply judgement in determining the extent of information it needs to collect to meet the objective of AASB 124, as there is little value in an entity incurring significant costs to obtain data that is immaterial for disclosure. The Board noted that it would expect appropriate criteria to be identified so that information about transactions that are possible material (for example, transactions that have occurred at a different price or volume to that applying to the general public) is captured for assessment.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

DEFINITION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

AASB 2015-6. BC 18

Having regard to the role of materiality, the Board decided that no specific exemption from disclosure of the related party transactions with key management personnel of a not-for-profit public sector entity, including any Ministers or local government councillors where so identified, was necessary. However, to respond to constituents’ requests for clarification on the extent of disclosures required of related party transactions that occur in the not-for-profit public sector, the Board decided to add implementation guidance to AASB 124 to assist not-for-profit public sector entities in this regard.

APPLICATION DATE AND TRANSITIONAL PROVISIONS

AASB 2015-6. BC 30

The Board considered the application date and transitional provisions of the amendments to extend the scope of AASB 124 to include not-for-profit public sector entities. The Board acknowledged constituent concerns about the ability of existing systems, processes and controls to capture the information required, and requests for a lengthy transition period prior to mandatory application of the amendments.

AASB 2015-6. BC 31

The Board was disinclined to unnecessarily further extend the period to which these amendments are on issue before mandatory application, having made its key decisions on the amendments in 2012, and as the finalised amendments are largely as were exposed. Further, the Board noted that Australian Implementation Guidance to AASB 10 Consolidated Financial Statements relating to the application of control by not-for-profit entities had been issued by the Board in October 2013. The Board also noted that the forthcoming issue of an amending standard extending the scope of AASB 124 to not-for-profit public sector entities has been signalled in its publicly available work program. Accordingly, the Board decided that the amendments should apply to annual reporting periods beginning on or after 1 July 2016.

AASB 2015-6. BC 32

However, having regard to constituent concerns, the Board decided not to require comparative related party disclosures to be presented in the period of initial application of the amendments.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

BUSINESS OPERATING PROCEDURE

Corporate Services/Governance & Finance

Procedure Number XXX

PROCEDURE FOR RELATED PARTY DISCLOSURES

The scope of AASB 124 *Related Party Disclosures* was extended in July 2015 to include application by not-for-profit entities, including local governments. The operative date for Local Government is 1 July 2016, with the first disclosures to be made in the Financial Statements for year ended 30 June 2017. This procedure outlines required mechanisms to meet the disclosure requirements of AASB 124.

BACKGROUND

The objective of the standard is to ensure that an entity's financial statements contain disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and transactions.

The disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the **Shire/Town/City** must make an informed judgement as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required.

The purpose of this procedure is to stipulate the information to be requested from related parties to enable an informed judgement to be made.

1. Identification of Related Parties

AASB 124 provides that the **Shire/Town/City** will be required to disclose in its Annual Financial reports, related party relationships, transactions and outstanding balances.

Related parties includes a person who has significant influence over the reporting entity, a member of the key management personnel (KMP) of the entity, or a close family member of that person who may be expected to influence that person.

KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

For the purposes of determining the application of the standard, the **Shire/Town/City** has identified the following persons as meeting the definition of *Related Party*:

- An elected Council member
- Key management personnel being a person employed under section 5.36 of the Local Government Act 1995 in the capacity of Chief Executive Officer or Director
- Close members of the family of any person listed above, including that person's child, spouse or domestic partner, children of a spouse or domestic partner, dependents of that person or person's spouse or domestic partner.
- Entities that are controlled or jointly controlled by a Council member, KMP or their close family members. (Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs).

The **Shire/Town/City** will therefore be required to assess all transactions made with these persons or entities.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”**2. Identification of related party transactions**

A related party transaction is a transfer of resources, services or obligations between the **Shire/Town/City** (reporting entity) and the related party, regardless of whether a price is charged.

For the purposes of determining whether a related party transaction has occurred, the following transactions or provision of services have been identified as meeting this criteria:

- Paying rates
- Fines
- Use of **Shire/Town/City** owned facilities such as **[Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces (whether charged a fee or not)]**
- Attending council functions that are open to the public
- Employee compensation whether it is for KMP or close family members of KMP
- Application fees paid to the **Shire/Town/City** for licences, approvals or permits
- Lease agreements for housing rental (whether for a **Shire/Town/City** owned property or property sub-leased by the **Shire/Town/City** through a Real Estate Agent)
- Lease agreements for commercial properties
- Monetary and non-monetary transactions between the **Shire/Town/City** and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the **Shire/Town/City** (trading arrangement)
- Sale or purchase of any property owned by the **Shire/Town/City**, to a person identified above.
- Sale or purchase of any property owned by a person identified above, to the **Shire/Town/City**
- Loan Arrangements
- Contracts and agreements for construction, consultancy or services

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. These transactions are those that an ordinary citizen would undertake with council and are referred to as an Ordinary Citizen Transaction (OCT). Where the **Shire/Town/City** can determine that an OCT was provided at arms length, and in similar terms and conditions to other members of the public and, that the nature of the transaction is immaterial, no disclosure in the annual financial report will be required.

3. Disclosure Requirements

For the purposes of determining relevant transactions in point 2 above, elected Council members and key management personnel as identified above, will be required to complete a *Related Party Disclosures - Declaration* form for submission to financial services.

Ordinary Citizen Transactions (OCTs)

Management will put forward a draft resolution to Council annually, declaring that in its opinion, based on the facts and circumstances, the following OCT that are provided on terms and conditions no different to those applying to the general public and which have been provided in the course of delivering public service objectives, are unlikely to influence the decisions that users of the Council's financial statements make. As such no disclosure in the quarterly *Related Party Disclosures - Declaration* form will be required.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

- Paying rates
- Fines
- Use of **Shire/Town/City** owned facilities such as Recreation Centre, Civic Centre, library, parks, ovals and other public open spaces (whether charged a fee or not)
- Attending council functions that are open to the public

Where these services were not provided at arms length and under the same terms and conditions applying to the general public, elected Council members and KMP will be required to make a declaration in the *Related Party Disclosures - Declaration* form about the nature of any discount or special terms received.

All other transactions

For all other transactions listed in point 2 above, elected Council members and KMP will be required to make a declaration in the *Related Party Disclosures - Declaration* form.

Frequency of disclosures

Elected Council members and KMP will be required to complete a *Related Party Disclosures - Declaration* form each quarter.

Disclosures must be made by all Councillors immediately prior to any ordinary or extraordinary election.

Disclosures must be made immediately prior to the termination of employment of/by a KMP.

Confidentiality

All information contained in a disclosure return, will be treated in confidence. Generally, related party disclosures in the annual financial reports are reported in aggregate and as such, individuals are not specifically identified. Notwithstanding, management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and materiality. Individuals may be specifically identified, if the disclosure requirements of AASB 124 so demands.

4. Materiality

Management will apply professional judgement to assess the materiality of transactions disclosed by related parties and their subsequent inclusion in the financial statements.

In assessing materiality, management will consider both the size and nature of the transaction, individually and collectively.

Associated Regulatory Framework

AASB 124 Related Party Disclosures

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Associated Policies

Include if relevant

Further Information

Related Party Disclosures - Declaration form



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

Review Responsibility

Coordinator Financial Services

Date Adopted: XX

Review Required: As Required

Review Undertaken: XX

_____	_____	Approved / Not Approved
Chief Executive Officer	Date	



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

Close Family Members

Close family members include:

- a child, spouse or domestic partner;
- children of your spouse or domestic partner;
- dependents of you or your spouse or domestic partner;
- any other close family member;

who may be expected to influence, or be influenced by, your dealings with the council.

The following table may assist you in identifying your close family members:

Definitely a close family member	May be a close family member
Your spouse/domestic partner	Your brothers and sisters, if they could be expected to influence or be influenced by you in their dealings with council
Your children	Your aunts, uncles and cousins, if they could be expected to influence or be influenced by you in their dealings with council
Your dependants	Your parents and grandparents, if they could be expected to influence or be influenced by you in their dealings with council
Children of your spouse/domestic partner	Your nieces and nephews, if they could be expected to influence or be influenced by you in their dealings with council
Dependants of your spouse/domestic partner	Any other member of your family if they could be expected to influence or be influenced by you in their dealings with council

There may be relationships that a council has which are not identified in this appendix but still meet the definition of a related party.

Example: Cousin of Councillor

A Councillor for the **Shire/Town/City** has lived in the **Shire/Town/City** her whole life. In fact her family has been in the area for generations.

The Councillor's cousin, owns and operates the local newsagent through a company ABC Pty Ltd, in which she owns 100% of the shares. The Councillor and her cousin have always been close and regularly socialise together.

From these facts it would appear that the Councillor's cousin is a close family member of the Councillor because she would be expected to influence, or be influenced by, that person in her dealings with Council.

Both the cousin and the company she controls, ABC Pty Ltd would therefore be related parties of Council.

Any transactions that the Council makes with the newsagent would need to be separately identified and may need to be disclosed.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

Control in entities

What is an entity that I, or my close family member, control or jointly control?

Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships.

You control an entity if you have

- a) power over the entity;
- b) exposure, or rights, to variable returns from involvement with the entity; and
- c) the ability to use your power over the entity to affect the amount of your returns.

To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In some cases it will be obvious that you or a family member control or have joint control over an entity. In other cases it will be less clear.

In some cases it will be obvious that you or a family member control or have joint control over an entity. In other cases it will be less clear.

If you are unsure whether you, or a close family member, has control or joint control of an entity then you should contact the Manager Financial Services for a confidential discussion.

Example: Clubs or other incorporated bodies

(A **Shire/Town/City** Councillor is the President of a local football club)

A **Shire/Town/City** Councillor is the President of **Shire/Town/City** Football Club Inc, the local football club. This club is overseen by a committee which comprises the President and four other committee members. Each member has a single vote when making decisions at meetings. The committee members are not related and do not have agreements to vote with one another. The club has over 100 members that each have a vote in electing the committee members at the club's annual general meeting.

From these facts it would appear that the Councillor does not control or jointly control the football club so it will not be a related party of Council just because the Councillor is the president of the club.

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

Other examples

Example 1 (Audit committee member)

Shire/Town/City of Anywhere's audit committee comprises two Councillors and a local retired accountant, Fred. Fred has no other connection with the council.

The audit committee attends to the functions as required under the *Audit Regulations*. It does not make any decisions on behalf of the council but simply provides reports, with recommendations, for the Mayor and councillors to consider.

Based on the facts outlined Fred would not be a KMP of council.

Example 2 (Son of CFO employed by council)

Shire/Town/City of Anywhere has recently employed Paul's son (George) in the Council's parks and garden's area. Paul is Council's Deputy Chief Executive Officer but was not involved in hiring George. This process was managed by the Director of Parks and Gardens and included an independent assessment process. Paul did not have any influence in George securing the job.

Paul has been identified as a KMP of council, which makes him a related party.

George will also be a related party of Council because he is a close family member of Paul. The recruitment process that was undertaken for George's position is irrelevant when assessing whether George is a related party.

Example 3 (Cousin of Mayor - related party commonly known but omitted from declaration)

Shelley, the Mayor of Shire/Town/City of Nowhere forgets to include her cousin Mavis, and Mavis' company, when she completes her KMP declaration.

It is commonly known in the community that Shelley and Mavis are close and that Shelley would be expected to influence, or be influenced by, Mavis in her dealings with Council and vice versa.

Mavis and her company are related parties of Council, even though Shelley omitted them from her declaration.

Example 4 (Example of control)

Fred is the Mayor of Shire/Town/City of Nowhere and owns 100% of the ordinary shares in Shire/Town/City of Nowhere Development Company Pty Ltd (the company). The ordinary shares are the only shares in the company that have voting rights.

Fred controls the company because he has the power to affect the company's decisions and the return that he will get from the company.

Fred will need to include the company on his related party declaration.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

Example 5 (Example of joint control)

Fred is the Mayor of **Shire/Town/City of Nowhere** and owns 50% of the ordinary shares in **Shire/Town/City of Nowhere** Development Company Pty Ltd (the company). Fred's brother Stan owns the other 50% of ordinary shares. Fred and Stan are the only Directors of the company and have equal voting rights on the board.

Fred and Stan have joint control of the company because any decisions require the unanimous consent of them both.

Fred will need to include the company on his related party declaration.



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

RELATED PARTY DISCLOSURES - DECLARATION

As per requirements of AASB 124 Related Party Disclosures, and Business Operating Procedure – Related Party Disclosures. For additional information to assist you in making a declaration, please refer to the Appendices to this form.

The following declaration must be completed by all Council members, the CEO and Directors of the **Shire/Town/City** who were elected or employed at any time during the financial year.

Disclosure Period (Quarter Ended):	
Person making disclosure:	
Position held by person: e.g. Councillor, Director	

1. CLOSE MEMBERS OF THE FAMILY (See Appendix 1)

Name of Family Member	Relationship to you
If there has been no change since your last declaration, please complete “No Change”	



AASB 124 – “RELATED PARTY DISCLOSURES”

[illegible]

SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

3. ORDINARY CITIZEN TRANSACTIONS – NOT PROVIDED AT ARMS LENGTH

Did you or any member of your close family use facilities provided at Recreation Centre, attend any event at the Civic Centre, or use any other council provided facility AND you received a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person using the facility	Service/Facility used	Nature of transaction	Nature of discount or special conditions received.

Note: Recreation Centre membership provided as part of employment has been provided under the same terms as those memberships provided to the public.

4. LEASING AGREEMENTS - DOMESTIC RESIDENTIAL

Did you, a close family member or related entity, enter into a lease agreement with the **Shire/Town/City** (either as lessee or lessor) for the provision of a domestic rental property (Includes properties owned by the **Shire/Town/City** and privately owned properties sub-leased through the **Shire/Town/City** from a real estate agent)? Did you receive or provide a discount or special terms that would not otherwise be offered to any other member of the public?

Name of Person party to the lease	Property Address	Term of Lease & Weekly rent	Detail of any non-arms length conditions



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

5. LEASING AGREEMENTS - COMMERCIAL

Did you, a close family member or related entity, enter into a commercial leasing agreement with the **Shire/Town/City** for the provision of a commercial property? Did you receive a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person party to the lease	Property Address	Term of Lease & Weekly rent	Detail of any non-arms length conditions

6. TRADING ARRANGEMENTS

Were you or a close family member (as defined above) the owner of any business (or in a position to substantially control the business) that provided goods or services to the **Shire/Town/City**? Were those goods or services provided on the same terms and conditions as those available to any other customer? If not, please provide details of the specific terms provided to the **Shire/Town/City**.

Business name	Goods or services provided	Approximate value for the reporting period	Terms & conditions



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

7. OTHER AGREEMENTS (Construction, Consultancy, Service Contracts)

Did you, a close family member or related entity, enter into any other agreements/arrangements with the **Shire/Town/City** (whether or not a price was charged)?

This may include (but is not limited to): construction contracts, consultancy services, service contracts (such as cleaning, maintenance, security).

For e.g. a company that a close family member controls, was awarded a contract with the **Shire/Town/City** for building a new office facility.

Name of person or business/company	Nature of agreement	Value of agreement	Terms & conditions



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

8. PURCHASE OF PROPERTY

Did you, a close family member or related entity, purchase any property or other assets from the **Shire/Town/City**? (This may include vehicles or other plant items, land or buildings).

Was the purchase made at arms length (for e.g. at public auction), and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided to you.

Name of person or entity name	Property purchased	Value of the purchase	Terms & conditions

9. SALE OF PROPERTY

Did you, a close family member or related entity, sell any property or other assets to the **Shire/Town/City**? (This may include vehicles or other plant items, land or buildings).

Was the sale made at arms length, and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided.

Name of person or entity name	Property Sold	Value of the Sale	Terms & conditions



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

10. FEES & CHARGES FOR APPLICATIONS

Did you, a close family member or related entity, make an application to Council for a trading, building, planning or development application, licence or approval, or any other type of permit or licence?

Name of person or entity name	Application type	Application and/or receipt number

11. SELF SUPPORTING LOANS

Did you, a close family member or related entity, enter into a loan agreement with the **Shire/Town/City**?
For e.g. a club for which you have control (See Appendix 2 for example)

Name of person or entity name	Loan details	Value of the loan	Terms & conditions

12. OTHER AGREEMENTS

Please list any other agreement or arrangement you believe is a related party transaction and should be declared.

Name of person or business/company	Nature of agreement	Value of agreement	Terms & conditions



SOMEWHERE

AASB 124 – “RELATED PARTY DISCLOSURES”

I declare that all information and details provided in this form are true and correct to the best of my knowledge and belief and that no known relevant information has been omitted.

I have made this declaration after reading the information supplied by Council which details the meaning of the definitions to which this declaration relates.

SELECT OPTION 1: ☐ Handwritten Signature

Signed: _____ Date: ____/____/____

Once signed please provide to the **Manager Financial Services**.

OR

SELECT OPTION 2: ☐ Electronic Signature

This form can be sent by email to the **Manager Financial Services** provided the email is sent by the person making the disclosure from their work or personal (e.g. Councillors) email account.





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



AASB 124 Related Party Disclosures

Implementation Guide

June 2017



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AASB 124 Related Party Disclosures – Information on Implementation (May 2017)

Prepared by: Department of Local Government and Communities

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All or part of this document may be copied. Due recognition of source would be appreciated. If you would like more information please contact the Department of Local Government and Communities.

Reporting Period

Effective for reporting periods beginning on or after 1 July 2016, local governments must disclose certain related party relationships and related party transactions together with information associated with those transactions in its annual financial report in order to comply with Australian Accounting Standard AASB 124 Related Party Disclosures (AASB 124).

This is a requirement specified by the Australian Accounting Standard and is different from the Disclosure of Interest and Gift and Travel Disclosure requirements that are imposed under the *Local Government Act 1995* and associated Regulations.

Objective of AASB 124

The objective is to ensure that local government financial statements contain the disclosures necessary to draw attention to the possibility that its financial position may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties¹.

It is important to note that AASB 124 is not designed to detect and report fraud or misconduct. It is more so to enhance transparency and accountability of council transactions. This view is reiterated in AASB's April 2017 Agenda Decision² that the purpose of AASB 124 is not for assessing governance or probity issues.

Definition of a Related Party of Council

A person or entity that is related to council as defined in AASB 124, paragraph 9.

It is important that each local government consider the contents in AASB 124 and how it applies to its own situation. In considering possible related party relationships, attention is directed to the substance of the relationship and not merely the legal form³. Some of the related parties a local government can have are listed below.

- Entities related to council (i.e. an entity set up, controlled, or is significantly influenced by council such as a regional council and regional subsidiaries);
- Key Management Personnel (KMP) of council (i.e. mayor/president, councillors, CEOs and/or managers/directors).

¹ AASB 124, paragraph 1

² AASB Agenda Decision, "Materiality of Key Management Personnel Related Party Transactions of Not-For-Profit Public Sector entities", April 2017

³ AASB 124, paragraph 10

- Close family members of Key Management Personnel (KMP); and
- Entities that are controlled or jointly controlled by KMP or their close family members (i.e. joint ventures, companies, sporting clubs).

Entities Related to Council

A local government (council) related entity is an entity 'controlled' or 'jointly controlled' by council or over which council has 'significant influence'.

When identifying these entities, council will need to consider 'AASB 10 Consolidated Financial Statement', 'AASB 11 Joint Arrangement' and 'AASB 128 Investments in Associates and Joint Ventures'.

AASB 128 provides definition of the following key words:

- 'Significant influence' is defined as the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies.
- 'Joint control' is the contractually agreed sharing of control of an arrangement, and exists only when a decision relating to the activity requires the unanimous consent of the parties sharing control.

It is likely that all regional councils and regional subsidiaries will meet the definition of a related entity. For other entities, council will need to apply the definitions test in accordance with the Standard.

Key Management Personnel (KMP) of council

KMP, close family members of KMP and entities that are related to KMP or their close family members are related parties.

AASB 124 paragraph 9 defined KMP as persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

It is likely that mayors/presidents, councillors, CEOs, senior executives and/or senior officers are KMP. However, it would depend on the council's structure, delegation and position descriptions. Each local government will need to use judgement to decide which individual meets the definition requirement of a KMP.

Close Family Members of KMP

Close family members of KMP are those family members who may be expected to influence, or be influenced by the KMP in their dealing with the local government (such as, without limitation, parents, sibling, grandparents, uncles/aunts or cousins).

Entities controlled or jointly controlled by KMP or their close family members are related parties.

Examples of Related Parties

Please refer to AASB 124 – Australian Implantation Guidance for not-for-profit public sector entities. Examples 4 and 7 are relevant to local government.

The Queensland Department of Infrastructure, Local Government and Planning (DILGP) has developed a guidance [bulletin](#) on related party transactions.

The bulletin has been developed in consultation with the Queensland Audit Office and is a useful reference.

Appendix 1 of the bulletin provides five useful examples that illustrate the different types of related parties.

Appendix 2 in the bulletin contains a table that lists common related parties of council.

Definition of a related party transaction

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged⁴.

⁴ See AASB 124, paragraph 9

Determining if a related party transaction requires disclosure

Related party transactions that are not considered to be material do not need to be disclosed. The Australia Implementation Guidance provides the following comment regarding materiality:

“As is often the case with related party transactions, judgement would be required as to when transactions are material, especially when qualitative assessments are made about the nature of the transaction.... the entity would also need to apply judgement in determining the extent of information it needs to collect to meet the objective of AASB 124, as there is little value in an entity incurring significant costs to obtain data that is immaterial for disclosure.”⁵

AASB’s April 2017 Agenda Decision provided further clarity that the key assessment is whether knowledge of the relationship and terms and conditions could influence a user’s understanding of the impact on the financial statements. Where the impact on the financial statements is not material the transaction is not required to be disclosed.

Similarly, NSW Office of Local Government – Code of Account Practice and Financial Reports provides the following:

“When councils are considering whether a disclosure of a related party transaction is material, they should consider not just the financial amount, but whether the user of the financial statements would be impacted by the information in making decisions, i.e. in their vote by councillors or if information is omitted would it made newspaper headlines if it were to be discovered.” (the Press Test).

Therefore, when assessing materiality, this should be done in consultation with council’s audit committee and external auditor and considers both the size and nature of the transaction, individually and collectively.

⁵ AASB 124, paragraph BC17

Disclosure Requirements

AASB 124 contains disclosure requirements to enable users of financial statements to understand the potential effect of the relationship on the financial statement. Key requirements are discussed below.

1. KMP Compensation in aggregate and for each of the following categories⁶:
 - a) Short-term employee benefits
 - b) Post-employment benefits
 - c) Other long-term benefits
 - d) Termination benefits
2. Relationships between council and its subsidiaries, irrespective of whether there have been transactions between them⁷.
3. Amounts incurred by council for the provision of KMP services that are provided by a separate management entity⁸.
4. Where related party transaction have occurred (this is for all categories of related parties including related entities, KMPs, KMPs' close family member/controlled entities and any other related parties council has identified):
 - a) The nature of the related party relationship;
 - b) Information about the transactions, outstanding balances and commitments including terms and conditions;*
5. Separate disclosure for each category of related party.

*In respect to the 4(b), the types of transactions disclosed can include:

- Purchase/sales and lease of goods, property and other assets
- Rendering or receiving of goods, services, property and other assets.
- Guarantees given or received
- Commitments
- Loans and settlements of liabilities

⁶ AASB 124, paragraphs 17 and 17A. Also refer to para 8 definitions in AASB 119 Employee Benefits. Note that 17A specific that if a KMP service is obtained from another entity such as an employment agency, then that should be excluded from KMP compensation disclosure and reported separately.

⁷ AASB 124, paragraphs 13, Aus13.1, 14, 15, and 16.

⁸ AASB 124, paragraph 18A.

- Expense recognised during the period in respect of bad debts
- Provisions for doubtful debts relating to outstanding balances.

Comparatives are not required for the first year of adoption, however they will be disclosed on an ongoing basis.

Sample Disclosure Note

The department has reviewed sample disclosure notes developed by local government departments in other states, the below two are selected for reference.

- Queensland Department of Infrastructure, Local Government and Planning – [Related Party Disclosure Bulletin](#), see Appendix 3.
- NSW Office of Local Government – [2016/17 Code of Accounting Practice and Financial Reporting \(update 25\)](#) – See Note 28 on page A-134.

Disclosure in aggregate or separate

For each related party category, council can disclose items of a similar nature in aggregate, except when separate disclosure is necessary for an understanding of the effect of related party transaction on financial statement⁹.

Ordinary Citizen Transaction (OCT)

Council may decide, in council's related party disclosure policy, that there are some transactions with related parties that do not need to be captured and reported. These transactions are those that an ordinary citizen would undertake with council (Ordinary Citizen Transaction) such as transactions undertaken on arm's length terms and in the ordinary course of carrying out council's functions and activities.

For example, if a KMP (i.e. a councillor) is to use the Shire's swimming pool and pays the admission fee that would be a related party transaction. However, it is unlikely that this would be material as users of the financial statements wouldn't be interested in this transaction.

⁹ AASB 124, paragraph 22.

OCTs are not material transactions because of their nature, and therefore council may wish to identify them upfront and exclude them from being recorded as a related party transaction. However, if the OCTs were to occur on terms and conditions that are different to those offered to the general public, then the transaction may become material. Care needs to be taken in identifying these types of transactions.¹⁰

If council decides to identify and exclude them up front, then council's policy may need to specify this. Some examples of OCTs include:

- Using the council's facilities after paying the normal fee
- Fines on normal terms and conditions
- Paying rates and council fees and charges

Related Party Disclosure Policy

Similar to Queensland's approach, the department recommends that each local government adopts a council policy on related party disclosures. This policy is not required by the accounting standard, and whether to adopt such a policy is at council discretion.

The policy could consider all of the steps identified below, or could concentrate on one or two key areas. For example, council's policy could simply address how, and how often, the close family members and related entities of KMP are identified and/or whether council will separately identify and collect/collate ordinary citizen transactions with related parties.

The policy could also define key terms such as arms-length, normal terms and conditions and ordinary citizen transactions or other types of transactions which may be trivial or domestic in nature that council will collect but are unlikely to report.

¹⁰ Queensland Department of Infrastructure, Local Government and Planning, related party transaction bulletin.

Recommended steps to comply with AASB 124

The Queensland Department of Local Government Related Party Bulletin provides steps to implement the related party requirements and a check list for constructing a related party disclosure policy. The steps to implement have been summarised below, and the check list is reproduced at the end of this section.

1. Establish system to identify and record related parties.
2. Identify Ordinary Citizen Transactions (OCT) that will not be disclosed.
3. Establish a system to identify and record related party transactions and related terms and conditions.
4. Assess materiality of transactions captured.
5. Make disclosure in Annual Financial Report.

Step 1 - Establish a system

Establish a system to identify related parties and relationships and monitor changes on continues basis.

The system should identify:

- Entities related to council
- KMPs
- Close family members of KMPs and their related entities.

Council may wish to outline the system that will be used in the related party disclosure policy. Alternatively, council's policy could simply specify that management are to implement a suitable system to identify related parties.

A component in the system that can be implemented includes a register of related party transactions. The Queensland related party bulletin provides a sample of such register.

Initial identification of related parties need to cover the period starting from 1 July 2016. It is important to document the process council uses to identify related parties and to provide this information to council's external auditors to substantiate disclosure in the financial statement.

A review of related parties will then need to be made at regular intervals. Particularly after events such as elections, with change of councillors as well as when there is staff movements such as changes to CEO's and senior management, including acting arrangements.

For individuals that are considered to be a KMP, the recommended procedure is for a self-assessment form to be filled out, declaring, or notifying council of any existing or potential relation party transactions between council and either themselves, their close family members or entities controlled or jointly controlled by them or any of their close members.

Step 2 - Identify ordinary citizen transactions (OCT)

Identify OCTs and specific in council policy what types of transactions can be exclude from being recorded.

Council policy will need to either specify the types of OCTs that will be excluded or specify a framework so reporting officers can identify them. See discussion on [OCT](#).

If the OCTs were to occur out of general terms and conditions and/or above materiality threshold, then these could be reported if the finance officer assessed that the disclosure is necessary for the user of the financial report to understand the effect of the transaction on the financial report.

Step 3 -Identify related party transactions

The next step is to establish, or change existing systems so that related party transactions can be separately identified and reported. This may be as simple as identifying related party transactions with a special code in council's accounting system. Council will also need a system to:

- Identify transactions that do not pass through council's accounting system.
- Identify the associated terms and conditions of the related party transactions.

Step 4 - Assess materiality

Prior to preparing the disclosure in the council's financial statements, related party transactions should be assessed for materiality. Transactions that are not considered material do not need to be disclosed.

Assessing materiality requires judgement and should be done in consultation with council's external auditor and audit committee.

When assessing materiality, councils need to consider both the size and nature of the transaction, individually and collectively.

The term “material” is defined in AASB 101 Presentation of Financial Statements (AASB 101.7) and further guidance can be found in AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (AASB 108.5) and the Framework for the Preparation and Presentation of Financial Statements (paragraph QC11). The International Accounting Standards Board has also released guidance on materiality.

Step 5 - Make the disclosures

The final step is to make the necessary disclosures in council’s annual financial statements. See [disclosures requirements](#) and [sample disclosures disclosure note](#).

Checklist for Related Party Disclosure Policy

The department suggests that councils adopt a policy about related party disclosures. This policy is not required by legislation and councils are free to choose what to include in such a policy, if one is adopted. The following checklist is provided to assist councils in considering what to include in their policy.

Note: It is important to consider how changes in KMP, their close family members and related entities will be recorded. For example, how KMP advise council about changes to close family members or entities controlled by them.

Identifying related parties section:	Check box for “yes”:
1. Will the policy need to state how council staff will identify and capture changes in:	
(a) Entities that are related to council?	<input type="checkbox"/>
(b) Key management personnel (KMP)?	<input type="checkbox"/>
(c) Close family members of KMP?	<input type="checkbox"/>
(d) Entities that are controlled or jointly controlled by KMP or their close family members?	<input type="checkbox"/>
2. Does the policy consider how councillors and staff will be kept informed if they are affected by the related party disclosure requirements, for example, will they be given a copy of the intended disclosure for comment?	<input type="checkbox"/>

Ordinary citizen transactions (OCTs) section:	Check box for “yes”:
3. Will council capture OCTs with related parties (see process for capturing transactions with related parties below)?	<input type="checkbox"/>
4. Will council disclose OCTs with related parties above a certain threshold, or where terms and conditions differ from normal practice, or not at all? (Note: OCTs that are on different terms and conditions from normal could be material in nature and give rise to an audit issue if not disclosed)	<input type="checkbox"/>
5. Does the policy need to specify how council staff will identify OCTs (if not captured)?	<input type="checkbox"/>

Ordinary citizen transactions (OCTs) section:	Check box for “yes”:
6. Does the policy need to give examples of OCTs for council staff to follow?	<input type="checkbox"/>
7. Does the policy need to identify a process for regularly reviewing OCTs?	<input type="checkbox"/>

Process to capture and record transactions with related parties section:	Check box for “yes”:
8. Will the policy need to include how council will capture related party transactions and determine their arm’s length status (i.e. terms and conditions)?	<input type="checkbox"/>
9. Will the policy need to include how the council can identify related party transactions in the accounting system and outside the accounting system (non-monetary transactions, contracts, service level agreements)?	<input type="checkbox"/>
10. Will the policy need to include the council’s record keeping requirements?	<input type="checkbox"/>

Privacy and Freedom of Information section:	Check box for “yes”:
11. Does the policy need to cover privacy issues?	<input type="checkbox"/>
12. Has the council sought advice about freedom of information and other legal obligations to be included in the policy?	<input type="checkbox"/>

Frequently Asked Questions

Question 1: Is a senior officer a KMP if not part of the executive team?

Answer: If the officer has the authority and responsibility to plan, direct and control the activities of the council, then the officer is a KMP of council. Could include any acting positions even if for a short period of time.

Question 2: Is the payment of rates by a KMP a related party transaction?

Answer: It is a related party transaction, however, council would not require disclosing this transaction if the KMP is paying rates just like every other rate payer. However, the council would need to disclose the transaction if the KMP had not paid rates as an example, for the last 3 years.

Question 3: If a KMP's child applied to do school based work experience with the council, does this need to be disclosed?

Answer: No, if the term and conditions of the work experience is the same as what is available to the general public. However, if the council made a decision to pay for the work experience when others had not been paid for the same work experience, then it may require disclosure.

Question 4: Would council officer with purchasing delegation be a KMP?

Answer: No, if the officer can exercise a financial delegation to purchase goods and services on behalf of the council it does not make them a KMP as they do not have the responsibility to plan and direct or control the activities of the council.

Question 5: What about transactions with previous KMPs (ex-councillors, CEO, council staff)?

Answer: From 1 July 2016, all local governments are required to capture related party transactions with KMP, this includes all councillors/staff members deemed as KMPs during the reporting period.

Question 6: Do services have to be provided by the related party directly or is it enough that the related party is employed by the consulting firm providing the services?

Answer: It depends on how much influence the related party has on the consultancy firm. For example, if KMP is a cleaner of a consultancy firm, there would be no influence. But if the KMP is a managing partner/director or senior employee, they would have some influence and would need to be considered.

Question 7: Does the disclosure of KMP compensation include remuneration paid during the year or accrued during the year?

Answer: It includes the total amount of KMP compensation included as part of the Income Statement – employee expenses, plus elected member's remuneration disclosed in the annual financial statement.

Question 8: Do Long Service Leave and Annual Leave balances need to be disclosed?

Answer: Amount charged for annual leave and long service leave as part of AASB 119 expense would be included. Balances are not needed to be disclosed.

Question 9: Are use of council assets also included in related party transactions?

Answer: Yes, just because it is not a financial transaction does not mean it does not need to be disclosed. E.g. if a councillor used shire equipment for personal purposes, this would be considered a transaction even though it is not a financial transaction.

Question 10: Who will be responsible for identifying and reporting related party transactions?

Answer: The finance officer responsible for financial reporting will be responsible for identifying council related parties from the council's reporting system (such as a related entities register) and assess which transaction/s require disclosure.

References and Useful Links

[AASB 124 Related Party Disclosures.](#)

[AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector](#)

[AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements and AASB 128 Investments in Associates and Joint Ventures.](#)

[Sample Council Policy – City of Wollongong related party disclosure](#)

[CPA AASB 124 Related Party Disclosures Public Sector Not-For-Profit Entities](#)

[The NSW Office of Local Government – Code of Account Practice and Financial Reports](#)

[Queensland Department of Infrastructure, Local Government and Planning– Related Party Disclosure Bulletin](#)

For more information, please contact:

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AASB 124 – RELATED PARTY DISCLOSURES



RELATED PARTY DISCLOSURES – DECLARATION

As per requirements of AASB 124 Related Party Disclosures, and Business Operating Procedure – Related Party Disclosures. For additional information to assist you in making a declaration, please refer to the Appendices to this form.

The following declaration must be completed by all Council members, the CEO and Directors of the Shire of Dowerin who were elected or employed at any time during the financial year.

Disclosure Period	
Person making disclosure	
Position held by person (e.g. Councillor/CEO/Manager)	

1. **CLOSE MEMBERS OF THE FAMILY** - See Appendix 1. (If there has been no change since your last declaration, please complete by stating “No Change”.)

Name of Family Member	Relationship to you

2. **ENTITIES THAT I, OR A CLOSE FAMILY MEMBER CONTROLS OR JOINTLY CONTROLS** - See Appendix 2. (If there has been no change since your last declaration, please complete by stating “No Change”.)

Name of Entity	Name of person who has control/nature of control

AASB 124 – RELATED PARTY DISCLOSURES

3. ORDINARY CITIZEN TRANSACTIONS – NOT PROVIDED AT ARMS LENGTH

Did you or any member of your close family use facilities provided at Recreation Centre, attend any event at the Civic Centre, or use any other council provided facility AND you received a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person using the Service/facility	Service/facility used	Nature of transaction	Nature of discount or special conditions received

4. LEASING AGREEMENTS – DOMESTIC RESIDENTIAL

Did you, a close family member or related entity, enter into a lease agreement with the Shire of Dowerin, (either as lessee or lessor) for the provision of a domestic rental property (Includes properties owned by the Shire of Dowerin and privately owned properties sub-leased through the Shire from a real estate agent)? Did you receive or provide a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person party to the lease	Property Address	Term of Lease & Weekly Rent	Detail of any non-arm's length conditions

5. LEASING AGREEMENTS – COMMERCIAL

Did you, a close family member or related entity, enter into a commercial leasing agreement with the Shire of Dowerin for the provision of a commercial property? Did you receive a discount or special terms that would otherwise not be offered to any other member of the public?

Name of person party to the lease	Property Address	Term of Lease & Weekly Rent	Detail of any non-arm's length conditions

AASB 124 – RELATED PARTY DISCLOSURES

6. TRADING ARRANGEMENTS

Were you or a close family member (as defined above) the owner of any business (or in a position to substantially control the business) that provided goods or services to the Shire of Dowerin? Were those goods or services provided on the same terms and conditions as those available to any other customer? If not, please provide details of the specific terms provided to the Shire of Dowerin.

Business Name	Goods or services provided	Approximate value for the reporting period	Terms and conditions

7. OTHER AGREEMENTS (CONSTRUCTION, CONSULTANCY, SERVICE CONTRACTS)

Did you, a close family member or related entity, enter into any other agreements / arrangements with the Shire of Dowerin (whether or not a price was charged)?

This may include (but is not limited to): construction, contracts, consultancy services, service contracts such as cleaning, maintenance, security).

Name of person or business/company	Nature of agreement	Value of agreement	Terms and conditions

8. PURCHASE OF PROPERTY

Did you, a close family member or related entity, purchase any property or other assets from the Shire of Dowerin? (This may include vehicles or other plant items, land or buildings). Was the purchase made at arm's length (for e.g. at public auction), and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided to you.

Name of person or business/company	Property purchased	Value of purchase	Terms and conditions

AASB 124 – RELATED PARTY DISCLOSURES

9. SALE OF PROPERTY

Did you, a close family member or related entity, sell any property or other assets to the Shire of Dowerin? (This may include vehicles or other plant items, land or buildings).

Was the sale made at arm's length, and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided.

Name of person or business/company	Property sold	Value of sale	Terms and conditions

10. FEES AND CHARGES

Did you, a close family member or related entity, make an application to Council for a trading, building, planning or development application, licence or approval, or any other type of permit or licence?

Name of person or entity	Application Type	Application and/or receipt number

11. SELF-SUPPORTING LOANS

Did you, a close family member or related entity, enter into a loan agreement with the Shire of Dowerin? For e.g. a club for which you have control (See Appendix 2 for example).

Name of person or entity	Loan details	Value of loan	Terms and Conditions

12. OTHER AGREEMENTS

Please list any other agreement or arrangement you believe is a related party transaction and should be declared.

Name of person or entity	Nature of agreement	Value of agreement	Terms and Conditions



AASB 124 – RELATED PARTY DISCLOSURES

I declare that all information and details provided in this form are true and correct to the best of my knowledge and belief and that no known relevant information has been omitted.

I have made this declaration after reading the information supplied by Council which details the meaning of the definitions to which this declaration relates.

OPTION 1 – HANDWRITTEN SIGNATURE ☐

Signed: _____ Date: _____

OR

OPTION 2 – ELECTRONIC SIGNATURE ☐

This form can be sent by email to the Chief Executive Officer (ceo@dowerin.wa.gov.au) provided the email is sent by the person making the disclosure from their work or personal email account.

SHIRE OF DOWERIN

MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 30 June 2017

LOCAL GOVERNMENT ACT 1995

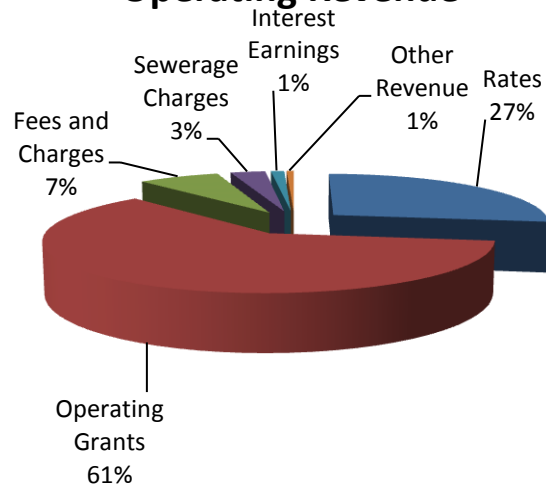
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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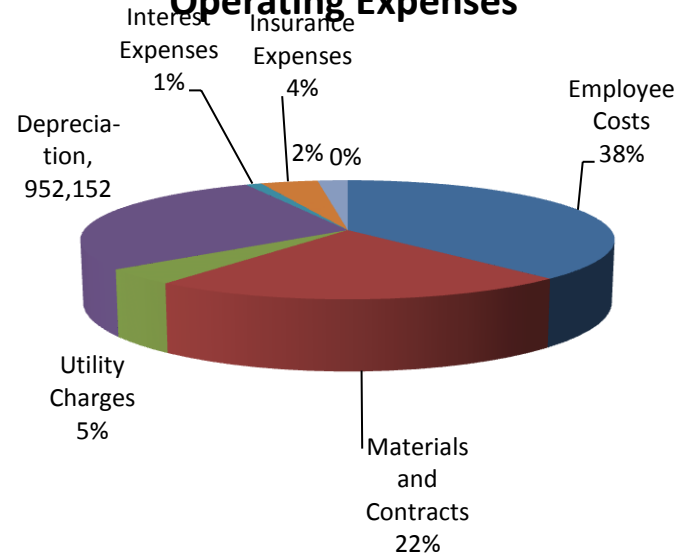
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SHIRE OF DOWERIN
Information Summary
For the Period Ended 30 June 2017

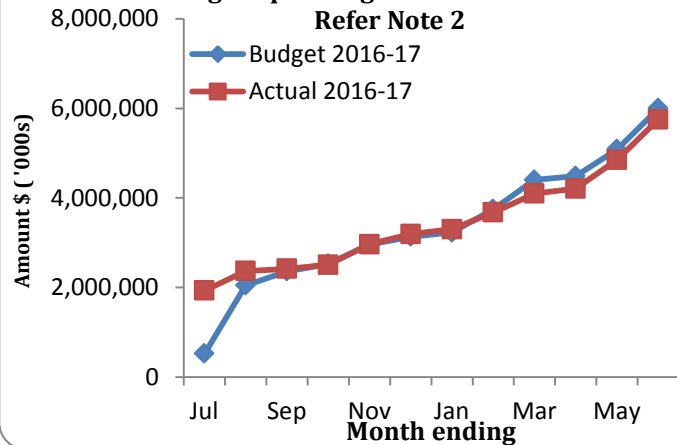
Operating Revenue



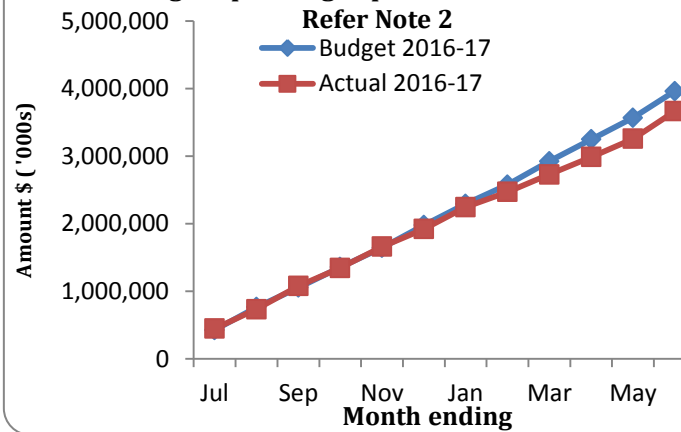
Operating Expenses



Budget Operating Revenues -v- Actual Refer Note 2



Budget Operating Expenses -v- YTD Actual Refer Note 2



SHIRE OF DOWERIN
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 30 June 2017

	Note	Original Annual Budget	Amended Annual Budget	Amended YTD Budget	YTD Actual	(b)-(-a)	(b)-	Var.
			\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	3	164,258	(16,508)	(16,508)	(16,508)	0	0%	
Revenue from operating activities								
Governance		8,525	9,205	9,205	5,137	(4,068)	(44%)	
General Purpose Funding - Rates	8	1,211,651	1,211,651	1,211,651	1,211,846	195	0%	
General Purpose Funding - Other		1,358,900	1,415,935	1,415,935	2,133,444	717,509	51%	😊
Law, Order and Public Safety		24,150	25,080	25,080	19,857	(5,223)	(21%)	😞
Health		259,000	259,000	259,000	324,840	65,840	25%	😊
Education and Welfare		129,894	129,894	129,894	98,595	(31,299)	(24%)	😞
Housing		128,256	136,368	136,368	151,297	14,929	11%	😊
Community Amenities		228,327	248,327	248,327	249,499	1,172	0%	
Recreation and Culture		80,700	80,700	80,700	82,075	1,375	2%	
Transport		146,100	146,100	146,100	144,277	(1,823)	(1%)	
Economic Services		12,176	13,444	13,444	14,932	1,488	11%	
Other Property and Services		10,501	10,501	10,501	10,075	(426)	(4%)	
		3,598,180	3,686,205	3,686,205	4,445,873			
Expenditure from operating activities								
Governance		(505,037)	(537,977)	(537,977)	(533,985)	3,992	1%	
General Purpose Funding		(134,898)	(145,498)	(145,498)	(148,585)	(3,087)	(2%)	
Law, Order and Public Safety		(81,231)	(82,731)	(82,731)	(60,758)	21,973	27%	😊
Health		(310,563)	(306,563)	(306,563)	(298,812)	7,751	3%	
Education and Welfare		(170,271)	(167,771)	(167,771)	(121,340)	46,431	28%	😊
Housing		(175,349)	(180,349)	(180,349)	(215,484)	(35,135)	(19%)	😞
Community Amenities		(310,220)	(350,590)	(350,590)	(265,042)	85,548	24%	😊
Recreation and Culture		(721,034)	(751,614)	(751,614)	(753,238)	(1,624)	(0%)	
Transport		(1,283,028)	(1,198,028)	(1,198,028)	(1,139,514)	58,514	5%	
Economic Services		(211,508)	(230,439)	(230,439)	(230,012)	427	0%	
Other Property and Services		(10,967)	(10,401)	(10,401)	100,244	110,646	1064%	😊
		(3,914,106)	(3,961,961)	(3,961,961)	(3,666,526)			
Operating activities excluded from budget								
Add back Depreciation		1,112,647	1,112,647	1,112,647	1,032,973	(79,675)	(7%)	😞
Movement in Leave Reserve		0	0	0	(48,288)	(48,288)		😞
Amount attributable to operating activities		796,721	836,891	836,891	1,764,032			
Investing Activities								
Non-operating Grants, Subsidies and Contributions	10	2,074,000	2,315,000	2,315,000	1,308,272	(1,006,728)	(43%)	😞
Land and Buildings	12	(2,473,038)	(2,768,038)	(2,768,038)	(1,651,970)	1,116,068	(40%)	
Infrastructure Assets - Roads	12	(1,123,913)	(1,123,913)	(1,123,913)	(936,370)	187,543	(17%)	
Amount attributable to investing activities		(1,522,951)	(1,576,951)	(1,576,951)	(1,280,068)			
Financing Activities								
Proceeds from New Debentures		785,250	785,250	785,250	785,250	0	0%	
Self-Supporting Loan Principal		23,002	23,002	23,002	23,002	0	0%	
Transfer from Reserves	7	300,000	581,601	581,601	581,601	0	0%	
Repayment of Debentures	9	(113,357)	(99,262)	(99,262)	(99,262)	(0)	(0%)	
Transfer to Reserves	7	(432,922)	(529,469)	(529,469)	(516,084)	13,385	3%	
Amount attributable to financing activities		561,973	761,122	761,122	774,507			
Closing Funding Surplus(Deficit)	3	0	4,554	4,554	1,241,963			



More Revenue OR Less Expenditure



Less Revenue OR More Expenditure

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to Note 2 for an explanation of the reasons for the variance.

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

SHIRE OF DOWERIN
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 30 June 2017

	Note	Original Annual Budget	Amended Annual Budget	Amended YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
			\$	\$	\$	\$	%	
Opening Funding Surplus (Deficit)	3	164,258	(16,508)	(16,508)	(16,508)	0	0%	
Revenue from operating activities								
Rates	8	1,211,651	1,211,651	1,211,651	1,211,846	195	0%	
Operating Grants, Subsidies and Contributions	10	1,871,634	1,959,637	1,959,637	2,713,330	753,693	38%	😊
Fees and Charges		286,061	290,983	290,983	310,716	19,733	7%	😊
Sewerage Charges		132,227	132,227	132,227	132,831	604	0%	
Interest Earnings		61,500	56,600	56,600	49,877	(6,724)	(12%)	😞
Other Revenue		35,107	35,107	35,107	27,274	(7,833)	(22%)	😞
Profit on Disposal of Assets		0	0	0	0			
		3,598,180	3,686,205	3,686,205	4,445,873			
Expenditure from operating activities								
Employee Costs		(1,493,710)	(1,520,200)	(1,520,200)	(1,400,825)	119,374	8%	😊
Materials and Contracts		(881,179)	(906,393)	(906,393)	(808,252)	98,142	11%	😊
Utility Charges		(147,160)	(148,160)	(148,160)	(156,757)	(8,597)	(6%)	😞
Depreciation on Non-Current Assets		(1,112,647)	(1,112,647)	(1,112,647)	(1,032,973)	79,675	7%	😊
Interest Expenses		(44,659)	(32,050)	(32,050)	(40,952)	(8,902)	(28%)	😞
Insurance Expenses		(146,402)	(150,162)	(150,162)	(148,421)	1,741	1%	
Other Expenditure		(88,350)	(92,350)	(92,350)	(78,347)	14,003	15%	😊
Loss on Disposal of Assets		0	0	0	0	0		
		(3,914,106)	(3,961,961)	(3,961,961)	(3,666,526)			
Operating activities excluded from budget								
Add back Depreciation		1,112,647	1,112,647	1,112,647	1,032,973	(79,675)	(7%)	😞
Movement in Leave Reserve		0	0	0	(48,288)	(48,288)		😞
Amount attributable to operating activities		796,721	836,891	836,891	1,764,032			
Investing activities								
Grants, Subsidies and Contributions	10	2,074,000	2,315,000	2,315,000	1,308,272	(1,006,728)	(43%)	😞
Land and Buildings	12	(2,473,038)	(2,768,038)	(2,768,038)	(1,651,970)	1,116,068	40%	😊
Infrastructure Assets - Roads	12	(1,123,913)	(1,123,913)	(1,123,913)	(936,370)	187,543	17%	😊
Amount attributable to investing activities		(1,522,951)	(1,576,951)	(1,576,951)	(1,280,068)			
Financing Activities								
Proceeds from New Debentures		785,250	785,250	785,250	785,250	0	0%	
Self-Supporting Loan Principal		23,002	23,002	23,002	23,002	0	0%	
Transfer from Reserves	7	300,000	581,601	581,601	581,601	0	0%	
Repayment of Debentures	9	(113,357)	(99,262)	(99,262)	(99,262)	(0)	(0%)	
Transfer to Reserves	7	(432,922)	(529,469)	(529,469)	(516,084)	13,385	3%	
Amount attributable to financing activities		561,973	761,122	761,122	774,507			
Closing Funding Surplus (Deficit)	3	0	4,554	4,554	1,241,964	1,237,410	27171%	😊

Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to Note 2 for an explanation of the reasons for the variance.



More Revenue OR Less Expenditure



Less Revenue OR More Expenditure

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

SHIRE OF DOWERIN
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 30 June 2017

Capital Acquisitions

	Note	Amended Annual Budget	% Source of Funding	YTD Actual Total
		\$		\$
Land and Buildings	12	2,768,038		1,651,970
Infrastructure Assets - Roads	12	1,123,913		936,370
Capital Expenditure Totals		3,891,951		2,588,340
Capital acquisitions funded by:				
Capital Grants and Contributions	10	2,315,000	59%	1,308,272
Borrowings	9	785,250	20%	785,250
Other (Disposals & C/Fwd)		0	0%	0
Council contribution - Cash Backed Reserves	7	300,000	8%	332,000
Council contribution - operations		491,701	13%	\$162,818
Capital Funding Total		3,891,951		2,588,340

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 1: Significant Accounting Policies

(a) Basis of Accounting

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments 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 statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also 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.

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.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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. All monies held in the Trust Fund are excluded from the statement, but a separate statement of those monies appears at Note 12.

(c) Rounding Off Figures

All figures shown in this statement are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government 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.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 reported as short term borrowings in current liabilities in the statement of financial position.

(g) 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.

(h) 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.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point. Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 1: Significant Accounting Policies

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
bituminous seals	20 years
asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

(k) Trade and Other Payables

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

(l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(m) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(n) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 1: Significant Accounting Policies

(o) 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 Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non current based on Council's intentions to release for sale.

(p) Nature or Type Classifications

Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service

Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure

Fees and Charges

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

Other Revenue / Income

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

Employee Costs

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Materials and Contracts

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

Utilities (Gas, Electricity, Water, etc.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

Loss on asset disposal

Loss on the disposal of fixed assets.

Depreciation on non-current assets

Depreciation expense raised on all classes of assets.

Interest expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

Other expenditure

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 1: Significant Accounting Policies

(r) Program Classifications (Function/Activity)

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GOVERNANCE

GENERAL PURPOSE FUNDING

LAW, ORDER, PUBLIC SAFETY

HEALTH

EDUCATION AND WELFARE

HOUSING

COMMUNITY AMENITIES

RECREATION AND CULTURE

TRANSPORT

ECONOMIC SERVICES

OTHER PROPERTY AND SERVICES

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 2: Explanation of Material Variances

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially. The material variance adopted by Council for the 2016/17 year is \$5,000 or 5% whichever is the greater.

😊 **More Revenue OR Less Expenditure**

☹ **Less Revenue OR More Expenditure**

Reporting Program	Var. \$	Var. %	Var .	Timing/ Permanent	Explanation of Variance
Operating Income	\$	%			
Governance	(4,068)	(44%)			Revenue not received as expected/budgeted.
General Purpose Funding - Rates	195	0%			Within Variance Threshold
General Purpose Funding - Other	717,509	51%	😊	Timing	Receipt of Financial Assistance Grants for FY 17/18 in advance.
Law, Order and Public Safety	(5,223)	(21%)	☹	Timing	ESL collection fee to be journalled
Health	65,840	25%	😊	Permanent	Receipt of HACC grant payment is higher than expected by \$65,000. Tied to specific projects in 17/18
Education and Welfare	(31,299)	(24%)	☹	Permanent	Dowerin Community Childcare wages reimbursements are \$37k lower than YTD budget, but will be offset by \$3,263 from expenditure with on 1 payroll remaining for the financial year. Overstated by Childcare.
Housing	14,929	11%	😊	Permanent	Overall Other Housing rent income higher by \$15K than YTD Budget due to increase of non-staff occupancy.
Community Amenities	1,172	0%			Within Variance Threshold
Recreation and Culture	1,375	2%			Within Variance Threshold
Transport	(1,823)	(1%)			Within Variance Threshold
Economic Services	1,488	11%			Within Variance Threshold
Other Property and Services	(426)	(4%)			Within Variance Threshold
Operating Expense	\$	%			
Governance	3,992	1%			Within Variance Threshold
General Purpose Funding	(3,087)	(2%)			Within Variance Threshold
Law, Order and Public Safety	21,973	27%	😊	Permanent	Depreciation is \$12K lower than YTD budget. Staff will review depreciation rates with the development of Asset Management plans and end of year processes, including reassessment of revaluation data.
Health	7,751	3%			Within Variance Threshold
Education and Welfare	46,431	28%	😊	Permanent	Dowerin Community Childcare wages are approx. \$38K lower than YTD budget, with only 1 payroll left for the year
Housing	(35,135)	(19%)	☹	Permanent	Depreciation is \$10K higher than YTD Budget. Staff will review depreciation rates applied to assets, in accordance with the recent revaluations and Asset management plans. Insurance repairs \$30K to be recouped.
Community Amenities	85,548	24%	😊	Permanent	Refuse and Sewerage costs, and toilet maintenance are lower than YTD budget.
Recreation and Culture	(1,624)	(0%)			Within Variance Threshold
Transport	58,514	5%			Within Variance Threshold
Economic Services	427	0%			Within Variance Threshold
Other Property and Services	110,646	1064%	😊	Permanent	Monthly Clearing and Oncost Recovery for Works, Plant & Admin cost. To be reviewed/Over Recovery
Operating activities excluded from budget					
Depreciation	79,675	(0)	😊	Permanent	Depreciation is lower than YTD budget. Staff will review depreciation rates with the development of Asset Management plans and end of year processes, including reassessment of revaluation data.
Movement in Leave Reserve	(48,288)		☹	Permanent	This reflects the change of value in the Leave Reserve
Capital Revenues					
Grants, Subsidies and Contributions	(1,006,728)	(0)	☹	Permanent	Road Grants are lower than YTD Budget offset by reduced expenditure. \$60K to be received.
Capital Expenses					
Land and Buildings	1,116,068	(40%)		Timing	STA project invoices not received.
Infrastructure - Roads	187,543	(17%)			Roadwork's costs were less than budgeted
Financing					
Proceeds from New Debentures	0	0			Within Variance Threshold
Self-Supporting Loan Principal	0	0			Within Variance Threshold
Transfer from Reserves	0	0%			Transfers to Reserves for 2015/2016 now completed this financial year.
Opening Funding Surplus(Deficit)	0	0%			

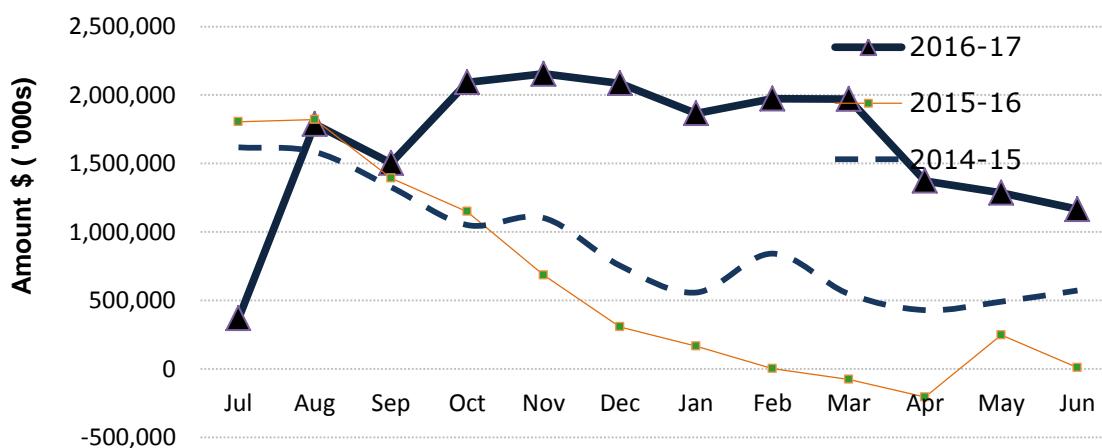
SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 3: Net Current Funding Position

Positive=Surplus (Negative=Deficit)

		Last Years Actual Closing	Current
	Note	30 June 2016	30 Jun 2017
		\$	\$
Current Assets			
Cash Unrestricted	4	168,165	1,641,611
Cash Restricted	4	1,852,913	1,787,396
Receivables - Rates		36,631	59,649
Receivables - Other		150,562	144,776
Interest / ATO Receivable/Trust		21,749	99,495
Inventories		5,503	35,256
		2,235,523	3,768,184
Less: Current Liabilities			
Payables		(308,190)	(622,611)
Current Borrowings		(85,005)	(117,509)
Provisions		(169,706)	(169,706)
		(562,901)	(909,826)
Net Current Assets		1,672,622	2,858,358
Less: Cash Reserves	7	(1,852,913)	(1,787,396)
Plus: Current Borrowings included in Budget		62,003	117,324
Plus : Liabilities funded by Cash Backed Reserves		101,780	53,493
Net Current Funding Position		(16,508)	1,241,777

Note 3 - Liquidity Over the Year



Current Ratio equals \$1:2.56
This means that for every \$1.00 of liability Council has \$2.56
of Cash available to cover current debt
The reason for this is the receipt of Grant Funding yet to be spent

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 4: Cash and Investments

	Unrestricted	Restricted	Trust	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$			
(a) Cash Deposits							
Municipal Bank Account	200,619			200,619	NAB	Variable	At Call
Cash Maximiser	1,294,474			1,294,474	NAB	2.05%	At Call
Trust Bank Account			12,307	12,307	NAB	1.00%	At Call
Cash On Hand	600			600	N/A	Nil	On Hand
(b) Term Deposits							
Term Deposit 1	91,931	888,352		980,284	NAB	2.65%	30/06/2017/At Call
Reserve Bank Account - Bendigo		899,044		899,044	Bendigo	2.70%	13-Dec-17
Municipal Term Deposit	70,306			70,306	NAB	2.65%	25/06/2017/At Call
	1,657,930	1,787,396	12,307	3,457,634			

Comments/Notes - Investments

The above balances are the funds held in bank accounts and on hand as at reporting date.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 5: Budget Amendments

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

GL Account Code	Description	Council Resolution	Classification	Original Budget	Amended Budget	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
						\$	\$	\$
	Budget Adoption		Opening Surplus(Deficit)					0
	Audited Result	OCM Res 2769	Opening Surplus(Deficit)	164,258	(16,508)		(180,766)	(180,765)
0181	GRANTS - GENERAL PURPOSE	OCM Res 2769	Operating Revenue	830,000	837,038	7,038		(170,727)
0191	INTEREST - Municipal	OCM Res 2769	Operating Revenue	1,000	7,000	6,000		(164,727)
0201	INTEREST - RESERVES	OCM Res 2769	Operating Revenue	52,500	38,600		(13,900)	(178,627)
0213	MEMBERS - REIMBURSEMENTS	OCM Res 2769	Operating Revenue	0	680	680		(177,947)
0311	GRANTS - FEDERAL ROADS	OCM Res 2769	Operating Revenue	460,000	516,397	56,397		(121,550)
0403	RATES - ENQUIRY FEES	OCM Res 2769	Operating Revenue	2,500	1,000		(1,500)	(123,050)
0733	FIRE - GOVERNMENT GRANT	OCM Res 2769	Operating Revenue	18,000	259,000	241,000		117,950
0853	DOG - REGISTRATION	OCM Res 2769	Operating Revenue	1,800	2,680	880		118,830
0863	CAT - REGISTRATION	OCM Res 2769	Operating Revenue	150	200	50		118,880
2533	OTHER HSE - RENTS	OCM Res 2769	Operating Revenue	22,880	30,992	8,112		126,992
3753	CACTUS CONTROL PROJECT	OCM Res 2769	Operating Revenue	0	20,000	20,000		146,992
6843	FIELD DAYS - RECOUP	OCM Res 2769	Operating Revenue	3,000	4,788	1,788		148,780
6863	COMMUNITY EVENTS - GRANTS, REIMBURSEMENTS ETC	OCM Res 2769	Operating Revenue	0	2,100	2,100		150,880
7053	POP UP SHOP - 28 Stewart Street	OCM Res 2769	Operating Revenue	3,120	500		(2,620)	148,260
0022	RATES - OFFICE EXPENSES	OCM Res 2769	Operating Expenses	500	600		(100)	148,160
0072	RATES - LEGAL FEES	OCM Res 2769	Operating Expenses	4,000	12,000		(8,000)	140,160
0222	MEMBERS - ELECTIONS	OCM Res 2769	Operating Expenses	0	10,000		(10,000)	130,160
0262	MEMBERS - RECEPTIONS	OCM Res 2769	Operating Expenses	10,000	7,000	3,000		133,160
0282	MEMBERS - COUNCIL CHAMBER	OCM Res 2769	Operating Expenses	10,700	1,700	9,000		142,160
0292	MEMBERS - INSURANCE	OCM Res 2769	Operating Expenses	5,900	12,200		(6,300)	135,860
0402	GOVERN - WORKCOVER ETC	OCM Res 2769	Operating Expenses	3,200	4,260		(1,060)	134,800
0412	GOVERN - STAFF TRAINING	OCM Res 2769	Operating Expenses	20,000	26,000		(6,000)	128,800
0442	WORKS - OCC HEALTH SAFETY	OCM Res 2769	Operating Expenses	6,390	11,010		(4,620)	124,180
0462	GOVERN - PRINT/STATIONERY	OCM Res 2769	Operating Expenses	7,500	15,200		(7,700)	116,480
0472	GOVERN - COMMUNICATIONS	OCM Res 2769	Operating Expenses	1,920	2,300		(380)	116,100
0482	GOVERN - ADVERTISING	OCM Res 2769	Operating Expenses	550	2,500		(1,950)	114,150
0502	FINANCE - BANK CHARGES	OCM Res 2769	Operating Expenses	6,000	8,500		(2,500)	111,650
0522	GOVERN - POSTAGE/FREIGHT	OCM Res 2769	Operating Expenses	1,100	1,800		(700)	110,950
0562	GOVERN - VEHICLE COSTS	OCM Res 2769	Operating Expenses	4,800	3,500	1,300		112,250
0592	GOVERN - AUDIT FEES	OCM Res 2769	Operating Expenses	16,700	30,900		(14,200)	98,050
0702	GOVERN - INSUR OTHER	OCM Res 2769	Operating Expenses	3,850	1,800	2,050		100,100
0852	ANIMAL - CONTROL EXPENSES	OCM Res 2769	Operating Expenses	1,000	2,500		(1,500)	98,600
1572	HACC - TRAINING & CONFERENCES	OCM Res 2769	Operating Expenses	4,000	1,000	3,000		101,600
1692	HACC - CLIENT CONSUMABLES	OCM Res 2769	Operating Expenses	1,500	500	1,000		102,600
2552	OTHER HSE - OPERATING	OCM Res 2769	Operating Expenses	30,250	35,250		(5,000)	97,600
2602	REFUSE - STREET BINS	OCM Res 2769	Operating Expenses	12,380	18,000		(5,620)	91,980
3132	MINNIVALE - CAMPING AREA TOILETS	OCM Res 2769	Operating Expenses	4,160	7,160		(3,000)	88,980
3252	LANDCARE - TOWN CATCHMENT	OCM Res 2769	Operating Expenses	250	8,000		(7,750)	81,230
3312	TOWN HALL - MAINTENANCE	OCM Res 2769	Operating Expenses	28,180	25,180	3,000		84,230
3432	SWIM POOL - MAINTENANCE	OCM Res 2769	Operating Expenses	13,120	44,200		(31,080)	53,150
3472	SWIM POOL - CHEMICALS	OCM Res 2769	Operating Expenses	6,500	4,000	2,500		55,650
3492	SWIM POOL - SUNDRIES	OCM Res 2769	Operating Expenses	0	1,500		(1,500)	54,150
3754	CACTUS CONTROL PROJECT	OCM Res 2769	Operating Expenses	0	20,000		(20,000)	34,150
3782	LANDCARE PROGRAMS	OCM Res 2769	Operating Expenses	0	7,000		(7,000)	27,150
3992	COMMUNITY BREAKFASTS	OCM Res 2769	Operating Expenses	1,500	2,000		(500)	26,650
4612	ROADS - RURAL MAINTENANCE	OCM Res 2769	Operating Expenses	466,504	386,504	80,000		106,650
6022	ROADS - WORKS DEPOT	OCM Res 2769	Operating Expenses	36,850	31,850	5,000		111,650
6802	AREA PROMOTION	OCM Res 2769	Operating Expenses	10,000	15,000		(5,000)	106,650
6803	Main Street Projects	OCM Res 2769	Operating Expenses	0	10,000		(10,000)	96,650
6842	FIELD DAYS - WORKS	OCM Res 2769	Operating Expenses	27,210	43,750		(16,540)	80,110
6920	LOAN 99 INTEREST REPAYMENT	OCM Res 2769	Operating Expenses	25,448	12,839	12,609		92,719
7632	WORKS - WORKCOVER	OCM Res 2769	Operating Expenses	23,000	20,600	2,400		95,119
7682	WORKS - TRAINING	OCM Res 2769	Operating Expenses	14,000	11,000	3,000		98,119
7692	WORKS - SICK PAY	OCM Res 2769	Operating Expenses	11,000	22,000		(11,000)	87,119
7742	LESS OVERHEADS ALLOCATED	OCM Res 2769	Operating Expenses	(499,814)	(510,600)	10,786		97,905
7772	ADMIN - WORKCOVER	OCM Res 2769	Operating Expenses	7,400	6,890	510		98,415
7802	PLANT - FUEL	OCM Res 2769	Operating Expenses	170,000	130,000	40,000		138,415
7812	PLANT - TYRES & BATTERIES	OCM Res 2769	Operating Expenses	25,000	20,000	5,000		143,415
7822	PLANT - PARTS & REPAIRS	OCM Res 2769	Operating Expenses	78,000	73,000	5,000		148,415
7832	PLANT - REPAIR WAGES	OCM Res 2769	Operating Expenses	7,000	11,500		(4,500)	143,915
7852	PLANT - SUNDRY ITEMS	OCM Res 2769	Operating Expenses	1,000	4,600		(3,600)	140,315
7882	PLANT - ALLOC TO WORKS	OCM Res 2769	Operating Expenses	(298,300)	(256,400)		(41,900)	98,415
8012	YOUTH - INITIATIVES	OCM Res 2769	Operating Expenses	3,500	1,000	2,500		100,915
9912	ADMIN - INSURANCE	OCM Res 2769	Operating Expenses	1,650	2,160		(510)	100,405
0364	Shire Office Renewal	OCM Res 2769	Capital Expenses	0	29,000		(29,000)	71,405
0884	Fire - Buildings Capital Expenditure	OCM Res 2769	Capital Expenses	0	266,000		(266,000)	(194,595)
Reserves	Transfer from Leave Reserve 15-16	OCM Res 2769	Capital Revenue	0	99,384	99,384		(95,211)
Reserves	Transfer from Plant Reserve 15-16	OCM Res 2769	Capital Revenue	0	141,000	141,000		45,789
Reserves	Transfer from Economic Development Reserve 15-16	OCM Res 2769	Capital Revenue	300,000	305,717	5,717		51,506
Reserves	Transfer from All hours Gym Reserve 15-16	OCM Res 2769	Capital Revenue	0	3,500	3,500		55,006
Reserves	Transfer from Swimming Pool Reserve (Grant funding)	OCM Res 2769	Capital Revenue	0	32,000	32,000		87,006
Reserves	Transfer Interest to Reserve	OCM Res 2769	Capital Revenue	52,500	38,600	13,900		100,906
Reserves	Transfer to Plant Reserve	OCM Res 2769	Capital Expenses	132,621	190,000		(57,379)	43,527
Reserves	Transfer to Building Reserve	OCM Res 2769	Capital Expenses	71,932	125,000		(53,068)	(9,541)
Loans	Repayment of Debentures	OCM Res 2769	Operating Expenses	113,357	99,262	14,095		4,554

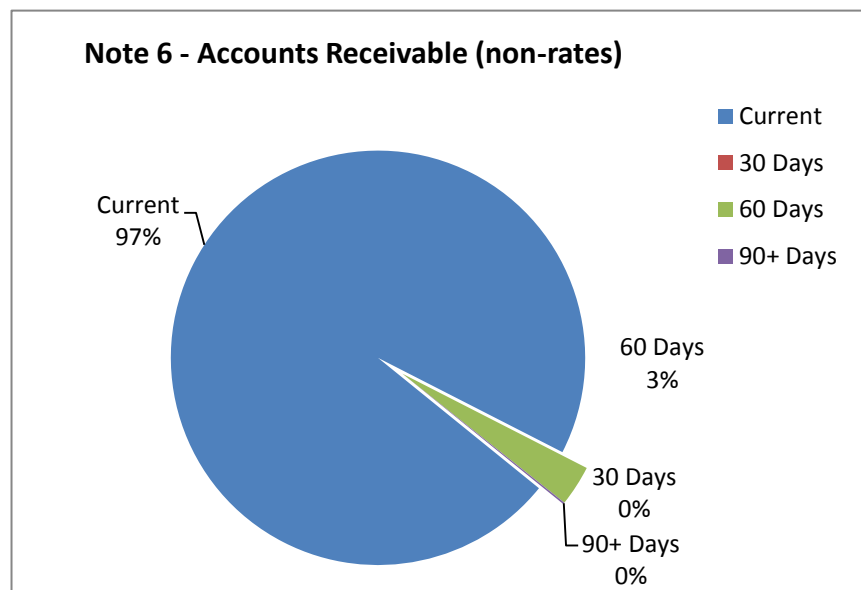
Amended Budget Cash Position as per Council Resolution

848,296 (843,743) 4,554

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 6: Receivables

Receivables - General	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Receivables - General	102,360	0	3,364	141	105,865
Balance per Trial Balance					
Sundry Debtors					105,865
Total Receivables General Outstanding					105,865



Comments/Notes - Receivables General

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 7: Cash Backed Reserve

Name	Opening Balance	Amended Budget Interest Earned	Actual Interest Earned	Amended Budget Transfers In (+)	Actual Transfers In (+)	Amended Budget Transfers Out (-)	Actual Transfers Out (-)	Amended Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	101,780	2,120	1,096	50,000	50,000	(99,384)	(99,384)	54,517	53,493
Plant Reserve	92,264	1,922	1,608	190,000	190,000	(141,000)	(141,000)	143,187	142,872
Sewerage Asset Preservation Reserve	951,502	19,822	13,986	77,869	77,869		0	1,049,192	1,043,357
Land & Building Reserve	20,494	427	1,100	125,000	125,000		0	145,921	146,594
Swimming Pool Reserve	32,000	667	456	32,000	32,000	(32,000)	(32,000)	32,667	32,456
Recreation Facilities Reserve	178,345	3,715	2,522	0	0		0	182,060	180,866
Community Housing Project Reserve	45,649	951	572	0	0		0	46,600	46,221
Community Bus Reserve	40,250	838	537	0	0		0	41,089	40,787
Economic Development Reserve	315,534	6,573	2,204	0	0	(305,717)	(305,717)	16,390	12,021
All Hours Gym Reserve	5,132	107	52	0	0	(3,500)	(3,500)	1,739	1,684
Bowling Green Replacement Reserve	50,681	1,056	780	10,000	10,000		0	61,737	61,461
Tennis Court Replacement Reserve	19,282	402	302	6,000	6,000		0	25,684	25,584
	1,852,913	38,600	25,215	490,869	490,869	(581,601)	(581,601)	1,800,781	1,787,396

Reserve funds are fully cash-backed in a term Deposit and Bank Account - Refer Note 4. Interest as at 30 June 2017 is yet to be recorded.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 8: Rating Information

	Rate in	Number of Properties	Rateable Value	YTD Actual				Amended Budget			
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
RATE TYPE	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate											
GRV - Residential	10.2662	131	1,116,024	114,573	0	0	114,610	114,573	0	0	114,573
GRV - Commercial/Indust	10.2662	18	316,540	32,497	0	0	32,497	32,497	0	0	32,497
GRV - Town Rural	10.2662	10	87,048	8,937	0	0	8,937	8,937	0	0	8,937
GRV - Other Towns	10.2662	1	2,130	219	0	0	219	219	0	0	219
UV - Rural Farmland	0.8920	239	104,841,500	935,186	0	0	935,186	935,186	0	0	935,186
Sub-Totals		399	106,363,242	1,091,411	0	0	1,091,448	1,091,412	0	0	1,091,412
Minimum Payment	Minimum										
	\$						0				
GRV -Residential	686.00	51	236,988	34,986	0	0	34,986	34,986	0	0	34,986
GRV - Commercial/Industrial	686.00	15	55,169	10,290	0	0	10,290	10,290	0	0	10,290
GRV - Town Rural	686.00	17	65,500	11,662	0	0	11,662	11,662	0	0	11,662
GRV - Other Towns	200.00	18	5,529	3,600	0	0	3,600	3,600	0	0	3,600
UV - Rural Farmland	686.00	50	2,569,800	34,300	0	0	34,300	34,300	0	0	34,300
UV - Commercial/Industrial	686.00	4	400	2,744	0	0	2,744	2,744	0	0	2,744
UV - Town Rural	686.00	3	65,500	2,058	0	0	2,058	2,058	0	0	2,058
UV - Mining Tenement	200.00	3	5,867	600	0	0	600	600	0	0	600
Sub-Totals		161	3,004,753	100,240	0	0	100,240	100,240	0	0	100,240
		560	109,367,995	1,191,651	0	0	1,191,688	1,191,652	0	0	1,191,652
Concession							0				0
Amount from General Rates							1,191,688	1,191,652			1,191,652
Ex-Gratia Rates							20158	20,000			20,000
Specified Area Rates							0	0			0
Totals							1,211,846	1,211,652			1,211,652

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 9 : Information on Borrowings
(a) Debenture Repayments

Particulars	01 Jul 2016	Actual New Loans	Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Amended Budget	Actual	Amended Budget	Actual	Amended Budget
			\$	\$	\$	\$	\$	\$
Recreation and Culture								
Loan 97 - Community Club	412,632		62,003	62,003	350,629	350,629	17,404	16,605
Economic Services								
Loan 99 - Short Term Accommodation Project		785,250	14,257	14,257	770,993	770,993	20,867	25,448
Self Supporting Loans								
Loan 98 - Dowerin Events	83,858		23,002	23,002	60,856	60,856	2,681	2,606
	496,490	785,250	99,262	99,262	1,182,478	1,182,478	40,952	44,659

(b) New Debentures

Particulars	Amount		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Balance	
	Borrowed Budget	Used Budget						Amount	Unspent \$
Short Term Accommodation Project	785,250		WATC	Debenture	20	290,748	3.27%	785,250	0

(c) Unspent Debentures

The Shire has no unspent debentures.

(d) Overdraft

Council has an overdraft facility of \$60,000 with NAB.

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 10: Grants and Contributions

	Grant Provider	Type	Original		Amended Budget		YTD Budget	Original Annual Budget (d)	Post Variations (e)	Expected (d)+(e)	YTD Actual	
			Opening Balance (a)	Annual Budget (d)	Operating	Capital					Revenue (b)	(Expended) (c)
					\$	\$	\$				\$	\$
General Purpose Funding												
Grants Commission - General Purpose	WALGGC	Operating	0	830,000	837,038	0	837,038	837,038		837,038	1,272,997	n/a
Grants Commission - Roads	WALGGC	Operating	0	460,000	516,397	0	516,397	516,397		516,397	803,525	n/a
Law, Order and Public Safety												
DFES - ESL Collection Fee	Dept. of Fire & Emergency Serv.	Operating	0	4,200	4,200	0	4,200	4,200		4,200	4,000	n/a
DFES Grant - Bush Fire Brigade	Dept. of Fire & Emergency Serv.	Operating	0	18,000	18,000	0	18,000	18,000		18,000	12,688	n/a
DFES Grant - Bush Fire Brigade	Dept. of Fire & Emergency Serv.	Non-operating		0	0	241,000	241,000	241,000				
Health						0						
HACC - Recurrent Grant	Department of Health	Operating	0	240,000	240,000	0	240,000	240,000		240,000	309,071	0
Community Amenities												
Aged Friendly Communities Grant	Royalties for Regions	Operating - Tied	25,885	0	0	0	0	0		0	0	(6,873)
Recreation and Culture												
DSR Grant - Swimming Pool	Department of Sport and Recreation	Operating	0	32,000	32,000	0	32,000	32,000		32,000	32,000	0
Grant - KidSport	Department of Sport and Recreation	Operating	0	4,000	4,000	0	4,000	4,000		4,000	0	0
Grant - Youth Week	DLGC	Operating	0	1,000	1,000	0	1,000	1,000		1,000	0	0
Grant - Volunteers	DLGC	Operating	0	2,000	2,000	0	2,000	2,000		2,000	1,000	0
Transport												
Roads Maintenance Direct Grants	Main Roads WA	Operating	0	123,000	123,000	0	123,000	123,000		123,000	123,066	n/a
Street Lights Subsidy	Western Power	Operating	0	2,500	2,500	0	2,500	2,500		2,500	2,707	n/a
Roads To Recovery Grant - Cap	Roads to Recovery	Non-operating	0	574,000	0	574,000	574,000	574,000		574,000	518,820	(649,548)
RRG Grants - Capital Projects	Regional Road Group	Non-operating	0	300,000	0	300,000	300,000	300,000		300,000	187,634	(259,955)
Economic Services												
Regional Development	National Stronger Regions Fund	Non-operating	0	800,000	0	800,000	800,000	800,000		800,000	200,000	0
Short Term Accommodation	Dowerin Events Management	Non-operating	0	400,000	0	400,000	400,000	400,000		400,000	401,818	(1,444,883)
Wheatbelt Heritage Rail	Country Local Government Fund	Operating - Tied	188,338	188,338	188,338	0	0	188,338		188,338	0	(188,794)
TOTALS			214,223	3,979,038	1,968,473	2,315,000	4,095,135	4,283,473	0	4,042,473	3,869,326	(2,550,053)
SUMMARY												
Operating	Operating Grants, Subsidies and Contributions		0	1,716,700	1,780,135	0	1,780,135	1,780,135	0	1,780,135	2,561,054	0
Operating - Tied	Tied - Operating Grants, Subsidies and Contributions		214,223	188,338	188,338	0	0	188,338	0	188,338	0	(195,667)
Non-operating	Non-operating Grants, Subsidies and Contributions		0	2,074,000	0	2,315,000	2,315,000	2,315,000	0	2,074,000	1,308,272	(2,354,386)
TOTALS			214,223	3,979,038	1,968,473	2,315,000	4,095,135	4,283,473	0	4,042,473	3,869,326	(2,550,053)

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017














Note 11: Trust Fund

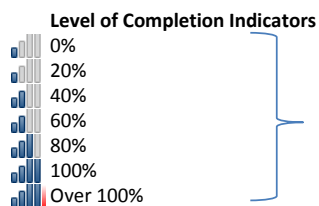
Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 01 Jul 2016	Amount Received	Amount Paid	Closing Balance 30 Jun 2017
	\$	\$	\$	\$
Housing Bonds	3,866	0	(438)	3,428
Key Deposits	610	0	(520)	90
Tidy Towns	2,818	401	0	3,219
HACC Vehicle	2,025	0	(1,334)	691
Building Deposits	10,000	0	(10,000)	0
AROC Funds	95,657	1,800	(97,457)	0
HACC Fundraising	2,509	12	0	2,521
Recreation Steering Committee	23,359	28,315	(51,674)	0
Centenary Park	2,111	0	0	2,111
Nomination Deposits	320	0	(320)	0
Yellow Ribbon	247	0	0	247
	143,522	30,528	(161,743)	12,307

SHIRE OF DOWERIN
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 30 June 2017

Note 12: Capital Acquisitions

Assets	Account	YTD Actual			Amended Budget			Strategic Reference / Comment
		New/Upgrade	Renewal	Total YTD	Annual Budget	YTD Budget	YTD Variance	
		\$	\$	\$	\$	\$	\$	
 Level of completion indicator (based on expenditure), please see table at the end of this note for further detail.								
Buildings								
Housing								
 BUILDING - 19 COTTRELL ST	2584			11,215	11,000	11,000	215	
 Shire Office	0364			0	29,000	29,000	(29,000)	
Housing Total		0	0	11,215	40,000	40,000	(28,785)	
Law, Order And Public Safety								
 Fire - Buildings Capital Expenditure	0884			7,078	266,000	266,000	(258,922)	
Law, Order And Public Safety Total		0	0	7,078	266,000	266,000	(258,922)	
Economic Services								
 WHEATBELT HERITAGE RAIL PROJECT	7144			188,794	188,338	188,338	456	
 SHORT TERM ACCOMMODATION	7145			1,444,883	2,273,700	2,273,700	(828,817)	
Economic Services Total		0	0	1,633,677	2,462,038	2,462,038	(828,361)	
 Buildings Total		0	0	1,651,970	2,768,038	2,768,038	(1,116,068)	
Roads								
Transport								
 ROADS - ROADS TO RECOVERY	4184			649,548	600,449	600,449	49,099	
 ROADS - UNCLASSIFIED	4604			21,680	82,880	82,880	(61,200)	
 ROADS - STATE 20/20	4884			259,955	440,584	440,584	(180,629)	
 ROADS - SIGNS	4194			5,187	0	0	5,187	
Transport Total		0	0	936,370	1,123,913	1,123,913	(187,543)	
 Roads Total		0	0	936,370	1,123,913	1,123,913	(187,543)	
 Capital Expenditure Total		0	0	2,588,340	3,891,951	3,891,951	(1,303,611)	



Percentage YTD Actual to Annual Budget
Expenditure over budget highlighted in red.



Statement for

NAB Business Visa

NAB Commercial Cards Centre - GPO Box 9992 Melbourne Victoria 3001

Tel 1300 498 594 8am - 8pm AEST & AEDT Monday to Friday, 9am - 6pm AEST & AEDT Saturday and Sunday

Fax 1300 363 658

Lost & Stolen cards: 1800 033 103 (24 hours within Australia only)

DOWERIN SHIRE
PO BOX 111
DOWERIN WA 6461

Statement Period	29 April 2017 to 29 May 2017
Company Account No:	4557 0498 0002 7159
Facility Limit:	\$16,000

Your Account Summary

Balance from previous statement	\$5,233.30 DR
Payments and other credits	\$5,233.30 CR
Purchases, cash advances and other debits	\$689.26 DR
Interest and other charges	\$18.00 DR
Closing Balance	\$707.26 DR

**YOUR DIRECT DEBIT PAYMENT OF \$707.26 WILL BE
CHARGED TO ACCOUNT 000086608- 0000480807363 ON
05/06/2017 AS PER OUR AGREEMENT.**

see reverse for transaction details

Transaction record for: Billing account



NAB Telephone Banking: transfer funds by phone from your nominated NAB accounts to your NAB Business Visa account. Phone 1300 498 594, between 7am and 9pm AEST, Monday to Friday, 8am and 6pm AEST, Saturday and Sunday



NAB Internet Banking: transfer funds from your NAB cheque or savings account to your NAB Business Visa account using NAB Internet Banking at nab.com.au



Billers Code: 1008. Ref: Select the card number you are making the payment to. Contact your participating bank, credit union or building society to make this payment from your cheque or savings account. BPAY payments may be delayed until the next banking business day, due to processing cut-off times. Maximum BPAY payment amount is AU \$100,000 per payment.

Date	Amount A\$	Details	Reference
4 May 2017	\$5,233.30CR	DIRECT DEBIT PAYMENT	74557047123
Total for this Period:	\$5,233.30CR		

Cardholder summary

Cardholder account	Cardholder name	Credit limit	Payments and other credits (A)	Purchases and cash advances (B)	Interest and other charges (C)	Net Totals (B + C - A)
4557-0455-3657-7475	MR STEVEN FRANCIS GE	\$6,000	\$0.00	\$133.60	\$9.00	\$142.60
4557-0455-3744-1887	MS ANDREA JANINE SEL	\$3,000	\$0.00	\$555.66	\$9.00	\$564.66
4557-0498-0002-7159	BILLING ACCOUNT	\$0	\$5,233.30	\$0.00	\$0.00	\$5,233.30 CR
			\$5,233.30	\$689.26	\$18.00	\$4,526.04 CR

Transaction type

Purchase

Annual percentage rate
0.0000%

Daily percentage rate
0.000000%

ARE YOU MISSING A STATEMENT DURING MAY - AUGUST 2016?
IT'S EASY TO FIND. YOU CAN ACCESS UP TO 7 YEARS' WORTH OF
STATEMENTS ONLINE - JUST HEAD TO NAB.COM.AU/SMARTSTATEMENTS
FOR INTERNET BANKING OR NAB.COM.AU/NABCONNECTSTATEMENTS
FOR NAB CONNECT. AND IF YOU HAVE ANY QUESTIONS, FEEL FREE
TO GIVE US A CALL ON 13 10 12.



A CHANGE TO YOUR NAB COMMERCIAL CARD FACILITY, EFFECTIVE 3 JULY 2017. LATE PAYMENT FEE WE'RE INCREASING THE LATE PAYMENT FEE APPLICABLE TO YOUR COMMERCIAL CARD FACILITY FROM \$9 TO \$15. FOR MORE INFORMATION ON HOW TO AVOID THIS FEE, GO TO NAB.COM.AU/LATEPAYMENTFEE.

YOUR DAILY WITHDRAWAL LIMIT WILL INCREASE FROM 1 AUGUST 2017 TO AUD \$2000 PER CARD PER DAY. APPLIES TO CARD WITHDRAWALS FROM ATM AND EFTPOS TERMINALS WHERE CASH IS DEBITED TO YOUR NAB CREDIT CARD ACCOUNT/ANY LINKED ACCOUNTS. THIS MAY INCREASE YOUR LIABILITY FOR UNAUTHORISED TRANSACTIONS. FOR MORE ABOUT THIS CHANGE GO TO NAB.COM.AU/DAILYLIMIT.



Statement for
NAB Business Visa
NAB Commercial Cards Centre - GPO Box 9992 Melbourne Victoria 3001
Tel 1300 498 594 8am - 8pm AEST & AEDT Monday to Friday, 9am - 6pm AEST
AEDT Saturday and Sunday
Fax 1300 363 658
Lost & Stolen Cards: 1800 033 103 (24 hours, 7 days a week)

Cardholder Details

Cardholder Name: MR STEVEN FRANCIS GEERDINK
Account No: 4557 0455 3657 7475
Statement Period: 29 April 2017 to 29 May 2017
Cardholder Limit: \$6,000

Transaction record for: MR STEVEN FRANCIS GEERDINK

Date	Amount A\$	Details	Explanation	Amount NOT subject to GST	Amount subject to GST	GST component (1/11th of the amount subject to GST)	Reference
15 May 2017	\$133.60	WANNEWSADV					74564457135
29 May 2017	\$9.00	CARD FEE	OSBORNE PARK				74557047149
Total for this period	\$142.60		Totals				

Employee declaration

I verify that the above charges are a true and correct record in accordance with company policy Cardholder signature: _____ Date: _____



Statement for
NAB Business Visa
NAB Commercial Cards Centre - GPO Box 9992 Melbourne Victoria 3001
Tel 1300 498 594 8am - 8pm AEST & AEDT Monday to Friday, 9am - 6pm AES
AEDT Saturday and Sunday
Fax 1300 363 658
Lost & Stolen Cards: 1800 033 103 (24 hours, 7 days a week)

Cardholder Details

Cardholder Name: MS ANDREA JANINE SELVEY
Account No: 4557 0455 3744 1887
Statement Period: 29 April 2017 to 29 May 2017
Cardholder Limit: \$3,000

Transaction record for: MS ANDREA JANINE SELVEY

Date	Amount A\$	Details	Explanation	Amount NOT subject to GST	Amount subject to GST	GST component (1/11th of the amount subject to GST)	Reference
12 May 2017	\$16.40	SHIRE DOWERIN DOWERIN					05134145295
16 May 2017	\$125.00	DEPT OF HEALTH PHARM PERTH					74940527135
25 May 2017	\$414.26	MSFT *<E01003VAUM> MSBILL.INFO RECURRING DIRECT DEBIT.					74798067144
29 May 2017	\$9.00	CARD FEE					74557047149
Total for this period	\$564.66		Totals				

Employee declaration

I verify that the above charges are a true and correct record in accordance with company policy

Cardholder signature: _____

Date: _____

Emma Richards

From: Money Market Mailbox <MoneyMarket.Mailbox@bendigoadelaide.com.au>
Sent: Tuesday, July 04, 2017 12:24 PM
To: Andrea Selvey
Cc: Scott Power; Money Market Mailbox; Ina Edwardson; Jenni Barlow
Subject: RE: Investments

Hi Andrea,

Here are our TD rates for today. For terms longer than 1 year interest is paid annually.

Term	Interest Rate
6 months	2.50
12 months	2.70
2 years	2.85
3 years	2.95

Let me know if you are looking to proceed.

Thanks,
Angus

Angus Morgan | Financial Markets
Bendigo and Adelaide Bank Limited
T: 1800 633 511 | F: 03 5485 7661
The Bendigo Centre, PO Box 480, Bendigo, Victoria 3552
angus.morgan@bendigoadelaide.com.au

From: Jenni Barlow [<mailto:Jenni.Barlow@bendigoadelaide.com.au>]
Sent: Tuesday, 4 July 2017 7:56 AM
To: Andrea Selvey
Cc: Scott Power
Subject: FW: Investments

Andrea

I have just spoken to Scott and he will be in touch with you today. My apologies again for missing the email.

Regards

Jenni Barlow I Branch Manager
Goomalling & Districts Community Bank® Branch of Bendigo Bank I 35 Railway Terrace I
Goomalling WA 6460
P: 08 9629 1999 I F: 08 9629 1988 I E: jenni.barlow@bendigoadelaide.com.au

-----Original Message-----

From: Jenni Barlow
Sent: Tuesday, 4 July 2017 7:50 AM

Emma Richards

From: Emma Richards
Sent: Friday, July 21, 2017 5:11 PM
To: Emma Richards
Subject: FW: NAB Term Deposit Daily Indicative Rates 4/7/2017
Attachments: nab-term-deposit-terms-and-conditions.pdf; MT_04072017.pdf; Term Deposit Authority Form Editable Version.pdf

NAB Income and Investment Solutions

Indicative Pricing

Tuesday, 4 July 2017

Aggregate Deposits Less Than \$50Mio

NAB Fixed Rate Term Deposit*

Note that interpolated rates will now apply for non-standard terms

Term	Rate
30 days	1.85%
60 days	2.20%
90 days	2.43%
120 days	2.43%
150 days	2.44%
180 days	2.45%
210 days	2.45%
240 days	2.48%
270 days	2.48%
300 days	2.49%
330 days	2.50%
365 days ^	2.52%

^ Annual Interest

"This Deposit product has a fixed term, if you need access to your money early you will need to provide 31 calendar days advance notice"; and

"If you know that you need to access to your funds prior to the maturity date, you could consider taking out an at call account"; and

"When your Term Deposit matures, a higher or lower interest rate may apply to any subsequent term if reinvested in a Term Deposit".

N.B. If you require a rate for a specific date or broken tenor please let us know so that we can confirm the correct interpolated rate applicable for your preferred term.

Please be advised that if your aggregate term deposit holdings with NAB exceed \$50m, the rates listed above will not apply- in this event please contact us on **1300 139 077** for a specific rate.

We are always interested in pricing feedback to ensure we can provide you with the most competitive rates possible.

Should you feel we are not competitive for a particular term you are interested in we would certainly like to do all we can to accommodate your requirements.



Shire of Dowerin

MINUTES

Finance Committee Meeting

17 July 2017 at 3.00pm

Committee Members

Cr D.E. Metcalf

Cr D.P. Hudson

Cr R.I Trepp

Observers

Andrea Selvey – CEO

Ina Edwardson – Finance and Corporate Services Manager

SHIRE OF DOWERIN

MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 17 JULY 2017

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1. DECLARATION OF OPENING

The Chair, Cr DE Metcalf declared the meeting open at 3.00pm.

2. ATTENDANCE AND APOLOGIES

Committee Members
Cr D.E. Metcalf - Chair
Cr D.P. Hudson
Cr R.I Trepp

Observers
Andrea Selvey – CEO
Ina Edwardson – Finance and Corporate Services Manager

3. DISCLOSURE OF INTEREST

IMPORTANT: Committee members to complete a “Disclosure of Interest” form for each item on the agenda in which they wish to disclose a financial/proximity/impartiality interest. They should give the form to the Presiding Member before the meeting commences. After the meeting, the form is to be forwarded to the Administration Office for inclusion in the Corporate Financial Disclosures Register.

A. Selvey, CEO declared an Impartiality Interest in Item 6.3 Investments. The association is with Bendigo Bank as a member of the Board.

4. CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION – ITEM 4.1

***THAT THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 19 JUNE 2017 BE
CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.***

COMMITTEE DECISION – ITEM 4.1

Moved: DP Hudson Seconded: RI Trepp Carried:3/0

***THAT THE MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 19 JUNE 2017 BE
CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS.***

5. PRESENTATIONS

6. FINANCE REPORT

6.1 FINANCIAL ACTIVITY STATEMENTS – JUNE 2017

Date:	14 July 2017
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	Ina Edwardson – Finance Manager
Senior Officer:	Andrea Selvey – Chief Executive Officer
Attachments:	1. Monthly Financial Activity Statements – June 2017

Summary

The financial statements for the period ending 30 June 2017 are presented for the Finance Committee review.

Background

Section 6.4 of the Local Government Act 1995 requires a Local Government to prepare financial reports.

The Local Government (Financial Management) Regulations 34 & 35 set out the form and content of the financial reports which have been prepared for the periods as above and are presented to Council for approval. The statements have been prepared in AAS27 format in accordance with FMR Reg 35.

Comment

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the Shire's overall financial performance on a year to date basis, the following financial reports are attached:

- Statements of Financial Activity – Statutory Reports by Program and Nature or Type

The Statements of Financial Activity provide details of the Shire's operating revenues and expenditures on a year to date basis. The reports further include details of non-cash adjustments and capital revenues and expenditures, to identify the Shire's net current position; which reconciles with that reflected in the associated Net Current Position note (Note 3).

- Capital Acquisitions

This report provides year to date budget performance in respect of the following capital expenditure activities and their funding sources. Individual project information can be found at Note 12.

- Note 1 – Significant Accounting Policies

This note provides details of the accounting policies relating to the Shire's accounts.

- Note 2 - Explanation of Material Variances

Council adopted (in conjunction with the Annual Budget) a material reporting variance threshold of 5% or \$5,000, whichever is the greater. This note explains the reasons for any material variances identified in the Statements of Financial Activity at the end of the reporting period.

- Note 3 - Net Current Funding Position - Statutory Requirement

This note provides details of the composition of the net current asset position on a year to date basis, and reconciles with the closing funding position as per the Statement of Financial Activity.

- Note 4 – Cash and Investments

This note provides Council with the details of the actual amounts in the Shire's bank accounts and/or Investment accounts as at reporting date.

- Note 5 – Budget Amendments

This note provides council with a list of all budget amendments to date.

- Note 6 – Receivables

This note provides Council with the sundry debtors outstanding as at reporting date.

- Note 7 - Cash Backed Reserves

This note provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a year to date basis.

- Note 8 – Rating Information

This note provides details of rates levied during the year.

- Note 9 – Information on Borrowings

This note shows the Shire's current debt position and lists all borrowings.

- Note 10 – Grants and Contributions received

This note lists all grants funds Budgeted and received during the year.

- Note 11 – Trust Funds

This note shows the balance of funds held by the Shire in its Trust Fund on behalf of another person/entity.

- Note 12 – Capital Acquisitions

This note details the capital expenditure program for the year.

Consultation

N/A

Financial Implications

Any financial implications are detailed within the context of this report.

Policy Implications

Nil

Statutory Implications

Council is required to adopt monthly finance reports to comply with Reg. 34(1) of the Local Government (Financial Management) Regulations 1996.

Strategic Implications

Nil

Voting Requirements

A Simple Majority will be required at the Ordinary Meeting of Council.

OFFICER RECOMMENDATION – ITEM 6.1

THAT THE FINANCE COMMITTEE RECEIVES THE STATUTORY FINANCIAL ACTIVITY STATEMENT REPORTS FOR THE PERIOD ENDING 30 JUNE 2017 PURSUANT TO REGULATION 34(4) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS.

COMMITTEE DECISION – ITEM 6.1

Moved: DP Hudson

Seconded: RI Trepp

Carried:3/0

THAT THE FINANCE COMMITTEE RECEIVES THE STATUTORY FINANCIAL ACTIVITY STATEMENT REPORTS FOR THE PERIOD ENDING 30 JUNE 2017 PURSUANT TO REGULATION 34(4) OF THE LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS.

NB: The following queries were raised by the Finance Committee during the meeting:

Query: Why has interest on reserves not been received yet?

Response: Awaiting confirmation statement's from NAB & Bendigo. NAB arrived 17/7/2017
These will be updated into June Annual financials on receiving.

Query: Can the pie graphs on Page 2 (Operating Revenue and Operating Expenses) both be shown in percentages?

Response: Applied and completed

Query: Can the Line Graph on Page 2 (Budget operating revenue and expenses to Year to Date Actual) have the same scale – i.e. \$8million?

Response: Data is pulled from actuals and cannot be manually manipulated

Query: Other property and services expenditure variance is significant. Is this accurate?

Response: It appears that this account has been over-recovered depreciation through plant. This will be reviewed but requires significant time to correct, but has no net impact on the budget.

Query: The Ratio showing Liquidity over the year (Page 11) shows two different figures?

Response: Should read \$2.56

6.2 ACCOUNTS FOR PAYMENT – 05 JUNE 2017 TO 04 JULY 2017

Date:	14 July 2017
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	Nil
Author:	Emma Hardy – Finance Officer
Senior Officer:	Ina Edwardson – Finance Manager
Attachments:	2. List of Accounts 3. Credit Card Summaries

Background

The attached schedules of cheques drawn and electronic payments that have been raised by delegated authority during the month since the last meeting are presented.

Comment

The list as presented has been reviewed by Chief Executive Officer, Finance and Corporate Services and Manager Assets and Works.

Statutory Implications

Reg 12 & 13 of the Local Government (Financial Management) Regulations 1996 requires that a separate list be prepared each month for adoption by Council showing payments made from Municipal Fund, Trust Fund and Reserve Fund by Chief Executive Officer under delegated authority from Council.

Policy Implications

Payments have been made under delegation.

Financial Implications

Funds expended are in accordance with Council's adopted budget for the 2016/17 financial year.

Risk Implications

Nil

Strategic Implications

Nil

Voting Requirements

A Simple Majority will be required at the Ordinary Meeting of Council.

OFFICER RECOMMENDATION – ITEM 6.2

THAT THE FINANCE COMMITTEE RECOMMEND THAT COUNCIL RECEIVE THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO CREDITOR PAYMENTS FROM THE MUNICIPAL FUND FOR THE PERIOD 05 JUNE 2017 TO 04 JULY 2017.

COMMITTEE RECOMMENDATION – ITEM 6.2

Moved: RI Trepp

Seconded: DP Hudson

Carried:3/0

THAT THE FINANCE COMMITTEE RECOMMEND THAT COUNCIL RECEIVE THE REPORT FROM THE CHIEF EXECUTIVE OFFICER ON THE EXERCISE OF DELEGATED AUTHORITY IN RELATION TO CREDITOR PAYMENTS FROM THE MUNICIPAL FUND FOR THE PERIOD 05 JUNE 2017 TO 04 JULY 2017.

NB: The following queries were raised by the Finance Committee during the meeting:

Query: *Don't all payments relating to Maisey Street repairs (EFT 4904, 4940) attract a Contra?*

Response: *Yes, they do. This will be amended in the report that goes to Council.*

Query: *Is the Alchemy Technology payment EFT4917 a contra?*

Response: *Yes, this is a contra and will be amended in the report that goes to Council.*

Query: *Why was a payment of \$2200 made to Wheeldon Vale for Gravel (over the policy limit)?*

Response: *This arrangement was made prior to the adoption of the Council policy.*

6.3 INVESTMENTS

Date:	4 July 2017
Applicant:	Shire of Dowerin
Location:	Dowerin
File Ref:	ADM
Disclosure of Interest:	A. Selvey, Chief Executive Officer
Author:	
Senior Officer:	
Attachments:	2. Quote from Bendigo Bank 3. Quote from NAB

Background

Shire investments of \$946,156 currently invested matured at the end of June 2017. While investments decisions have been delegated to the Chief Executive Officer, given that the Chief Executive Officer's conflict of interest the matter will need to be presented to Council for a decision.

Comment

In accordance with Council policy, officers have invited the two local banks, NAB and Bendigo, to provide the Shire with their term deposit rates. See attached.

While legislation and Council policy allows for investments of up to three years, the officers understanding of the current financial environment is that the Reserve Bank of Australia will keep interest rates on hold and it anticipated that rates will remain flat for the next 12 months and pick up after that time. Therefore, the officers' view is that investment should be for a maximum of 12 months at this stage.

Statutory Implications

All investments are to comply with the following:

- Local Government Act 1995 (as amended) Section 6.14;
- The Trustees Act 1962 (as amended) Part III Investments;
- Local Government (Financial Management) Regulations 1996 (as amended) – Regulation 19, Regulation 28, and Regulation 49
- Australian Accounting Standards

Under Sect. 5.70 of the Local Government Act, employees must disclose interests relating to advice or reports:

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest.

Penalty: \$10 000 or imprisonment for 2 years.

Under Sect. 5.71 if an employee has delegated power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and

Penalty: \$10 000 or imprisonment for 2 years.

The Chief Executive Officer is on the Board of Goomalling and Districts Community Bank (Bendigo Bank) and therefore has an impartiality interest.

Policy Implications

Council adopted the Shire of Dowerin Investment Policy at the Ordinary Meeting of Council on 27 June 2017. This matter has been considered in the context of that Council policy.

Financial Implications

An investment of \$1 million provides a return of approximately \$25,000 per annum which is a significant revenue source for the Shire.

Risk Implications

Term deposits with banks are considered low risk. However, there are risks inherent in any investment. Changes to the rates can have a positive or negative impact on returns. Another risk to consider is that the Shire is one of the larger customers and a decision by the Shire to invest in either bank will impact on the other.

Strategic Implications

Nil

Voting Requirements

A Simple Majority will be required at the Council meeting.

OFFICER RECOMMENDATION – ITEM 6.3

THAT THE FINANCE COMMITTEE RECOMMENDS TO COUNCIL THAT FUNDS ARE INVESTED AS FOLLOWS:

Reserves be invested. (For discussion at the Committee Meeting)

COMMITTEE RECOMMENDATION – ITEM 6.3

Moved: DE Metcalf

Seconded: RI Trepp

Carried:3/0

THAT THE FINANCE COMMITTEE RECOMMENDS TO COUNCIL THAT INVESTMENT FUNDS ARE INVESTED WITH BENDIGO BANK FOR A TERM OF 12 MONTHS.

7. QUESTIONS FROM MEMBERS

Nil

8. URGENT BUSINESS

Nil

9. DATE OF NEXT MEETING

14 August 2017

Date: (NB – the Ordinary Meeting of Council has been brought forward to Tuesday 15 August to avoid clash with Field Days)

Items for next meeting:

Examples of Finance Reports from AROC Councils.

10. CLOSURE OF MEETING

The presiding member closed the meeting at 4.10pm.