

Compliance Audit Return

Start ✓
Details ✓
Commercial Enterprises ✓
Delegation ✓
Disclosure of Interest ✓
Disposal of Property ✓
Elections ✓
Finance ✓
Integrated Planning and Reporting ✓
Employees ✓
Conduct ✓
Other ✓
Tenders ✓
Documents ✓
Review

Finalise

Print Draft

Details

Local Government

Katanning, Shire of

Created By

Denise Gobbart

Year of Return

2022

Status

Draft

Commercial Enterprises by Local Governments

1. Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2022? *

N/A

Add comments

—

2. Has the local government prepared a business plan for each major land transaction that was not exempt in 2022? *

N/A

Add comments

—

3. Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2022? *

N/A

Add comments

—

4. Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2022? *

N/A

Add comments

—

5. During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority? *

N/A

Add comments

—

Delegation of Power/Duty

1. Were all delegations to committees resolved by absolute majority? *

Yes

Add comments

Please enter comments *

Delegations to Behaviour Complaints Committee

2. Were all delegations to committees in writing? *

Yes

Add comments

—

3. Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995? *

Yes

Add comments

—

4. Were all delegations to committees recorded in a register of delegations? *

Yes

Add comments

5. Has council reviewed delegations to its committees in the 2021/2022 financial year? *

Yes

Add comments

Please enter comments *

OCM 28 July 2022

6. Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995? *

Yes

Add comments

7. Were all delegations to the CEO resolved by an absolute majority? *

Yes

Add comments

Please enter comments *

OCM 28 July 2022

8. Were all delegations to the CEO in writing? *

Yes

Add comments

Please enter comments *

03 August 2022

9. Were all delegations by the CEO to any employee in writing? *

Yes

Add comments

Please enter comments *

After review 03 August 2022 and as commencing employment

10. Were all decisions by the Council to amend or revoke a delegation made by absolute majority? *

N/A

Add comments

—

11. Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees? *

Yes

Add comments

—

12. Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year? *

Yes

Add comments

Please enter comments *

OCM 28 July 2022

13. Did all persons exercising a delegated power or duty under the Local Government Act 1995 keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996 regulation 19? *

Yes

Add comments

Disclosure of Interest

1. Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter? *

N/A

Add comments

2. Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting? *

N/A

Add comments

3. Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made? *

Yes

Add comments

4. Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day? *

N/A

Add comments

5. Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022? *

Yes

Add comments

6. On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return? *

Yes

Add comments

7. Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995? *

Yes

Add comments

8. Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? *

Yes

Add comments

9. When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person? *

No

Add comments

Please enter comments *

Cr Edwards return was not removed.

10. Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return? *

Yes

Add comments

—

11. Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? *

Yes

Add comments

—

12. Did the CEO publish an up-to-date version of the gift register on the local government's website? *

Yes

Add comments

—

13. When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people? *

No

Add comments

Please enter comments *

Cr & Staff details to be removed.

14. Have copies of all records removed from the register under section 5.89A(6) Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure? *

Yes

Add comments

—

15. Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report? *

N/A

Add comments

—

16. Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? *

N/A

Add comments

—

17. Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered? *

N/A

Add comments

—

18. Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)? *

Yes

Add comments

Please enter comments *

OCM 27 April 2021

19. Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995? *

N/A

Add comments

—

20. Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website? *

Yes

Add comments

—

21. Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? *

Yes

Add comments

—

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website? *

Yes

Disposal of Property

1. Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)? *

No

Add comments

Please enter comments *

31/03/2022 - Road Roller value \$29,000 traded on RFQ
21/06/2022 - Skid Steer value \$70,000 traded on RFQ.

2. Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property? *

Yes

Add comments

Please enter comments *

77 Piesse Street - Published in the Great Southern Herald

Elections

1. Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulation 30G(1) and regulation 30G(2) of the Local Government (Elections) Regulations 1997? *

Yes

Add comments

—

2. Did the CEO remove any disclosure of gifts forms relating to unsuccessful candidates, or successful candidates that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997? *

N/A

Add comments

3. Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997? *

Yes

Add comments

Please enter comments *

Published March 2022

Finance

1. Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995? *

Yes

Add comments

Please enter comments *

Established 19 October 2021

2. Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority? *

N/A

Add comments

3. Was the auditor's report for the financial year ended 30 June 2022 received by the local government by 31 December 2022? *

Yes

Add comments

Please enter comments *

14 December 2022

4. Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? *

N/A

Add comments

—

5. Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? *

N/A

Add comments

—

6. Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website? *

N/A

Add comments

—

7. Was the auditor's report for the financial year ending 30 June 2022 received by the local government within 30 days of completion of the audit? *

Yes

Add comments

Please enter comments *

Audit Exit Meeting held 12 December 2022
Audit Report received 14 December 2022

Integrated Planning and Reporting

1. Has the local government adopted by absolute majority a strategic community plan? *

Yes

Add comments

Please provide the adoption date or the date of the most recent review *

24/03/2022

—

2. Has the local government adopted by absolute majority a corporate business plan? *

Yes

Add comments

Please provide the adoption date or the date of the most recent review *

24/04/2018

—

3. Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)? *

No

Add comments

Please enter comments *

The Corporate Business Plan is currently being reviewed.

Local Government Employees

1. Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A? *

N/A

Add comments

—

2. Was all information provided in applications for the position of CEO true and accurate? *

N/A

Add comments

—

3. Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995? *

N/A

Add comments

—

4. Did the CEO inform council of each proposal to employ or dismiss senior employee? *

N/A

Add comments

—

5. Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so? *

N/A

Add comments

Official Conduct

1. Has the local government designated an employee to be its complaints officer? *

No

Add comments

2. Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995? *

Yes

Add comments

3. Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995? *

Yes

Add comments

4. Has the CEO published an up-to-date version of the register of the complaints on the local government's official website? *

Yes

Add comments

Other

1. Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2022?

No

Add comments

Please enter comments *

The FMR commenced in November 2022 and is expected to be finalised March 2023.

2. Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2022?

Yes

Add comments

Please provide the date of council's resolution to accept the report. *

08/09/2020

Please enter comments *

Presented to the Audit Committee.

3. Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?

N/A

Add comments

4. Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Yes

Add comments

Please enter comments *

OCM 23 November 2021

5. Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Yes

Add comments

Please enter comments *

Local Laws - link to the DLGSCI Local Law Register

6. Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Yes

Add comments

Please enter comments *

OCM 23 November 2021

7. Did the local government prepare a report on the training completed by council members in the 2021/2022 financial year and publish it on the local government's official website by 31 July 2022?

No

Add comments

OQ-CouncilMemberTrainingPublishComments *

Only prior year available on the website

8. By 30 September 2022, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2022?

Yes

Add comments

9. When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?

Yes

Add comments

Tenders for Providing Goods and Services

1. Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less? *

No

Add comments

Please enter comments *

Audit sample testing identified 4 instances of purchase orders raised after the invoice was received.
Audit sample testing identified 3 instances where there was no record of verbal or written quotes.

2. Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations? *

Yes

Add comments

3. When regulations 11(1), 12(2) or 13 of the Local Government (Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)? *

Yes

Add comments

4. Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract? *

N/A

Add comments

5. If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation? *

Yes

Add comments

6. Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16? *

Yes

Add comments

7. Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website? *

Yes

Add comments

8. Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? *

No

Add comments

—

9. Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept? *

Yes

Add comments

—

10. Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted? *

Yes

Add comments

—

11. Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22? *

N/A

Add comments

—

12. Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? *

N/A

Add comments

13. Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer? *

N/A

Add comments

14. Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24? *

N/A

Add comments

15. Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions and General) Regulations 1996, Regulations 24AD(4) and 24AE? *

N/A

Add comments

16. If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation? *

N/A

Add comments

17. Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application? *

N/A

Add comments

—

18. Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG? *

N/A

Add comments

—

19. Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? *

N/A

Add comments

—

20. Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept? *

N/A

Add comments

—

21. Did the CEO send each applicant written notice advising them of the outcome of their application? *

N/A

Add comments

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

Yes

Add comments

Please enter comments *

OCM 27 July 2021 authorised Statewide public notice. Submissions closed 02 September 2021.
OCM 23 September 2021 adopted Regional Reice Preference Policy

Documents

There are no notes to display.

Close

Previous

Continue

Prog	SP	COA	Description	Job	Description	Original Budget	YTD Budget	YTD Actual	Variance	Comment
03	02	0181	General Purpose Grant (GPF)			-\$553,873.00	-\$415,404.00	-\$415,404.75	-\$0.75	
03	02	0201	Untied Road Grant (GPF)			-\$105,844.00	-\$79,383.00	-\$79,383.00	\$0.00	
03	02	0251	ESL Administration Fee (GPF)			-\$4,000.00	-\$4,000.00	-\$4,000.00	\$0.00	
03	03	1163	Rates Legal Fees Reimbursement (GPI)			-\$30,000.00	-\$20,000.00	-\$116,272.54	-\$96,272.54	
04	05	1211	Insurance Scheme Surplus (ADM)			\$0.00	\$0.00	-\$4,000.00	-\$4,000.00	
05	06	1725	BFB LGGS Income			-\$44,480.00	-\$25,020.00	-\$39,464.25	-\$14,444.25	Timing of funding
05	06	1726	CESM Contributions & Reimbursements			-\$119,241.00	-\$59,620.00	-\$3,271.42	\$56,348.58	Claims to be issued
07	14	2345	GRANT REVENUE (HAI)			\$0.00	\$0.00	-\$7,912.69	-\$7,912.69	
08	22	3167	Youth Activities Grant Income (CDOW)			-\$33,648.00	-\$25,236.00	-\$26,126.01	-\$890.01	
08	22	3173	Seniors Week Grant Income (CDOW)			-\$1,000.00	-\$664.00	\$0.00	\$664.00	
08	22	3174	National Youth Week Grant Income (CDOW)			-\$1,000.00	-\$664.00	\$0.00	\$664.00	
08	22	4333	Grant Income (CDOW)	CD00	Thank-A-Volunteer Day Grant Income	-\$1,000.00	-\$1,000.00	\$0.00	\$1,000.00	
08	22	4333	Grant Income (CDOW)	CD09	Piaf Grant Income	-\$1,000.00	-\$1,000.00	\$0.00	\$1,000.00	Contract Liability
08	22	4333	Grant Income (CDOW)	CD13	Cultural Awareness	-\$37,000.00	-\$37,000.00	\$0.00	\$37,000.00	Contract Liability \$5K
08	22	4333	Grant Income (CDOW)	CD15	Lotterywest - Community Capacity Building	-\$120,000.00	-\$120,000.00	\$0.00	\$120,000.00	Timing of Grant Expenditure
08	22	4333	Grant Income (CDOW)	CD46	Gsdc Leadership Development Funding	-\$12,500.00	-\$12,500.00	\$0.00	\$12,500.00	Project not proceeding
08	22	4333	Grant Income (CDOW)	IG01	Grant Income Indigenous Governance	-\$12,613.00	-\$12,613.00	\$0.00	\$12,613.00	Contract Liability Timing
08	22	4337	Harmony Festival Grant Income (CDOW)			-\$57,000.00	-\$57,000.00	-\$47,500.00	\$9,500.00	Contract Liability \$9K
11	36	5373	Grant Income (OCU)	GG05	Regional Venues Improvement Fund Grant Income	-\$25,000.00	-\$25,000.00	\$0.00	\$25,000.00	Project currently being undertaken
11	36	5373	Grant Income (OCU)	GG07	Retb Exhibition Reimbursements	-\$2,000.00	-\$2,000.00	\$0.00	\$2,000.00	
11	36	5373	Grant Income (OCU)	GG08	Heritage Grant Income	-\$20,000.00	-\$20,000.00	\$0.00	\$20,000.00	Project currently being undertaken
11	72	2703	Grant Income (KLC)	LG05	Dlgsci - Kids Adventure Club	\$0.00	\$0.00	-\$3,225.09	-\$3,225.09	Reimbursement of Expenses
11	72	2703	Grant Income (KLC)	SP01	Sports Engagement & Inclusion Program	-\$33,086.00	-\$33,084.00	\$0.00	\$33,084.00	Contract Liability Timing
12	38	4911	Direct Road Grant (MRBD)			-\$140,386.00	-\$140,386.00	-\$143,406.00	-\$3,020.00	
12	38	4941	Street Light Subsidy (MRBD)			-\$2,500.00	\$0.00	\$0.00	\$0.00	
12	41	1103	Commissions & Contributions (TPL)			-\$90,000.00	-\$60,000.00	-\$52,534.96	\$7,465.04	
13	43	5877	Grant Income (EDV)	ED10	Tourism Attraction And Development Grant Income	-\$6,460.00	-\$6,460.00	\$0.00	\$6,460.00	
13	43	5877	Grant Income (EDV)	ED18	Drought Affected Communities Grant	-\$300,000.00	-\$300,000.00	\$0.00	\$300,000.00	Project Timing & Reporting
13	43	5877	Grant Income (EDV)	ED19	Local Roads & Community Infrastructure Phase 1 Grant	-\$35,181.00	-\$35,181.00	\$0.00	\$35,181.00	Timing Audit Sign off
13	43	5877	Grant Income (EDV)	ED20	Frrr - Vibrant Katanning	-\$6,460.00	-\$6,460.00	\$0.00	\$6,460.00	Contract Liability Timing
13	43	5877	Grant Income (EDV)	ED22	Local Roads & Community Infrastructure Phase 2 Grant	-\$102,237.00	-\$102,237.00	\$0.00	\$102,237.00	Timing Audit Sign off
13	43	5877	Grant Income (EDV)	ED23	Local Roads & Community Infrastructure Phase 3 Grant	-\$175,906.00	-\$175,906.00	\$0.00	\$175,906.00	Contract Liability & Timing Audit Sign off
13	43	5877	Grant Income (EDV)	ED25	Revitalise And Activate Clive Street (Grant Income)	-\$24,000.00	-\$24,000.00	\$0.00	\$24,000.00	Project Reporting timing
13	45	8933	Auspicing Income - Hidden Treasures (TOU)			-\$15,000.00	-\$15,000.00	\$0.00	\$15,000.00	Project yet to commence
						-\$2,112,415.00	-\$1,816,818.00	-\$942,500.71	\$874,317.29	

SHIRE OF KATANNING

BUDGET REVIEW REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2023

LOCAL GOVERNMENT ACT 1995

LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

TABLE OF CONTENTS

Statement of Budget Review by Nature or Type	2
Note 1 Basis of Preparation	3
Note 2 Summary Graphs - Budget Review	4
Note 3 Net Current Funding Position	5
Note 4 Predicted Variances	7
Note 5 Budget Amendments	8

SHIRE OF KATANNING
STATEMENT OF BUDGET REVIEW
(NATURE OR TYPE)
FOR THE PERIOD ENDED 28 FEBRUARY 2023

	Budget v Actual		Predicted			
	Note	Adopted Budget (a) \$	YTD Actual (b) \$	Variance Permanent (c) \$	Variance Timing (Carryover) (d) \$	
OPERATING ACTIVITIES						
Net current assets at start of financial year surplus/(deficit)	4.5.2	3,139,999	2,809,750	(330,249)		2,809,750 ▼
Revenue from operating activities (excluding rates)						
Specified area rates & Ex-Gratia Rates	4.1.1	4,670	0	0		4,670
Operating grants, subsidies and contributions	4.1.2	2,112,415	681,539	120,000		2,232,415 ▲
Fees and charges	4.1.3	1,861,766	1,327,031	60,000		1,921,766 ▲
Interest earnings	4.1.6	98,500	161,018	200,000		298,500 ▲
Other revenue	4.1.7	433,674	307,604	0		433,674
Profit on asset disposals	4.1.8	174,214	10,212	0		174,214
		4,685,239	2,487,404	380,000	0	5,065,239
Expenditure from operating activities						
Employee costs	4.2.1	(4,434,829)	(2,079,951)	(26,798)		(4,461,627) ▲
Materials and contracts	4.2.2	(4,291,722)	(1,781,105)	(140,000)		(4,431,722) ▲
Utility charges	4.2.3	(528,015)	(208,658)	0		(528,015)
Depreciation on non-current assets	4.2.4	(6,108,055)	(2,773,288)	0		(6,108,055)
Interest expenses	4.2.5	(118,046)	(31,407)	(6,062)		(124,108) ▲
Insurance expenses	4.2.6	(406,146)	(407,681)	0		(406,146)
Other expenditure	4.2.7	(352,813)	(186,093)	0		(352,813)
Loss on asset disposals	4.2.8	(59,016)	0	0		(59,016)
		(16,298,642)	(7,468,183)	(172,860)	0	(16,471,502)
Non-cash amounts excluded from operating activities		6,087,847	2,763,076			6,087,847
Amount attributable to operating activities		(2,385,557)	592,047	(123,109)	0	(2,508,666)
INVESTING ACTIVITIES						
Non-operating grants, subsidies and contributions	4.3.1	892,744	414,446	301,940		1,194,684 ▲
Purchase land and buildings	4.4.2	(1,481,830)	(292,746)	(10,000)		(1,491,830) ▲
Purchase plant and equipment	4.4.3	(1,930,861)	(54,000)	0		(1,930,861)
Purchase furniture and equipment	4.4.4	(180,572)	0	0		(180,572)
Purchase and construction of infrastructure-roads	4.4.5	(1,732,406)	(619,128)	0		(1,732,406)
Purchase and construction of infrastructure-other	4.4.6	(567,350)	(307,818)	0		(567,350)
Proceeds from self supporting loans	4.3.6	250,000	250,000			250,000
Proceeds from disposal of assets	4.3.2	424,773	15,000			424,773
		(4,325,502)	(594,246)	291,940	0	(4,033,562)
Non-cash amounts excluded from investing activities		0	0			0
Amount attributable to investing activities		(4,325,502)	(594,246)	291,940	0	(4,033,562)
FINANCING ACTIVITIES						
Repayment of debentures	4.4.8	(195,158)	(91,496)	(24,203)		(219,361) ▲
Principal elements of finance lease payments		(11,503)	(11,503)			(11,503)
Proceeds from new borrowings	4.3.3	650,000	650,000			650,000
Advances of self supporting loans	4.4.9	(250,000)	0			(250,000)
Transfers to cash backed reserves (restricted assets)	4.5.10	(658,000)	(103,183)	(160,000)		(818,000) ▲
Transfers from cash backed reserves (restricted assets)	4.5.11	2,503,012	0	26,798		2,529,810 ▼
Amount attributable to financing activities		2,038,351	443,818	(157,405)	0	1,880,946
Budget deficiency before general rates		(4,672,708)	441,619	11,426	0	(4,661,282)
Estimated amount to be raised from general rates	4.5.1	4,672,708	4,676,397	(5,000)		4,667,708 ▼
Closing funding surplus(deficit)	3 (c)	0	5,118,016	6,426	0	6,426 ▲

1. BASIS OF PREPARATION

The budget review comprises financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Local Government (Financial Management) Regulations 1996 prescribe that the budget review be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget review or required by legislation.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements.

Rounding off figures

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

2022-23 actual balances

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

Budget comparative figures

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

Judgements, estimates and assumptions

The preparation of the annual budget review 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.

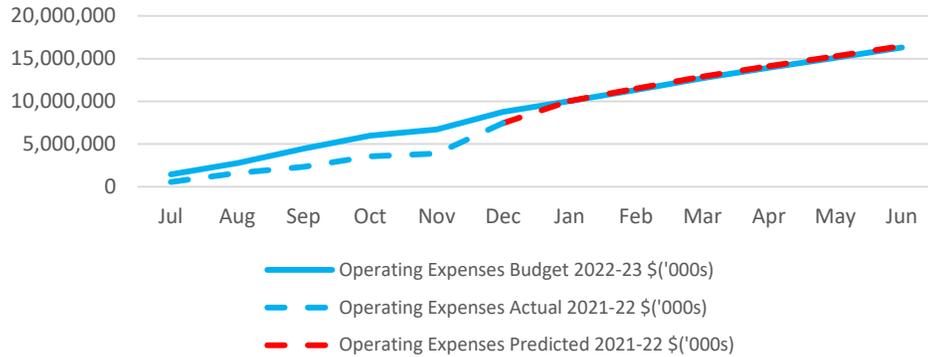
The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets

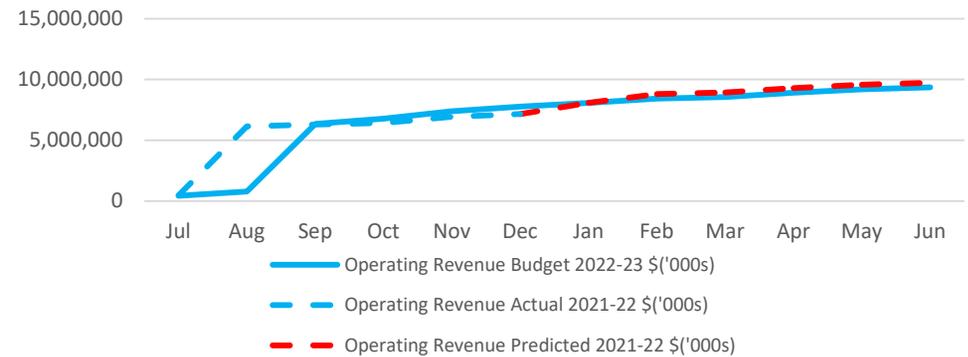
SHIRE OF KATANNING
SUMMARY GRAPHS - BUDGET REVIEW
FOR THE PERIOD ENDED 28 FEBRUARY 2023

2. SUMMARY GRAPHS - BUDGET REVIEW

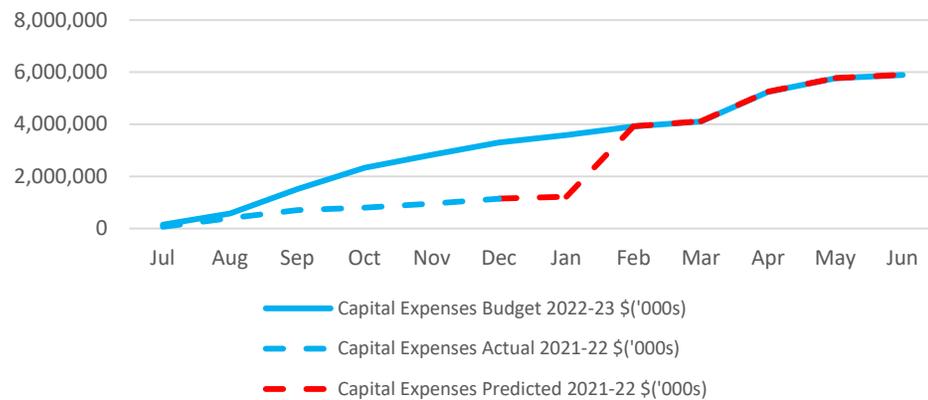
Operating Expenses



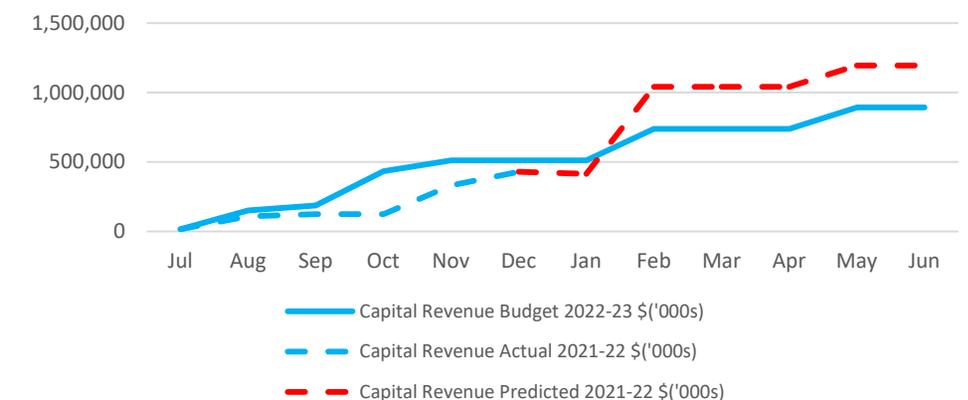
Operating Revenue



Capital Expenditure



Capital Revenue



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

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

SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities.

FINANCIAL ASSETS AT AMORTISED COST

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

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

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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

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

The Shire of Katanning applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

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.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire of Katanning prior to the end of the financial year that are unpaid and arise when the Shire of Katanning 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.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire of Katanning recognises revenue for the prepaid rates that have not been refunded.

EMPLOYEE BENEFITS

Short-Term Employee Benefits

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

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

PROVISIONS

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

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

CONTRACT LIABILITIES

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire of Katanning are recognised as a liability until such time as the Shire of Katanning satisfies its obligations under the agreement.

SHIRE OF KATANNING
 NOTES TO THE REVIEW OF THE ANNUAL BUDGET
 FOR THE PERIOD ENDED 28 FEBRUARY 2023

4. PREDICTED VARIANCES

Comments/Reason for Variance

	Variance \$	
	Permanent	Timing
4.1 OPERATING REVENUE (EXCLUDING RATES)		
4.1.3 FEES AND CHARGES		
Increase in Private Works Income	60,000	
4.1.4 OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Legal Fees recoverable from rates	120,000	
4.1.6 INTEREST EARNINGS		
Increase in interest rates - Reserves and Municipal	200,000	
4.2 OPERATING EXPENSES		
4.2.1 EMPLOYEE COSTS		
Termination payment	(26,798)	
4.2.2 MATERIAL AND CONTRACTS		
Legal fees recoverable from rates & increase in Private Works Expenses	(140,000)	
4.2.5 INTEREST EXPENSES		
New Loans 162, 163 & 164 not included in Budget	(6,062)	
4.3 CAPITAL REVENUE		
4.3.1 NON OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS		
LRCIP Grant transferred to Grants in Advance at Annual Report & Self Supporting Loan reimbursement	301,940	
4.3.6 SELF-SUPPORTING LOAN PRINCIPAL		
Loan 162	(5,867)	
4.4 CAPITAL EXPENSES		
4.4.2 LAND AND BUILDINGS		
Solarhart installation at CEO House	(10,000)	
4.4.8 REPAYMENT OF DEBENTURES		
Loans 163 & 164 not included in Budget	(18,336)	
4.5 OTHER ITEMS		
4.5.10 TRANSFER TO RESERVES (RESTRICTED ASSETS)		
Additional interest on Reserves	(160,000)	
4.5.11 TRANSFER FROM RESERVES (RESTRICTED ASSETS)		
Transfer from Leave Reserve	26,798	
4.5.1 RATE REVENUE		
Increase due to interim rates	(5,000)	
4.5.2 OPENING FUNDING SURPLUS(DEFICIT)		
Amendment resulting from audit	(330,249)	
Total Predicted Variances as per Annual Budget Review	6,426	0

5. BUDGET AMENDMENTS

Proposed amendments to original budget since budget adoption. Surplus/(Deficit)

GL Account Code	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$	\$	\$	\$	
	Budget Adoption		Opening Surplus(Deficit)				3,139,998	
	Adjustment to opening surplus		Opening Surplus(Deficit)			(330,249)	2,809,749	
	Add back LRCIP transferred to Grants in Advance		Opening Surplus(Deficit)		293,628	0	3,103,377	
	Amount originally utilised in 2022/2023 Budget		Opening Surplus(Deficit)			(3,139,998)	(36,621)	
5953	Increase in Private Works Income		Operating Revenue		60,000		23,379	
5912	Increase in Private Works Expenditure		Operating Expenses			(20,000)	3,379	
1163	Legal Fees - Rates Recoverable		Operating Revenue		120,000		123,379	
1022	Legal Fees - Rates Recoverable		Operating Expenses			(120,000)	3,379	
1253	Interest - Reserves		Operating Revenue		160,000		163,379	
	Transfer to Reserves		Capital Expenses			(160,000)	3,379	
9113	Interest - Municipal		Operating Revenue		40,000		43,379	
0156	Interest on Loan 163 - Road Sweeper		Operating Expenses			(1,899)	41,480	
0157	Interest on Loan 164 - Truck		Operating Expenses			(1,718)	39,762	
5016	Principal Repayment on Loan 163		Capital Expenses			(9,626)	30,136	
5017	Principal Repayment on Loan 164		Capital Expenses			(8,710)	21,426	
0054	Interest on Loan 162 - Self Supporting Loan		Operating Expenses			(2,445)	18,981	
2685	Principal Repayment on Loan 162		Capital Expenses			(5,867)	13,114	
2814	Self Supporting Loan Principal Reimbursement		Capital Revenue		2,445		15,559	
0034	Self Supporting Loan Interest Reimbursement		Operating Revenue		5,867		21,426	
0021	Back Rates levied		Operating Revenue			(5,000)	16,426	
Z057	25 Marion St - Solar Hart replacement		Operating Expenses			(10,000)	6,426	
2497	Transfer Employees Reserve - LT Resignation		Capital Revenue		26,798		33,224	
9344	Salary - LT Resignation		Operating Expenses			(26,798)	6,426	
	Amended Budget Cash Position as per Council Resolution			0	708,738	(3,842,310)	6,426	