



# **SHIRE OF LAVERTON**

# **MINUTES**

**AUDIT COMMITTEE MEETING  
HELD**

**TUESDAY**

**15 JULY 2014**

**COMMENCING AT 4.52 PM**

## **Order of Business**

- 1. DECLARATION OF OPENING**
- 2. RECORD OF ATTENDANCE**
- 3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING**
  - 3.1 Minutes of Audit Committee Meeting held 20 March 2014 (File Ref: 207)
- 4. REPORTS OF COMMITTEES & OFFICERS**
  - 4.1 Receipt of Budget Review Report
- 5. CLOSURE OF MEETING**

## MINUTES OF AUDIT COMMITTEE MEETING

### 1. DECLARATION OF OPENING

The Chairman Cr Patrick Hill Declared the meeting open at 4.52pm and welcomed everyone to the meeting

### 2. RECORD OF ATTENDANCE

#### 2.1 PRESENT

Cr P Hill	Chairman
Cr R Wedge	Councillor
Cr L Hawkins	Councillor
Cr B Fuamatu	Councillor

Mr G Stanley	Exec. Manager Corp. & Comm. Services/Acting CEO
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Mr R Williams	Executive Manager Technical Services
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#### 2.2 APOLOGIES

Cr S Weldon	Councillor
Cr D Cannons	Councillor
Mr S Deckert	Chief Executive Officer

#### 2.3 LEAVE OF ABSENCE

Nil

#### 2.4 VISITORS

### 3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING:

3.1	<b>Audit Committee Meeting – 20 March 2014</b>	<b>File Ref: 207</b>
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**OFFICER /COMMITTEE RECOMMENDATION**

Moved Cr Wedge Seconded Cr Fuamatu

**That the Minutes of the Audit Committee Meeting held on 20 March 2014, be confirmed as a true and accurate record.**

**Carried 4/0**

### 4. REPORTS OF COMMITTEE AND OFFICERS

4.1	<b>Budget Review Report</b>	<b>File Ref:</b>
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**SUBMISSION TO:** Audit Committee, 15 July 2014

**DISCLOSURE OF INTEREST:** The author has no financial interest in this matter

**OWNER/APPLICANT:** Not Applicable

**AUTHOR:** Graham Stanley, Executive Manager Corporate & Community Services

**SENIOR OFFICER:** Steven Deckert, Chief Executive Officer

**PREVIOUS MEETING REF:** Nil

**MATTER FOR CONSIDERATION:**

To consider and adopt the Budget Review as presented in the Statement of Budget Review for the period 1 July 2013 to 31 March 2014.

**ATTACHMENTS:**

Appendix "A" - Budget Review Document including Statement of Budget Review for the period 1 July 2013 to 31 March 2014 and projected results for the 2013/14 Financial Year.

**BACKGROUND:**

A Statement of Budget Review incorporating year to date budget variations and forecasts to 30 June 2014 for the period ending 31 March 2014 is presented to Council to consider. The Local Government (Financial Management) Regulations 1996, regulation 33A as amended, requires that local governments conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department for Local Government and Regional Development within 30 days of the adoption of the review.

Unfortunately due to the changeover of the two Executive Managers during the review period, the resignation of the rates officer and the Executive Manager of Corporate & Community Services relieving the CEO for a number of weeks due to his absence for personal family reasons it was not possible to complete the review within the required timeframe.

**STATUTORY ENVIRONMENT:**

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires:

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

**POLICY IMPLICATIONS:** Nil

**FINANCIAL IMPLICATIONS:**

Specific financial implications are as outlined in the Comment section of this report.

**STRATEGIC IMPLICATIONS:**

Provides efficient and effective financial management.

**CONSULTATION:**

Steven Deckert - Chief Executive Officer; Russell Williams – Executive Manager Technical Services; Johanna McGuire – Co-ordinator Community Resource Centre, Laurinda Hill – Co-ordinator Great Beyond Visitor Centre

**COMMENT:**

The budget review has been prepared to include information required by the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996. Council adopted a 10% and a \$10,000 minimum for the reporting of material variances to be used in the statements of financial activity and the annual budget review. A summary of the outcome of the review indicates the following position at 30th June 2014:

<b>Net Variance</b>	
Opening Funding Surplus (Deficit)	(134,267.00)
Shortfall of Operating Income	(6,658,917.00)
Under Expended Operating Expenditure	1,164,861.00
Roads Capital Expenditure Under Expended	3,208,650.00
Furniture & Equipment Capital Expenditure Under Expended	1,069,876.00
Other Infrastructure Capital Expenditure Under Expended	5,572,746.00
Plant & Equipment Capital Expenditure Under Expended	448,863.00
Transfers from Reserves Not made	(1,890,267.00)
Increased Transfers to Reserves	(70,000.00)
Loan Principal Repayments Variance	(1.00)
Loan proceeds Not Received	(400,000.00)
<b>Anticipated Surplus at 30th June 2014</b>	<b>2,311,544.00</b>

There were a large number of variations. Many were related to the failure of anticipated grants to come through, resulting in the matching expenditures not occurring and transfers from reserves or loans to support the funding not being called upon. A number of construction projects have also been held up due to a variety of reasons.

A summary of the line items varying by \$10,000 or greater as anticipated at 30<sup>th</sup> June 2014 is as follows after the removal of Administration and staff housing allocations is as follows:

I031045 · Discount Allowed	10,000.00
46.2.2 · GRV Mining Interims	196,935.00
46.2.2 · UV Mining Interims	(70,135.00)
I031050 · Rates Written Off	(18,000.00)
I032010 · Grants Commission	(18,472.00)
I032030 · Interest on Investments - Muni	19,000.00
I054015 · Cont. - Flood Management Plan	(50,000.00)
I074011 · Medical Practice Receipts	62,700.00
I074025 · Grant Funding	(293,781.00)
I085005 · Youth Worker Grant	(24,200.00)
I088010 · Grant Funds - Early Childhood	(1,000,000.00)

I101040 · Mt Margaret Rubbish Collection	56,989.00
I106020 · Rural Residential Subdivision	(500,000.00)
I106025 · General Industrial Subdivision	(100,000.00)
I113070 · Grants - Community Centre	(175,000.00)
I113080 · Government Grants	(50,000.00)
I119020 · Cont. Digital TV Conversion	34,925.00
I121020 · Govt Grant - Project Based Grant	(1,229,684.00)
I121025 · Aboriginal Access Roads Grant	(48,200.00)
I123005 · Gain on Disposal of Assets	(72,000.00)
I126005 · Landing Fees	(10,000.00)
I126012 · Fuel Sales	(60,000.00)
I131042 · Coach House Remedial Works	(126,000.00)
I131060 · Influential Families (Grant)	(20,415.00)
I131040 · R4R - Community Local Govern Fund	(539,778.00)
I131044 · Proceeds from Sale of Assets	120,000.00
I131051 · Grant Funds Main Street Project	(2,000,000.00)
I131052 · Grant Funds Underground Pwr	(500,000.00)
I133015 · Merchandise Sales	(14,600.00)
I134080 · Coach House Ren/CRC Co-loc'n	(250,000.00)
I134081 · Community Garden Project	(25,000.00)
I144030 · Fuel Tax Credits Income	(10,133.00)
I144060 · Profit on disposal of asset	17,816.00
E041040 · Public Relations	13,900.00
E041065 · Attendance Fees	20,000.00
E041085 · Consultancies	35,000.00
E041093 · Integrated Planning & Reporting	23,000.00
E051020 · Fire Control - Shire Properties	21,219.00
E052015 · Control Expenses - Other	11,900.00
E052020 · Dog Control Expenses	37,000.00
E053010 · Crime Prevention Strategies	42,200.00
E054020 · Skull Creek Flood Mngement Plan	150,000.00
E074025 · Medical Practice Subsidy	34,000.00
E074030 · Doctor's Subsidy - Mining Companies	60,000.00
E074031 · Medical Practice Expenses	(164,779.00)
E085061 · Youth & Rec Officer Salary	53,100.00
E085072 · Youth Ctr Activities & Programs	(10,000.00)
E087010 · Playgroup/Day Care Ctr Planning	(15,978.00)
E091010 · 2 Shirley Avenue	(7,000.00)
E091050 · 8A Craggie Street	23,500.00

<b>E091090 · Staff Housing Asset Management Plan</b>	10,000.00
<b>E092001 · 14 Erlistoun Street</b>	23,200.00
<b>E101005 · Litter Control</b>	(27,000.00)
<b>E101010 · Commercial/Industrial Collection</b>	17,600.00
<b>E101015 · Domestic Collection</b>	(12,550.00)
<b>E101030 · Household Verge Collection</b>	14,830.00
<b>E101035 · Mt Margaret Refuse Site</b>	(45,119.00)
<b>E106100 · Loss on sale of assets</b>	500,000.00
<b>E107010 · Other Cemetery Expenses</b>	12,333.00
<b>E111005 · Town Hall Operations</b>	11,000.00
<b>E112010 · Swimming Pool Salaries</b>	12,000.00
<b>E112020 · Swimming Pool Maintenance</b>	30,000.00
<b>E112040 · Swimming Pool Chemicals</b>	10,000.00
<b>E113005 · Racecourse and Stable Maintenance</b>	29,200.00
<b>E113010 · Parks, Gardens &amp; Reserves</b>	(14,000.00)
<b>E113100 · Loss on sale of asset</b>	60,000.00
<b>E115005 · Library Costs - Salaries</b>	(15,820.00)
<b>E122010 · Maintenance Rural Roads</b>	(227,000.00)
<b>E122020 · Footpath Maintenance</b>	23,700.00
<b>E122040 · Drainage Works</b>	13,400.00
<b>E122045 · Street Trees and Tree Watering</b>	45,500.00
<b>E122050 · Traffic &amp; Street Signs, inc Guide posts</b>	30,300.00
<b>E122055 · Maintenance - Town Streets</b>	(75,600.00)
<b>E122060 · Depot Nursery Operations</b>	19,200.00
<b>E122075 · Mt.Weld Rd Maint.0-12kms</b>	10,000.00
<b>E126010 · Aerodrome Operations</b>	(40,400.00)
<b>E126020 · Refuelling Facility</b>	16,000.00
<b>E131031 · Cont. to Comm. Groups Secretary</b>	30,000.00
<b>E131060 · Influential Families</b>	15,190.00
<b>E131065 · Advances to Community Groups</b>	15,000.00
<b>E132012 · Tourism Signage Project</b>	11,040.00
<b>E133017 · Laverton History &amp; Research</b>	10,000.00
<b>E133019 · Heritage Collections</b>	41,000.00
<b>E133056 · GB - Professional Development</b>	9,000.00
<b>E133060 · GB - Repairs &amp; Maint</b>	24,000.00
<b>E133067 · GB - Merchandise</b>	29,500.00
<b>E134005 · CRC Salaries</b>	28,900.00
<b>E134069 · ICT Support &amp; Development</b>	11,000.00
<b>E136010 · Weed Control</b>	10,000.00

E143005 · Exec Mgr. Tech Serv Salary	(54,210.00)
E143025 · Depot Operational Expenses	(19,640.00)
E143030 · Superannuation of Workmen	(9,809.00)
E143035 · Holiday Pay	(66,028.00)
E143036 · Long Service Leave	(12,134.00)
E143080 · Training & Conference Expenses	(10,950.00)
E143095 · EMTS & Works Manager Vehicles	9,000.00
E143100 · Training/Meetings Town Crew	14,000.00
E144005 · Fuel & Oil	60,000.00
E144010 · Tyres & Tubes	(20,000.00)
E144020 · Repair Wages	33,000.00
E144046 · Loss on sale of Assets	17,912.00
E145005 · Employee Costs - Salaries	14,000.00
E145025 · Employee Costs - FBT	(14,616.00)
E145030 · Employee Costs - Training	14,000.00
E145085 · Computer Services	(30,000.00)
E145095 · Consultancy Fees	35,000.00
E145100 · Insurance - Administration	14,000.00
C120220 Solar Energy Upgrade - Doctor's house	10,000.00
C120221 Construct new Doctor's house	500,000.00
C120222 FCWP Early Childhood - Daycare	1,000,000.00
C120223 8 Leahy Close - completion	14,000.00
C120224 1 Mikado Way - completion	13,000.00
C120225 Solar Energy Upgrade - 8 Leahy Cl	10,500.00
C120226 Solar Energy Upgrade -1 Mikado	13,500.00
C120227 · Burt St Group Dwelling	884,254.00
C120228 FCWP - Multi Purpose Comm Centre	350,000.00
C120229 Coach House Restoration	137,000.00
C120230 FCEP Coach House Redevelopment	250,000.00
C120231 Gt Beyond Stage 2 & Café	50,000.00
C120232 Electrical Upgrade Depot	(24,491.00)
C120432 · Bandy Rd C/O (I) E104	(24,492.00)
C120433 · Erlistoun Rd C/O (I) E105	43,264.00
C120434 · Great Central Rd (E100) I	(11,129.00)
C120435 · Mt Weld Rd C/O from 2012-13	505,398.00
C120436 · GCR - Sealing	105,623.00
C120437 · Old Laverton Rd (P)	40,866.00
C120438 · Laverton-Mt Margaret Rd (P)	44,901.00
C120439 · Old Laverton Rd (I)	84,035.00



C120440 - Bandy Rd (I)	68,939.00
C120441 - Erlistoun Rd (I) E105	134,753.00
C120442 - Great Central Rd C/O 2012-13	(126,664.00)
C120443 - Great Central Rd - R2R	(142,967.00)
C120445 Lakewells Rd & Others	222,824.00
C120446 Direct Grant Roads	130,581.00
C120337 - Council Chambers Upgrade	17,862.00
C120339 - Depot Security Cameras	15,000.00
C120341 - Microfiche Film & Image Reader	10,000.00
C120342 - Explr Hall of Fame - Screens & Audio	20,000.00
C120348 - Upgrade Telephone System	11,000.00
C120127 - FCWP Rural Res Subdivision	1,000,000.00
C120128 - FCWP - General Industrial Area	200,000.00
C120130 - Solar pump - Race Course	35,000.00
C120131 - FCWP Oval Upgrade	(43,234.00)
C120132 -Tourist Bay Patios	10,000.00
C120133 - MSP Constr'n, Designs & Plan'ng	48,960.00
C120134 - MSP Augusta Stg 1B Civil Works	1,225,156.00
C120135 - MSP Project Management	(55,554.00)
C120136 - FCW MSP Landscaping Stg 1B	2,000,000.00
C120137 - FCWP Town Entry Statement	100,000.00
C120138 - FCWP Main St Underground Power	999,550.00
C120139 - FCWP Community Garden	30,000.00
C120141 - Admin Office Gardens upgrade	13,000.00
C120540 - Doctor's Vehicle	60,000.00
C120542 - Generator 8KVA	20,000.00
C120543 - Transfer Pump	17,777.00
C120546 -Vibratory Padfoot Roller	143,500.00
C120547 - Crew Cab Truck	42,308.00
C120548 - Tipper Truck (HR)	141,315.00
C120551 -Depot Fuel Facility Hard Stand	12,000.00
Transfer from Plant Reserve	(30,000.00)
Transfer from Road Reserve	(100,000.00)
Transfer from Building Reserve	(600,000.00)
Transfer from Great Beyond Reserve	(65,000.00)
Transfer from Townsite Revitalisation Reserve	(805,267.00)
Transfer from Community Loan & Grant Reserve	(15,000.00)
Transfer from Economic Development Reserve	(275,000.00)
Transfer to Building Reserve	70,000.00

Doctor's House Loan	(200,000.00)
Main Street Underground Power Loan	(200,000.00)
Combined minor variances	(104,482.00)
<b>Total Anticipated Surplus at 30.06.2104</b>	<b>2,311,544.00</b>

**VOTING REQUIREMENTS:**

Absolute majority

**STAFF RECOMMENDATION / COMMITTEE DECISION:**

**Moved Cr Wedge Seconded Cr Fuamatu that it be recommended to Council that  
That Council:**

1. Notes the expected surplus of \$2,311,544 at 30 June 2014.
2. Adopts the 2013/14 Budget Review submitted to Council as appended
3. Submits a copy of the budget review to the Department of Local Government within 30 days.

**5. CLOSURE OF MEETING**

Meeting Closed 6.52pm

**6. CERTIFICATION BY CHAIRMAN**

*I \_\_\_\_\_ hereby certify that the minutes of the Audit Committee  
Meeting held 15 July 2014 are confirmed as a true and correct record.*

*Signed ..... Dated.....2014*