



Shire of Ngaanyatjaraku

ON A JOURNEY

ORDINARY MEETING OF COUNCIL

ATTACHMENTS

Tjulyuru Cultural and Civic Centre

Warburton Community

24 November 2021

at

1.00 pm



Current Register – Use of Common Seal

Date on which the common seal was affixed	Nature of the document	Parties to any agreement	Council Resolution # & date
16 June 2018	Contract, RFT02-18 Road Mtce & Construction	Breakaway Earthmoving	6.2 SCM 14 June 2018
30 November 2018	Deed of building exchange	Ngaanyatjarra Land Council (Aboriginal Corporation)	10.4 28 November 2018
30 November 2018	Transfer of building situated at Lot 39 Thirteenth Street, Warburton	Ngaanyatjarra Land Council (Aboriginal Corporation)	11.4 28 November 2018
27 March 2019	General Conditions of Contract – RFT 01 18/19 Accounting & Compliance Services	Moore Stephens WA	10.2 27 March 2019
29 July 2019	Transfer of rubbish truck to Jameson Community Council	Jameson Community Council	10.4 24 July 2019
29 July 2019	Transfer of rubbish truck to Blackstone Community Council	Blackstone Community Council	10.4 24 July 2019
29 July 2019	Transfer of rubbish truck to Wingelina Community Council	Wingelina Community Council	10.4 24 July 2019
29 July 2020	GVROC Memorandum of Understanding 2020-2022	Shires of Coolgardie, Esperance, Dundas, Kalgoorlie-Boulder, Laverton, Leonora, Menzies, Ngaanyatjaraku and Wiluna	10.6 29 July 2020
29 July 2020	Transfer of rubbish truck to Wanarn Community Council	Wanarn Community Council	10.2 29 July 2020
29 July 2020	Transfer of rubbish truck to Warakurna Community Council	Warakurna Community Council	10.3 29 July 2020
23 September 2021	Settlement Deed in relation to Federal Court proceeding no SAD 154 of 2019	Basil Joshua Dawson, Kamis Leroy Dawson, Kresna Cameron, Janika Hunt and Jessie West on each of their own behalf and on behalf of	10.4 29 September 2021

		the Defined Group Members and Commonwealth of Australia and Shire of Ngaanyatjarraku And Ngaanyatjarra Council (Aboriginal Corporation) (ABN 88 304 990 870)	
28 September 2021	Lease of Office 7, Community Resource Centre, Lot 167 Warburton Community, WA 6431	Shire of Ngaanyatjarraku and Ngaanyatjarra Council (Aboriginal Corporation)	10.2 27 October 2021
4 November 2021	Lease of Office 10, Community Resource Centre, Lot 167 Warburton Community, WA 6431	Shire of Ngaanyatjarraku and Ngaanyatjarra Council (Aboriginal Corporation)	

SHIRE OF NGAANYATJARRAKU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	49

COMMUNITY VISION

The Shire of Ngaanyatjarraku - On a journey

Our Land - Looking after our Land

Our People - Looking after our People

Leadership - Showing the way for our Community

Principal place of business:

Great Central Road

Warburton Aboriginal Community

Western Australia

**SHIRE OF NGAANYATJARRAKU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ngaanyatjarraku for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Ngaanyatjarraku at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 18 day of November 2021



Chief Executive Officer

Kevin Hannagan

Name of Chief Executive Officer

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	23(a)	172,589	197,656	260,272
Operating grants, subsidies and contributions	2(a)	5,949,564	3,567,284	5,604,524
Fees and charges	2(a)	543,481	416,055	488,860
Interest earnings	2(a)	33,982	52,150	61,100
Other revenue	2(a)	118,401	92,416	99,030
		6,818,017	4,325,561	6,513,786
Expenses				
Employee costs		(1,767,951)	(2,172,956)	(1,653,127)
Materials and contracts		(2,076,295)	(3,304,215)	(2,178,796)
Utility charges		(33,657)	(71,993)	(47,146)
Depreciation on non-current assets	11(b)	(1,642,048)	(1,501,660)	(1,512,133)
Bank charges	2(b)	(1,614)	(500)	-
Insurance expenses		(108,928)	(168,121)	(153,038)
Other expenditure		(24,679)	(96,079)	(67,306)
		(5,655,172)	(7,315,524)	(5,611,546)
		1,162,845	(2,989,963)	902,240
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Profit on asset disposals	11(a)	60,572	1,000	20,630
Loss on asset disposals	11(a)	(21,610)	(23,500)	(57,282)
		2,511,875	3,385,555	2,719,092
Net result for the period		3,674,720	395,592	3,621,332
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		3,674,720	395,592	3,621,332

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		52,007	2,000	45,178
General purpose funding		3,467,605	1,804,833	3,450,613
Law, order, public safety		2,289	416	416
Health		2,267	1,400	1,426
Education and welfare		102,857	48,000	204,195
Housing		180,418	95,590	147,854
Community amenities		71,520	71,265	95,734
Recreation and culture		248,571	230,000	241,158
Transport		2,690,483	2,071,257	2,326,062
Economic services		-	800	1,150
		6,818,017	4,325,561	6,513,786
Expenses				
Governance		(320,659)	(136,531)	(158,581)
General purpose funding		(2,883)	-	(250)
Law, order, public safety		(5,744)	(11,970)	(6,219)
Health		(252,815)	(253,488)	(270,545)
Education and welfare		(37,230)	(43,230)	(346,056)
Housing		(241,645)	(266,875)	(339,255)
Community amenities		(245,038)	(600,213)	(603,952)
Recreation and culture		(539,429)	(774,516)	(623,525)
Transport		(3,955,641)	(4,967,025)	(3,243,085)
Economic services		(52,474)	(261,176)	(19,635)
Other property and services		-	-	(101)
		(5,653,558)	(7,315,024)	(5,611,204)
Finance Costs				
Governance	2(b)	(1,614)	(500)	(342)
		(1,614)	(500)	(342)
		1,162,845	(2,989,963)	902,240
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Profit on disposal of assets	11(a)	60,572	1,000	20,630
Loss on disposal of assets	11(a)	(21,610)	(23,500)	(57,282)
		2,511,875	3,385,555	2,719,092
Net result for the period		3,674,720	395,592	3,621,332
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		3,674,720	395,592	3,621,332

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTES	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	10,059,898	6,902,571
Trade and other receivables	6	41,312	62,092
Inventories	7	57,029	50,497
Other assets	8	13,600	3,525
TOTAL CURRENT ASSETS		10,171,839	7,018,685
NON-CURRENT ASSETS			
Other financial assets	5(a)	36,903	35,034
Property, plant and equipment	9	7,424,104	7,505,771
Infrastructure	10	106,438,593	104,335,934
TOTAL NON-CURRENT ASSETS		113,899,600	111,876,739
TOTAL ASSETS		124,071,439	118,895,424
CURRENT LIABILITIES			
Trade and other payables	13	452,494	182,675
Contract liabilities	14	1,504,253	317,137
Employee related provisions	15	203,536	154,226
TOTAL CURRENT LIABILITIES		2,160,283	654,038
NON-CURRENT LIABILITIES			
Employee related provisions	15	13,791	18,741
TOTAL NON-CURRENT LIABILITIES		13,791	18,741
TOTAL LIABILITIES		2,174,074	672,779
NET ASSETS		121,897,365	118,222,645
EQUITY			
Retained surplus		63,767,642	61,116,185
Reserves - cash backed	4	4,862,136	3,838,873
Revaluation surplus	12	53,267,587	53,267,587
TOTAL EQUITY		121,897,365	118,222,645

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		59,289,789	2,043,937	53,267,587	114,601,313
Comprehensive income					
Net result for the period		3,621,332	-	-	3,621,332
Total comprehensive income for the period		3,621,332	-	-	3,621,332
Transfers to reserves	4	(1,794,936)	1,794,936	-	-
Balance as at 30 June 2020		61,116,185	3,838,873	53,267,587	118,222,645
Comprehensive income					
Net result for the period		3,674,720	-	-	3,674,720
Total comprehensive income for the period		3,674,720	-	-	3,674,720
Transfers to reserves	4	(1,023,263)	1,023,263	-	-
Balance as at 30 June 2021		63,767,642	4,862,136	53,267,587	121,897,365

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		177,422	197,656	255,439
Operating grants, subsidies and contributions		7,129,165	3,250,147	5,900,644
Fees and charges		543,481	416,055	488,860
Interest received		33,982	52,150	61,100
Goods and services tax received		23,462	330,422	124,908
Other revenue		118,401	92,416	99,030
		8,025,913	4,338,846	6,929,981
Payments				
Employee costs		(1,679,619)	(2,172,956)	(1,715,528)
Materials and contracts		(1,867,055)	(3,304,215)	(2,114,531)
Utility charges		(33,657)	(71,993)	(47,146)
Bank charges		(1,614)	(500)	-
Insurance paid		(108,928)	(168,121)	(153,038)
Goods and services tax paid		-	(330,422)	(100,208)
Other expenditure		(24,679)	(96,079)	(67,306)
		(3,715,552)	(6,144,286)	(4,197,757)
Net cash provided by / (used in) operating activities	16	4,310,361	(1,805,440)	2,732,224
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(227,636)	(337,150)	(119,608)
Payments for construction of infrastructure	10(a)	(3,489,396)	(4,162,605)	(3,540,022)
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Proceeds from financial assets at fair values through profit and loss		(1,869)	-	-
Proceeds from sale of property, plant & equipment	11(a)	92,954	60,000	137,256
Net cash provided by / (used in) investment activities		(1,153,034)	(1,031,700)	(766,630)
Net increase / (decrease) in cash held		3,157,327	(2,837,140)	1,965,594
Cash at beginning of year		6,902,571	6,903,500	4,936,977
Cash and cash equivalents at the end of the year	16	10,059,898	4,066,360	6,902,571

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

SHIRE OF NGAANYATJARRAKU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	2,525,774	2,997,140	2,678,488
		2,525,774	2,997,140	2,678,488
Revenue from operating activities (excluding rates)				
Governance		52,007	2,000	65,808
General purpose funding		3,295,016	1,607,177	3,222,604
Law, order, public safety		2,289	416	416
Health		2,267	1,400	1,426
Education and welfare		102,857	48,000	204,195
Housing		180,418	95,590	147,854
Community amenities		71,520	71,265	95,734
Recreation and culture		248,571	230,000	241,158
Transport		2,751,055	2,072,257	2,326,062
Economic services		-	800	1,150
		6,706,000	4,128,905	6,306,407
Expenditure from operating activities				
Governance		(322,273)	(137,031)	(158,923)
General purpose funding		(2,883)	-	(250)
Law, order, public safety		(5,744)	(11,970)	(6,219)
Health		(252,815)	(253,488)	(270,545)
Education and welfare		(37,230)	(43,230)	(346,056)
Housing		(241,645)	(266,875)	(339,255)
Community amenities		(266,648)	(600,213)	(603,952)
Recreation and culture		(539,429)	(774,516)	(623,525)
Transport		(3,955,641)	(4,990,525)	(3,300,367)
Economic services		(52,474)	(261,176)	(19,635)
Other property and services		-	-	(101)
		(5,676,782)	(7,339,024)	(5,668,828)
Non-cash amounts excluded from operating activities	24(a)	1,596,267	1,207,023	1,543,264
Amount attributable to operating activities		5,151,259	994,044	4,859,331
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Proceeds from disposal of assets	11(a)	92,954	60,000	137,256
Purchase of property, plant and equipment	9(a)	(227,636)	(337,150)	(119,608)
Purchase and construction of infrastructure	10(a)	(3,489,396)	(4,162,605)	(3,540,022)
		(1,151,165)	(1,031,700)	(766,630)
Amount attributable to investing activities		(1,151,165)	(1,031,700)	(766,630)
Transfers to reserves (restricted assets)	4	(1,023,263)	(160,000)	(1,794,936)
Surplus/(deficit) before imposition of general rates		2,976,831	(197,656)	2,297,765
Total amount raised from general rates	23(a)	172,589	197,656	228,009
Surplus/(deficit) after imposition of general rates	24(b)	3,149,420	-	2,525,774

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

SHIRE OF NGAANYATJARRAKU
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash Backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Revaluation Surplus	28
Note 13	Trade and Other Payables	29
Note 14	Contract Liabilities	30
Note 15	Employee Related Provisions	31
Note 16	Notes to the Statement of Cash Flows	32
Note 17	Total Assets Classified by Function and Activity	33
Note 18	Contingent Liabilities	34
Note 19	Capital Commitments	35
Note 20	Elected Members Remuneration	36
Note 21	Related Party Transactions	37
Note 22	Joint Arrangements	38
Note 23	Rating Information	39
Note 24	Rate Setting Statement Information	41
Note 25	Financial Risk Management	42
Note 26	Initial Application of Australian Accounting Standards	45
Note 27	Other Significant Accounting Policies	46
Note 28	Activities/Programs	47
Note 29	Financial Ratios	48

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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 to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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 financial statements. The trust banking account had a nil balance for the 20.21 financial year.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The impact of adoption of these standards is described at Note 26.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of Shire's facilities	Single point in time	In full in advance	Refund if event cancelled	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Shire services, other fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Warta Shop and visitor centre stock	Single point in time	In full in advance	Refund for faulty goods	Adopted by Council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and artist sales	Over time	Payment in full on sale	None	Adopted by Council annually, set by agreement with Department of Transport and Artists	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	1,991	2,000	2,094
General purpose funding	3,261,033	1,555,027	3,129,242
Education and welfare	-	-	154,686
Community amenities	-	-	10,000
Recreation and culture	30,994	-	371
Transport	2,655,546	2,010,257	2,308,131
	5,949,564	3,567,284	5,604,524
Non-operating grants, subsidies and contributions			
Transport	2,472,913	3,408,055	2,755,744
	2,472,913	3,408,055	2,755,744
Total grants, subsidies and contributions	8,422,477	6,975,339	8,360,268
Fees and charges			
Governance	500	-	562
Health	330	400	260
Education and welfare	102,857	48,000	48,000
Housing	180,418	95,590	147,854
Community amenities	71,520	71,265	85,734
Recreation and culture	187,856	200,000	205,300
Economic services	-	800	1,150
	543,481	416,055	488,860

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	5,949,564	3,567,284	5,604,524
Fees and charges	543,481	416,055	488,860
Other revenue	1,869	61,000	36,219
Non-operating grants, subsidies and contributions	2,472,913	3,408,055	2,755,744
	8,967,827	7,452,394	8,885,347

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	317,137	317,137	256,574
Revenue from contracts with customers recognised during the year	6,177,777	4,044,339	6,129,603
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year	2,472,913	3,090,918	2,499,170
	8,967,827	7,452,394	8,885,347

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

Trade and other receivables from contracts with customers	-	-	33,797
Contract liabilities from contracts with customers	(1,504,253)	-	(317,137)

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non-financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:
 General rates

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Interest on reserve funds
 Rates instalment and penalty interest (refer Note 23(b))
 Other interest earnings

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
172,589	197,656	228,009
172,589	197,656	228,009
116,532	31,416	36,219
1,869	61,000	62,811
118,401	92,416	99,030
21,183	40,000	32,152
145	-	1,311
12,654	12,150	27,637
33,982	52,150	61,100

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Bank charges

Bank charges

Sundry expenses

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
24,715	38,000	24,160
24,715	38,000	24,160
1,614	500	-
1,614	500	-
24,679	96,079	67,306
24,679	96,079	67,306

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

	NOTES	2021 \$	2020 \$
Cash at bank and on hand		5,197,762	3,063,698
Term deposits		4,862,136	3,838,873
Total cash and cash equivalents		10,059,898	6,902,571
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
Cash and cash equivalents		6,366,389	4,156,010
		6,366,389	4,156,010
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	4,862,136	3,838,873
Contract liabilities from contracts with customers	14	1,504,253	317,137
Total restricted assets		6,366,389	4,156,010

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted assets

Restricted asset balances are not available for general use by the Shire due to externally imposed restrictions.

Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	309,822	1,710	-	311,532	309,822	-	-	309,822	304,650	5,172	-	309,822
(b) Asset Replacement, Acquisition and Development Reserve	3,522,013	571,514	-	4,093,527	3,522,013	-	-	3,522,013	1,732,367	1,789,646	-	3,522,013
(c) Cultural Centre Reserve	7,038	115,039	-	122,077	7,038	80,000	-	87,038	6,920	118	-	7,038
(d) Strategic Reserve	-	335,000	-	335,000	-	80,000	-	80,000	-	-	-	-
	3,838,873	1,023,263	-	4,862,136	3,838,873	160,000	-	3,998,873	2,043,937	1,794,936	-	3,838,873

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
(b) Asset Replacement, Acquisition and Development Reserve	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural Centre Reserve	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjaraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.
(d) Strategic Reserve	Ongoing	To provide for the reduction of financial risk of unanticipated events in the occurrence of a natural disaster. To provide for strategic actions in support of identified activities that cannot be funded in the one budget period. To provide for the capacity to take-up unanticipated strategic opportunities.

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2021	2020
\$	\$
36,903	35,034
36,903	35,034
36,903	35,034
36,903	35,034

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable

2021	2020
\$	\$
-	4,833
41,312	33,797
-	23,462
41,312	62,092

SIGNIFICANT ACCOUNTING POLICIES

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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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.

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.

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	57,029	50,497
	57,029	50,497
	50,497	71,223
	(29,721)	(35,486)
	36,253	14,760
	57,029	50,497

SIGNIFICANT ACCOUNTING POLICIES

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.

8. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2021	2020
	\$	\$
Prepayments	13,600	-
Accrued income	-	3,525
	13,600	3,525

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Buildings - non-specialised	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2019				
Comprises:				
Gross balance at 1 July 2019	8,816,589	187,426	2,268,015	11,272,030
Accumulated depreciation at 1 July 2019	(1,532,937)	(159,428)	(1,746,713)	(3,439,078)
Balance at 1 July 2019	7,283,652	27,998	521,302	7,832,952
Additions	73,842	-	45,766	119,608
Disposals	-	-	(173,908)	(173,908)
Depreciation expense	(151,607)	(10,389)	(110,885)	(272,881)
Balance at 30 June 2020	7,205,887	17,609	282,275	7,505,771
Comprises:				
Gross balance at 30 June 2020	8,890,432	187,426	2,024,125	11,101,983
Accumulated depreciation at 30 June 2020	(1,684,545)	(169,817)	(1,741,850)	(3,596,212)
Balance at 30 June 2020	7,205,887	17,609	282,275	7,505,771
Additions	32,902	-	194,734	227,636
Disposals	-	-	(53,992)	(53,992)
Depreciation expense	(152,277)	(10,390)	(92,644)	(255,311)
Balance at 30 June 2021	7,086,512	7,219	330,373	7,424,104
Comprises:				
Gross balance at 30 June 2021	8,923,334	187,426	2,086,637	11,197,397
Accumulated depreciation at 30 June 2021	(1,836,822)	(180,207)	(1,756,264)	(3,773,293)
Balance at 30 June 2021	7,086,512	7,219	330,373	7,424,104

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Buildings					
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
(ii) Cost					
Furniture and equipment	-	Cost	Cost	-	Purchase costs.
Plant and equipment	-	Cost	Cost	-	Purchase costs.

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

10. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads \$	Other infrastructure - Recreation Infrastructure \$	Other infrastructure \$	Total Infrastructure \$
Balance at 1 July 2019				
Comprises:				
Gross balance at 1 July 2019	118,787,092	412,993	-	119,200,085
Accumulated depreciation at 1 July 2019	(16,860,733)	(304,188)	-	(17,164,921)
Balance at 1 July 2019	101,926,359	108,805	-	102,035,164
Additions	3,309,785	26,056	204,181	3,540,022
Depreciation expense	(1,237,033)	(2,219)	-	(1,239,252)
Balance at 30 June 2020	103,999,111	132,642	204,181	104,335,934
Comprises:				
Gross balance at 30 June 2020	122,096,877	439,049	204,181	122,740,107
Accumulated depreciation at 30 June 2020	(18,097,766)	(306,407)	-	(18,404,173)
Balance at 30 June 2020	103,999,111	132,642	204,181	104,335,934
Additions	3,488,573	823	-	3,489,396
Depreciation expense	(1,373,786)	(2,742)	(10,209)	(1,386,737)
Balance at 30 June 2021	106,113,898	130,723	193,972	106,438,593
Comprises:				
Gross balance at 30 June 2021	125,585,450	439,872	204,181	126,229,503
Accumulated depreciation at 30 June 2021	(19,471,552)	(309,149)	(10,209)	(19,790,910)
Balance at 30 June 2021	106,113,898	130,723	193,972	106,438,593

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure - recreation infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires buildings and infrastructure and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)	173,908	137,256	20,630	(57,282)
	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)	173,908	137,256	20,630	(57,282)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Governance	\$	\$	\$	\$
PE018 2014 Toyota Prado	12,010	33,182	21,172	-
Health				
PE072 2016 Toyota Landcruiser	20,372	59,772	39,400	-
Community amenities				
PE066 2013 Isuzu NPR300 Truck	21,610	-	-	(21,610)
	53,992	92,954	60,572	(21,610)

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	152,277	151,607	151,607
Furniture and equipment	10,390	10,389	10,389
Plant and equipment	92,644	100,411	110,885
Infrastructure - roads	1,373,786	1,237,033	1,237,033
Other infrastructure - recreation infrastructure	2,742	2,220	2,219
Other infrastructure	10,209	-	-
	1,642,048	1,501,660	1,512,133

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	50 years
Furniture and equipment	4 years
Plant and equipment	5 to 7 years
Sealed roads and streets	
- formation	not depreciated
- pavement	8 to 31 years
- seal	
- bituminous seals	3 to 20 years
- asphalt surfaces	3 to 20 years
Gravel roads	
- formation	not depreciated
- pavement	8 to 31 years
- kerb	6 to 14 years

Depreciation on revaluation

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$
Buildings - non-specialised	4,052,570	4,052,570	4,052,570	4,052,570
Plant and equipment	190,407	190,407	190,407	190,407
Infrastructure - roads	49,024,610	49,024,610	49,024,610	49,024,610
	53,267,587	53,267,587	53,267,587	53,267,587

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Other payables

2021	2020
\$	\$
385,353	161,037
33,199	21,638
32,411	-
1,531	-
452,494	182,675

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

14. CONTRACT LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
1,504,253	317,137
1,504,253	317,137

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current
Non-current

Additional provision
Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Isolation Leave \$	Total \$
Opening balance at 1 July 2020				
Current	74,063	69,996	10,167	154,226
Non-current	-	18,741	-	18,741
	74,063	88,737	10,167	172,967
Additional provision	38,804	23,806	1,795	64,405
Amounts used	(10,092)	(3,630)	(6,323)	(20,045)
Balance at 30 June 2021	102,775	108,913	5,639	217,327
Comprises				
Current	102,775	95,122	5,639	203,536
Non-current	-	13,791	-	13,791
	102,775	108,913	5,639	217,327

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	2021 \$	2020 \$
Less than 12 months after the reporting date	108,414	84,230
More than 12 months from reporting date	120,156	99,980
Expected reimbursements from other WA local governments	(11,243)	(11,243)
	217,327	172,967

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, isolation leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the Shire'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's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Provisions

Provisions are recognised when the Shire has a present 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.

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents.

Cash at the end of the reporting period is reconciled to the related items in the

Statement of Financial Position as follows:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	10,059,898	4,066,360	6,902,571
Reconciliation of Net Result to Net Cash Provided By / (Used In) Operating Activities			
Net result for the period	3,674,720	395,592	3,621,332
Non-cash flow items:			
Depreciation on non-current assets	1,642,048	1,501,660	1,512,133
(Profit)/loss on sale of asset	(38,962)	22,500	36,652
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	20,780	-	255,424
(Increase)/decrease in other financial assets	(10,075)	-	24,010
(Increase)/decrease in inventories	(6,532)	-	20,726
Increase/(decrease) in trade and other payables	269,819	-	(18,715)
Increase/(decrease) in employee related provisions	44,360	-	(24,157)
Increase/(decrease) in other liabilities	1,187,116	(317,137)	60,563
Non-operating grants, subsidies and contributions	(2,472,913)	(3,408,055)	(2,755,744)
Net cash provided by / (used in) operating activities	4,310,361	(1,805,440)	2,732,224

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	477,991	397,423
General purpose funding	-	4,833
Law, order, public safety	3,121	4,942
Health	93,523	82,698
Education and welfare	1,176,850	1,216,664
Housing	4,469,714	4,572,361
Community amenities	61,178	106,379
Recreation and culture	1,704,057	1,617,391
Transport	106,458,716	104,306,689
Economic services	-	333
Unallocated	9,626,289	6,585,711
	124,071,439	118,895,424

18. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities.

19. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

The Shire does not have any capital commitments.

20. ELECTED MEMBERS REMUNERATION

Cr John Damian McLean

President's annual allowance	6,000	6,000	4,000
Meeting attendance fees	5,170	4,600	4,900
Travel and accommodation expenses	-	250	550

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
11,170	10,850	9,450

Cr Andrew Jones

Deputy President's annual allowance	1,500	1,500	-
Meeting attendance fees	1,650	3,350	2,000
Travel and accommodation expenses	-	250	-

3,150	5,100	2,000
-------	-------	-------

Cr Alwyn Bates

Meeting attendance fees	1,760	3,050	300
Travel and accommodation expenses	807	1,250	-

2,567	4,300	300
-------	-------	-----

Cr Lalla West

Meeting attendance fees	1,980	3,050	2,300
Travel and accommodation expenses	-	250	-

1,980	3,300	2,300
-------	-------	-------

Cr Joylene Frazer

Meeting attendance fees	2,310	3,050	2,200
Travel and accommodation expenses	-	250	-

2,310	3,300	2,200
-------	-------	-------

Cr Julie Porter

Meeting attendance fees	2,420	3,050	1,500
Travel and accommodation expenses	-	250	-

2,420	3,300	1,500
-------	-------	-------

Cr Debra Frazer

Meeting attendance fees	2,750	3,050	1,900
Travel and accommodation expenses	-	250	-

2,750	3,300	1,900
-------	-------	-------

Cr Preston Thomas

Deputy President's annual allowance	-	3,050	927
Meeting attendance fees	-	-	1,200
Travel and accommodation expenses	-	250	-

-	3,300	2,127
---	-------	-------

26,347	36,750	21,777
--------	--------	--------

Fees, expenses and allowances to be paid or reimbursed to elected council members.

President's allowance	6,000	6,000	4,000
Deputy President's allowance	1,500	1,500	927
Meeting attendance fees	18,040	26,250	16,300
Travel and accommodation expenses	807	3,000	550

26,347	36,750	21,777
--------	--------	--------

21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	530,488	389,789
Post-employment benefits	49,672	35,516
Other long-term benefits	44,587	34,574
	624,747	459,879

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

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

There were no transactions with related parties during the year.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

An associate person of KMP employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

22. JOINT ARRANGEMENTS

Joint operation

The Shire together with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ravensthorpe, Wiluna and City of Kalgoorlie-Boulder have a joint operation arrangement with regards to the provision of a Regional Records Service. The facility is located in Kalgoorlie and the Shire holds one-tenth share of the joint operation.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint operations

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

Interests in joint arrangements (Continued)

The Shire recognises its interest in the joint operation assets including its share of any assets held jointly, its liabilities, including its share of any liabilities incurred jointly, the revenue from the sale of the output arising from the joint operation and its expenses, including its share of any expenses incurred jointly using a proportionate accounting method.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Unimproved valuations	0.21	31	877,885	196,646	(19,083)	(5,954)	171,609	196,576	-	100	196,676	227,274
Sub-Total		31	877,885	196,646	(19,083)	(5,954)	171,609	196,576	-	100	196,676	227,274
Minimum payment												
Unimproved valuations	245	4	-	980	-	-	980	980	-	-	980	735
Sub-Total		4	-	980	-	-	980	980	-	-	980	735
		35	877,885	197,626	(19,083)	(5,954)	172,589	197,556	-	100	197,656	228,009
Total amount raised from general rate							172,589				197,656	228,009
Ex-gratia rates							-				-	32,263
Totals							172,589				197,656	260,272

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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 recognises revenue for the prepaid rates that have not been refunded.

23. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	6/10/2020	-	-	8.00%
Option Two				
First instalment	6/10/2020	-	-	8.00%
Second instalment	8/12/2020	-	-	8.00%
Option Three				
First instalment	6/10/2020	-	-	8.00%
Second instalment	8/12/2020	-	-	8.00%
Third instalment	9/02/2021	-	-	8.00%
Fourth instalment	9/04/2021	-	-	8.00%
		2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates		145	-	1,311
		145	-	1,311

24. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Notes		\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	11(a) (60,572)	(20,630)
	Less: Non-cash grants and contributions for assets	(1,869)	-
	Movement in employee benefit provisions (non-current)	(4,950)	(5,521)
	Movement in contract liabilities (non-current)	-	(317,137)
	Add: Loss on disposal of assets	11(a) 21,610	57,282
	Add: Depreciation on non-current assets	11(b) 1,642,048	1,512,133
	Non cash amounts excluded from operating activities	1,596,267	1,543,264
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserves - cash backed	4 (4,862,136)	(3,838,873)
	Add: Current liabilities not expected to be cleared at end of year	-	172,862
	- Employee benefit provisions	-	-
	Total adjustments to net current assets	(4,862,136)	(3,838,873)
Net current assets used in the Rate Setting Statement			
	Total current assets	10,171,839	7,018,685
	Less: Total current liabilities	(2,160,283)	(654,038)
	Less: Total adjustments to net current assets	(4,862,136)	(3,838,873)
	Net current assets used in the Rate Setting Statement	3,149,420	2,525,774

25. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets.	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.24	10,059,898	4,862,136	5,195,262	2,500
2020					
Cash and cash equivalents	0.81	6,902,571	3,838,873	3,061,198	2,500

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	51,953	30,612

* Holding all other variables constant

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire 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.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	-	-	-	-	-
Loss allowance	-	-	-	-	-
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,833	-	-	-	4,833
Loss allowance	-	-	-	-	-

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	40,562	-	-	750	41,312
Loss allowance	-	-	-	-	-
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	33,180	617	-	-	33,797
Loss allowance	-	-	-	-	-

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the Shire's payables are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Trade and other payables	452,494	-	-	452,494	452,494
Contract liabilities	1,504,253	-	-	1,504,253	1,504,253
	1,956,747	-	-	1,956,747	1,956,747
2020					
Trade and other payables	182,675	-	-	182,675	182,675
Contract liabilities	317,137	-	-	317,137	317,137
	499,812	-	-	499,812	499,812

26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specific period of time.

The Shire has considered the requirements of AASB 1059 - Service Concession Arrangements and confirms that the Shire has no existing arrangements that fall within the scope of this Standard.

SHIRE OF NGAANYATJARRAKU

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire 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's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

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

f) Superannuation

The Shire contributes to a number of superannuation funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, and a waste pick-up service at Warburton.
EDUCATION AND WELFARE To provide services to children and youth.	Nil.
HOUSING To provide and maintain staff housing.	Provision and maintenance of staff housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services and litter control in Warburton.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.
ECONOMIC SERVICES To help promote the Shire and it's economic wellbeing.	Tourism and area promotion, and building control.
OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and administrative costs.

29. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.94	14.85	15.16
Asset consumption ratio	0.83	0.84	0.84
Asset renewal funding ratio	1.42	1.41	1.57
Asset sustainability ratio	2.19	1.72	2.39
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	1.30	1.00	(0.58)
Own source revenue coverage ratio	0.16	0.15	0.12

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Annual Report for the year ended 30 June 2021



Shire of **Ngaanyatjarra**
ON A JOURNEY



INDEX

Vision Statement	2
President's Foreword	3
Message from the CEO	5
Council member information	7
Shire Snapshot	7
Organisation Structure	9
Planning & Reporting	9
Statutory Reports	10
Financials	13

Our Vision

The Shire of Ngaanyatjaraku – on a journey

During 2020/21 the shire undertook a full review of the Integrated Planning and Reporting (IPR) Framework suite of documents, including the Plan for the Future (including the Strategic Community Plan and Corporate Business Plan), Long Term Financial Plan and Workforce Plan, which were adopted in May 2021. Remaining is the Asset Management Plan that will be reviewed in 2021/22 after a comprehensive review of all the Shires Asset Conditions, Fair Value and the Road Asset Maintenance Management System. These plans shape the services the Shire of Ngaanyatjaraku will deliver over the next ten years and has been developed with our community's aspirations and needs at its heart. These have been gathered through an in-depth process of consultation and engagement.

It is apparent from the results of the community engagement process that there is an expectation for the Shire to provide a wide range of social services, when in fact the Shire doesn't have the resources to do this. Limited social services are provided by either the Ngaanyatjarra Council Aboriginal Corporation and / or State or Federal agencies or are not provided at all. Nonetheless, the Shire has a significant role to play in advocating for the provision of resources to provide basic services to the community.

The Shire has no freehold land and all social housing is owned and managed by the State Government, who are exempt from normal Shire Rating or the ability to charge Fees for Services such as Waste Management. As such, the Shire has limited capacity to raise income and is dependent upon State and Federal Grants to provide service delivery. Many of these grants are tied to specific purposes which limits the range of services the Shire can provide. The Shire receives adequate grants for the maintenance and renewal of the Shires' Road network and this connectivity is highly valued by the people of the lands as they travel the lands for social and cultural reasons.

The Plan for the Future provides a valuable management tool to allow the Shire to maintain focus on its primary role as a provider and manager of infrastructure, advocate for better social service provision and where capacity allows, to provide a limited range of social services to compliment services provided by others.

Community engagement has led to the development of three key strategic objectives which communicate the role of the Shire and underpin our Strategic Direction and Service Delivery. The following three key strategic objectives highlight our focus, in reflection of our communities hopes for the future:

- **Our People:** Looking after our people - our communities are healthy, happy and informed
- **Our Land:** Looking after our land - which we all depend upon and love living on, and want to keep good for our children and grandchildren; and
- **Our Leadership:** Showing the way for our communities - doing the right things to look after our people and land. The provision of a safe and reliable road network interconnecting our communities is paramount. Through the consultation process the Shire is now aware of several social issues affecting some townships. The Shire will work with all stakeholders to try and facilitate resolution of these issues.



President's Foreword

The Shire of Ngaanyatjarraku has been working toward achieving the aspirations of the community as identified within our Plan for the Future. Provision of financially sustainable services and infrastructure and the creation of opportunities to realise these goals, continue to be the prime focus of the Council. As such, it gives me great pleasure to present the Annual Report for the Shire of Ngaanyatjarraku for the 2020-2021 financial year.

The Shire has made considerable achievements in line with its strategic goals and our key IPRF Actions. As such, I am pleased to report that the shire's financial position is improving with the Shire achieving a surplus in 2020-2021 and a balanced budget has been adopted for 2021-2022. This has only been achieved by reducing services to the community in previous years, and hopefully this will be short term until the Shires advocacy for service provision by other levels of government can be resolved.

In 2020 the Minister for Local Government; Culture and the Arts initiated a Lands Service Review in response to the Shires advice that the Shire of Ngaanyatjarraku for some years now has been experiencing disadvantage from structural change when the Federal Government handed responsibility for aboriginal communities to the State Government. It is the Shires view that the states response in handling the changes in service delivery appear to be inconsistent across the regions of WA. The Shire is seeking the Minister's advocacy to try and resolve some major issues that the Shire has been unsuccessful in negotiation with other State Ministers. The Ministers' cross department advisory body to work through the Stage 1 'urgent' and Stage 2 'longer term' issues was delayed due to the Covid19 pandemic and eventually started meeting August 2020.

The year has been most remarkable for the Covid 19 pandemic. Whilst we had no cases in the Shire of Ngaanyatjarraku the pandemic has continued to re-shape life as it was before February 2020. Travel restrictions, social distancing, using hand sanitiser, wearing masks and testing have become away of life. The Shire has continued to be further isolated by State border restrictions and the WA State Emergency Act provision to protect remote Indigenous Communities. Because of the isolation, there came a second wave of language. The new language included working from home, working remotely, essential service, video-conferencing and Covid19 G2G permits.

The application to the Australian Human Rights Commission to address discrimination for access to Income Support was referred to the Federal Court. Mediation with the Commonwealth under orders made by the Federal Court and a settlement has been agreed settling the matter on terms that are satisfactory to the Commonwealth and the complainants.

The level of compliance with the Local Government Act and associated Regulations as we enter a new period of audit and monitoring under the supervision of the WA Auditor General is a credit to the CEO and the administration team and secures the settings for the Shire of Ngaanyatjaraku into the future.

It has been a difficult year for many Councillors and has introduced the unfamiliar regime of compulsory online learning for Local Government members. As a group we are working our way through the requirements and finding satisfaction in the process.

I would like to thank our Deputy Shire President, Cr. Andrew Jones for his assistance and acknowledge that the support of my fellow Councillors over the last twelve months has been great. I would also like to thank all the Shire staff members for their efforts and dedication to the Shire of Ngaanyatjaraku.

**Cr. John Damian McLean
PRESIDENT**



Message from Chief Executive Officer

The Shire has been working through the Actions contained in the former Integrated Strategic Plan. In May 2021 the Shire adopted the Integrated Planning and Reporting (IPR) Framework suite of documents, including the Plan for the Future (including the Strategic Community Plan and Corporate Business Plan) Long Term Financial Plan and Workforce Plan. The Actions contained in these plans provide the strategic direction for the next 12 months.

Some road highlights from the Integrated Strategic Plan Actions are:

- Facilitate Upgrade and Seal Great Central Road with survey, planning and design around entries to Warburton and Warakurna are nearing completion and are planned to be done in early 2022.
- The Shire was also successful in gaining an additional \$674,957 from the State for sheeting of the community access road into Wingelina and an additional section of the Irrunytju Road.

The Shires Road network is fully dependent on Federal, and State Government Grants and we are thankful that at this point in time we receive enough funding to maintain and renew our road network in accordance with the Infrastructure Financial Ratios as detailed in the Annual Financial Statements.

As previously mentioned by the Shire President, the Minister for Local Government; Culture and the Arts has set up a cross department advisory body to work through the Stage 1 'urgent' and Stage 2 'longer term' issues as part of the Lands Service Review.

Stage 1 'urgent' services to be addressed are:

- Waste management – When responsibility for these services were transferred from the Federal Government to the State Government the Shire of Ngaanyatjaraku was not included in this transfer due to an administrative error. The Shire has developed a Waste Management Plan and is awaiting a response to funding by the State in its September 2021 Budget.
- Sport and Recreation – The Shire has developed a Sport & Recreation Plan which has been submitted to the State for consideration of funding.
- Swimming pools – operational funding to keep the 3 pools open is a priority. The State currently funds 8 remote communities pools across the state but not the 3 NG Lands community owned pools. The NIAA has funded Royal Life Saving WA to undertake a Swimming Pool Plan that has been submitted to the State and is awaiting a response to funding in the September 2021 Budget.

- Early Years Learning – The NIAA have undertaken a review of service provision for the NG Lands, and we are awaiting to see that report.
- Fire and Emergency Services – Like other local governments the Shire is charged the Emergency Services Levy. However, unlike other local governments the Shire has not been provided with the same service as neighbouring Shires, despite having twice the population. The Shire is awaiting a response from the FES Commissioner to address Fire & Emergency management issues across the Shire.

The Shire has recorded a financial surplus for the 2020/21 Financial Year End, mainly been due to a proportion of the Federal Financial Assistance Grants for 2021/22 being paid in advance. Other factors included savings from staff vacancies, and project funding being carried forward to the next financial year. The shire has adopted a balanced budget for FYE 2021/22, which includes funding for several Strategic Service Plans, in late 2021 the Shire will be commencing work on assessing the Condition and Fair Value of its Assets. This will assist in a review of our Asset Management Plan and Long-Term Financial Plan. The Shire is aware that the road seal network in our four main communities is well past its normal reseal period, as such we need to understand the long-term financial impacts of this as specific additional grants are not available for this work.

The Shire acknowledges the Federal & State Agencies who provide road funding grant programs such as Local Roads and Community Infrastructure Program, Roads to Recovery, Aboriginal Access Roads, Main Roads WA Regional Road Group and Direct Grants that contribute towards the Shire maintaining its road network connecting remote communities and support locations.

The 2020/21 FYE has been another especially challenging year for the Local Government industry and none more so than our Shire. The global Covid19 pandemic has kept the Shire isolated during much of the pandemic and has been successful in it not gaining a hold in our community. Whilst this has impacted the morale of staff, the shire has been generally able to provide services, business as usual.

I would like to thank staff at the Shire for their hard work and support during a year of major change during a pandemic, and the Elected Members for their dedication to ensuring the Shire maintains financial sustainability whilst trying to address service provision for the future.

Kevin Hannagan
Chief Executive Officer

Council member information

Councillors have a specific role in relation to developing the local government's vision and long-term goal setting with appropriate key performance indicators (KPIs). These are responsibilities that require specific skills and experience.

The Shire's eight Councillors facilitate the development and implementation of our community's aspirations and goals. The Councillors meet monthly to discuss issues and imperative areas arising in the community along with general council matters.

Mr (John) Damian McLean
PRESIDENT

Mrs Julie Porter
COUNCILLOR

Mr Andrew Jones
DEPUTY PRESIDENT

Ms Joylene Frazer
COUNCILLOR

Ms Lalla West
COUNCILLOR

Mr Alwyn Bates
COUNCILLOR

Ms Debra Frazer
COUNCILLOR

Vacant
COUNCILLOR

Shire snapshot

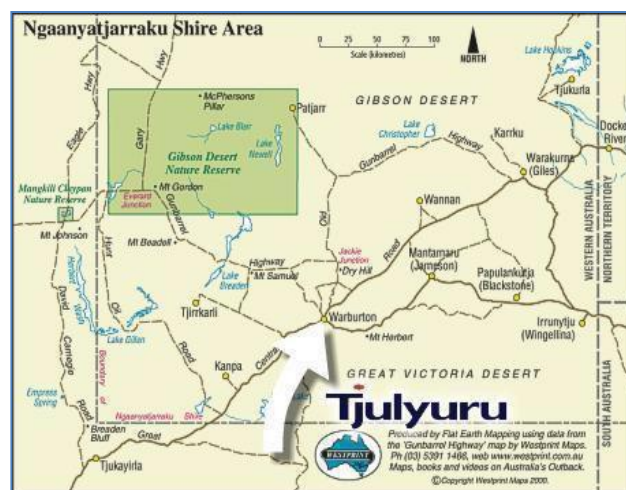
The Shire of Ngaanyatjaraku is responsible for the provision of "mainstream" local government and delivery of services to the ten communities and visitors within its boundaries.

The Shire encompasses an area of 159,948 square kilometres and is located approximately 1,542km from Perth. The region itself is diverse in natural beauty from the magnificent Rawlinson ranges to the red sandy plains of the Gibson Desert.

The Shire is a unique local government in that its community of interest is contained within the traditional lands of the Ngaanyatjarra people of the Central Desert of Western Australia. The 99 year leases held by the Ngaanyatjarra Land Council on behalf of the traditional owners also form the boundaries of the Shire of Ngaanyatjaraku.

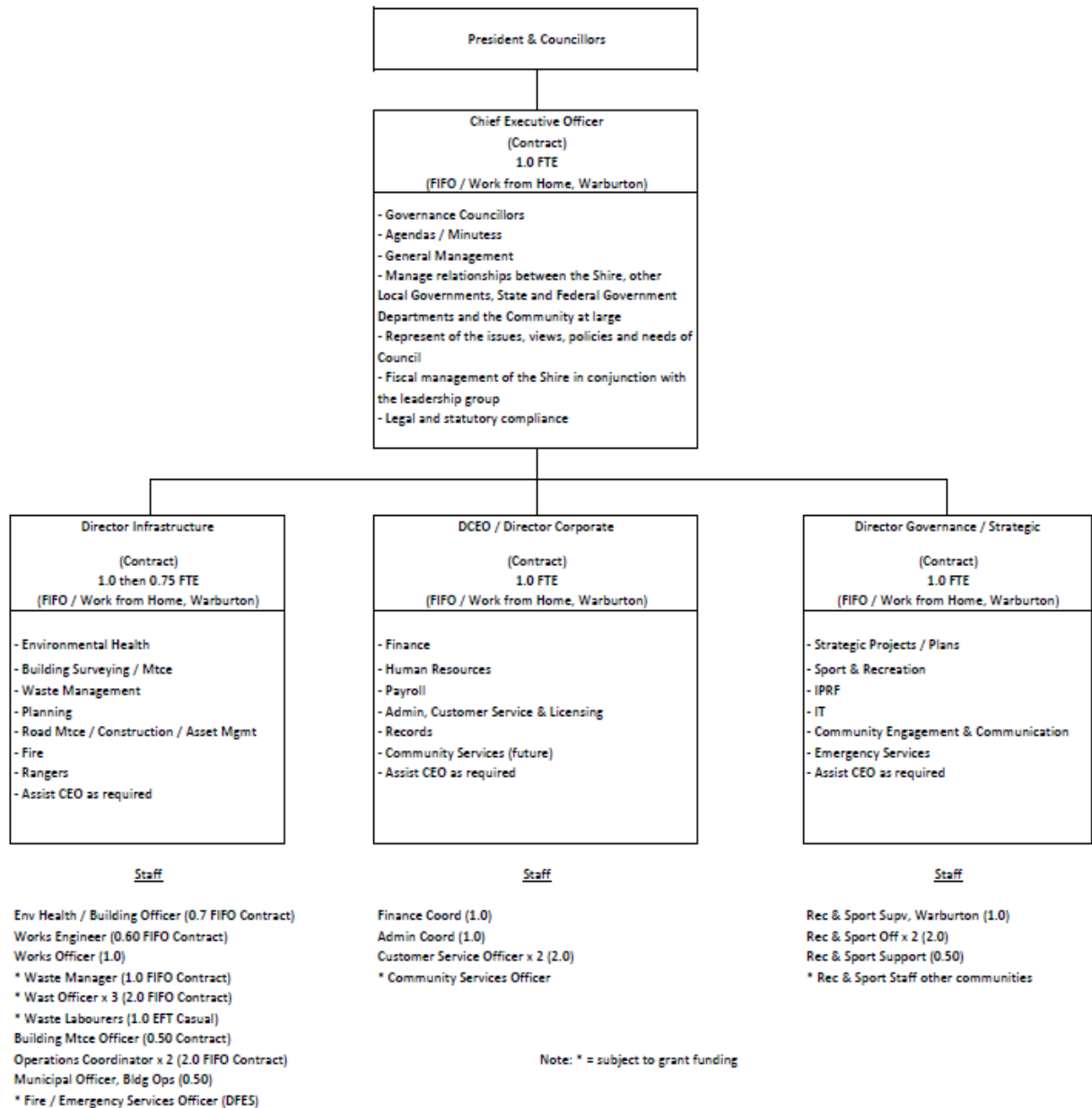
The Shire's main township is Warburton, which is also the largest of the 10 Indigenous communities within the Shire. Warburton is positioned 1,542kms north-east of Perth, 560kms of gravel road north-east of Laverton, 750kms north-east of Kalgoorlie and 1,050kms south-west of Alice Springs. Neighbouring shires include the Shire of Wiluna, Laverton, and East Pilbara. The Shire offices are located in the Tjulyuru Cultural and Civic Centre in Warburton.

In the 2011 local Census the Shire had an estimated residential population of 1,437 people, comprised of 49% male and 51% female residents and there are approximately 509 residential dwellings within the Shire. The Shire has a higher percentage of residents aged between 0-29 years and a lower proportion of residents aged 65+ years compared with the wider Australian population.



Organisation Structure 2020/21

Organisational Structure, 1 April 2021



Planning & Reporting

In 2011, the Department of Local Government introduced the Integrated Planning and Reporting Framework to encourage a movement towards best practice strategic planning and reporting standards across the Western Australian local government industry.

The Shire of Ngaanyatjaraku is building on a successful history of community engagement to ensure that the community can grow and thrive as a vibrant and attractive place to live, work and visit.

Developing our aspirations and plans for the future will shape the delivery of services to the community and the direction of economic development. This integration of community aspiration and service delivery is called the Integrated Planning and Reporting Framework (IPR). This will ensure that the Shire of Ngaanyatjaraku's policies and services are aligned to the community's aspirations.

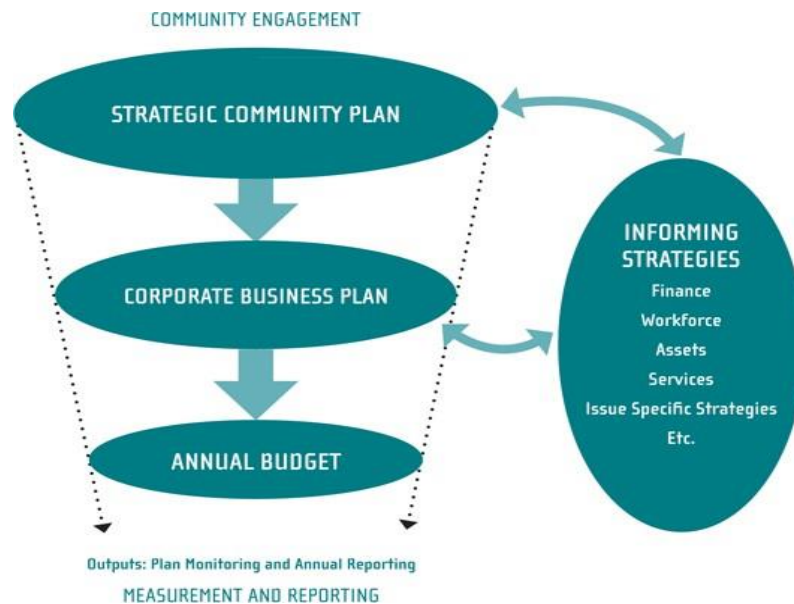
The process, driven by the 10-year Strategic Community Plan will create a 4-year Corporate Business Plan to ensure that we deliver the community's aspirations. This will:

- Strengthen our council's strategic focus; and
- Streamline our reporting processes.

This Strategic Community Plan, which represents the needs and aspirations of the community, has been developed by the Shire's Councillors and sets out the vision for the next 10 years.

The task of turning this vision into a reality rest with Shire's Administration function. They will set out how this will be achieved in a 4-year Corporate Business Plan ("CBP").

Alongside the CBP, the Shire has created a 15-year Long-Term Financial Plan and a 20-year Asset Management Plan and a 4-year Workforce Plan which will set out the resources needed to deliver the CBP. Copies of all plans are available on the Shires website.



IPR, Measuring and Reporting Framework

Statutory Reports

As a local government authority, the Shire is required to comply with a number of statutory regulations.

PAYMENT TO EMPLOYEES

In accordance with section 5.53 (2)(g) of the *Local Government Act* 1995 and the *Local Government (Administration) Regulations* 1996 reg. 19B, the following information is provided in relation to annual salary, remuneration and allowances (Total Remuneration Package) over \$130,000 paid to employees during the 2020-21 financial year:

TRP Range (\$)	No. of Employees
130,000 – 139,999	0
150,000 – 159,999	2
180,000 – 189,999	2
190,000 -199,999	1
240,000 – 249,999	1

DISABILITY ACCESS AND INCLUSION PLAN

In accordance with Section 29 of the Disability Service Act 1993, Local Governments are required to report annually with regard to their Disability Access and Inclusion Plan and provide details addressing the plan's key outcomes within the Annual Report. For 2020-21 the Shire of Ngaanyatjarraku reports as follows:

Key Outcomes:

1. People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
3. People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the relevant public authority.
5. People with disability have the same opportunities as other people to make complaints to the relevant public authority.
6. People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.
7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Shire of Ngaanyatjarraku continues to ensure that the above key outcomes are addressed in order to meet the needs of people with disabilities.

The Shire of Ngaanyatjarraku Disability Access and Inclusion Plan 2019-2022 (DAIP) was reviewed by Council in 2019 and subsequently accepted by the Department of Communities.

COMPETITIVE NEUTRALITY

The Shire of Ngaanyatjarraku is classified as a Category 1 Local Government under the National Competition Policy. This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no noncompliance allegations were made.

FREEDOM OF INFORMATION

The Shire of Ngaanyatjarraku has a Freedom of Information (FOI) Statement prepared in accordance with the Freedom of Information Act 1992 which is available on the Shire website. It outlines the Shire's functions, the kind of documents held and how the documents can be accessed. There were no Freedom of Information applications or requests received during the 2020-21 reporting year.

RECORD KEEPING PLAN

The Shire of Ngaanyatjarraku has prepared a record keeping plan as required by the State Records Act 2000, and the Shire is committed to ensuring its record keeping practices comply with legislation. This plan was submitted to the SRO in December 2015 and approved by the State Records Commission at its meeting held in March 2016 for a five-year period to 2021.

Under section 60 of the State Records Act, the State Records Commission monitors the operation of and compliance with the Act and it is a requirement for every local government to comply with the Commission's Standard 2, Principle 6 in an appropriate section within its Annual Report. Accordingly, the Shire reports as follows:

1. The Shire accesses an on-line record keeping training program that allows staff to familiarize themselves with and be aware of their record keeping responsibilities, and to ensure that the record keeping system is being operated in accordance with the revised Shire of Ngaanyatjarraku Record Keeping Plan. Given the very remote and isolated location of this Shire, online record keeping training provides on-site training and advice as well as utilizing the assistance and expertise of the staff at Goldfields Records Storage (a GVROC enterprise of which the Shire of Ngaanyatjarraku is a partner).
2. The efficiency and effectiveness of the record keeping training program will be reviewed on an ongoing basis and subsequently actioned to ensure its currency and relevance.
3. The Shire's record keeping induction program is continually improving to ensure employee roles and responsibilities are promoted in accordance and compliance with the Shire of Ngaanyatjarraku Record Keeping Plan.

OFFICIAL CONDUCT – COMPLAINTS REGISTER

Pursuant to section 5.121 of the *Local Government Act* 1995, a complaints register has been maintained. As at the 30th June 2021 no complaint had been received, and therefore accordingly there has been no action required to deal with complaints.



Jackie Kurltjunyinta Giles (Dec.) 2008 'Tjamu Tjamu'

SHIRE OF NGAANYATJARRAKU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	49

COMMUNITY VISION

The Shire of Ngaanyatjaraku - On a journey

Our Land - Looking after our Land

Our People - Looking after our People

Leadership - Showing the way for our Community

Principal place of business:

Great Central Road

Warburton Aboriginal Community

Western Australia

**SHIRE OF NGAANYATJARRAKU
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Ngaanyatjarraku for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Ngaanyatjarraku at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 18 day of November 2021



Chief Executive Officer

Kevin Hannagan

Name of Chief Executive Officer

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	23(a)	172,589	197,656	260,272
Operating grants, subsidies and contributions	2(a)	5,949,564	3,567,284	5,604,524
Fees and charges	2(a)	543,481	416,055	488,860
Interest earnings	2(a)	33,982	52,150	61,100
Other revenue	2(a)	118,401	92,416	99,030
		6,818,017	4,325,561	6,513,786
Expenses				
Employee costs		(1,767,951)	(2,172,956)	(1,653,127)
Materials and contracts		(2,076,295)	(3,304,215)	(2,178,796)
Utility charges		(33,657)	(71,993)	(47,146)
Depreciation on non-current assets	11(b)	(1,642,048)	(1,501,660)	(1,512,133)
Bank charges	2(b)	(1,614)	(500)	-
Insurance expenses		(108,928)	(168,121)	(153,038)
Other expenditure		(24,679)	(96,079)	(67,306)
		(5,655,172)	(7,315,524)	(5,611,546)
		1,162,845	(2,989,963)	902,240
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Profit on asset disposals	11(a)	60,572	1,000	20,630
Loss on asset disposals	11(a)	(21,610)	(23,500)	(57,282)
		2,511,875	3,385,555	2,719,092
Net result for the period		3,674,720	395,592	3,621,332
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		3,674,720	395,592	3,621,332

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		52,007	2,000	45,178
General purpose funding		3,467,605	1,804,833	3,450,613
Law, order, public safety		2,289	416	416
Health		2,267	1,400	1,426
Education and welfare		102,857	48,000	204,195
Housing		180,418	95,590	147,854
Community amenities		71,520	71,265	95,734
Recreation and culture		248,571	230,000	241,158
Transport		2,690,483	2,071,257	2,326,062
Economic services		-	800	1,150
		6,818,017	4,325,561	6,513,786
Expenses				
Governance		(320,659)	(136,531)	(158,581)
General purpose funding		(2,883)	-	(250)
Law, order, public safety		(5,744)	(11,970)	(6,219)
Health		(252,815)	(253,488)	(270,545)
Education and welfare		(37,230)	(43,230)	(346,056)
Housing		(241,645)	(266,875)	(339,255)
Community amenities		(245,038)	(600,213)	(603,952)
Recreation and culture		(539,429)	(774,516)	(623,525)
Transport		(3,955,641)	(4,967,025)	(3,243,085)
Economic services		(52,474)	(261,176)	(19,635)
Other property and services		-	-	(101)
		(5,653,558)	(7,315,024)	(5,611,204)
Finance Costs				
Governance	2(b)	(1,614)	(500)	(342)
		(1,614)	(500)	(342)
		1,162,845	(2,989,963)	902,240
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Profit on disposal of assets	11(a)	60,572	1,000	20,630
Loss on disposal of assets	11(a)	(21,610)	(23,500)	(57,282)
		2,511,875	3,385,555	2,719,092
Net result for the period		3,674,720	395,592	3,621,332
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		3,674,720	395,592	3,621,332

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTES	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	10,059,898	6,902,571
Trade and other receivables	6	41,312	62,092
Inventories	7	57,029	50,497
Other assets	8	13,600	3,525
TOTAL CURRENT ASSETS		10,171,839	7,018,685
NON-CURRENT ASSETS			
Other financial assets	5(a)	36,903	35,034
Property, plant and equipment	9	7,424,104	7,505,771
Infrastructure	10	106,438,593	104,335,934
TOTAL NON-CURRENT ASSETS		113,899,600	111,876,739
TOTAL ASSETS		124,071,439	118,895,424
CURRENT LIABILITIES			
Trade and other payables	13	452,494	182,675
Contract liabilities	14	1,504,253	317,137
Employee related provisions	15	203,536	154,226
TOTAL CURRENT LIABILITIES		2,160,283	654,038
NON-CURRENT LIABILITIES			
Employee related provisions	15	13,791	18,741
TOTAL NON-CURRENT LIABILITIES		13,791	18,741
TOTAL LIABILITIES		2,174,074	672,779
NET ASSETS		121,897,365	118,222,645
EQUITY			
Retained surplus		63,767,642	61,116,185
Reserves - cash backed	4	4,862,136	3,838,873
Revaluation surplus	12	53,267,587	53,267,587
TOTAL EQUITY		121,897,365	118,222,645

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		59,289,789	2,043,937	53,267,587	114,601,313
Comprehensive income					
Net result for the period		3,621,332	-	-	3,621,332
Total comprehensive income for the period		3,621,332	-	-	3,621,332
Transfers to reserves	4	(1,794,936)	1,794,936	-	-
Balance as at 30 June 2020		61,116,185	3,838,873	53,267,587	118,222,645
Comprehensive income					
Net result for the period		3,674,720	-	-	3,674,720
Total comprehensive income for the period		3,674,720	-	-	3,674,720
Transfers to reserves	4	(1,023,263)	1,023,263	-	-
Balance as at 30 June 2021		63,767,642	4,862,136	53,267,587	121,897,365

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

SHIRE OF NGAANYATJARRAKU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		177,422	197,656	255,439
Operating grants, subsidies and contributions		7,129,165	3,250,147	5,900,644
Fees and charges		543,481	416,055	488,860
Interest received		33,982	52,150	61,100
Goods and services tax received		23,462	330,422	124,908
Other revenue		118,401	92,416	99,030
		8,025,913	4,338,846	6,929,981
Payments				
Employee costs		(1,679,619)	(2,172,956)	(1,715,528)
Materials and contracts		(1,867,055)	(3,304,215)	(2,114,531)
Utility charges		(33,657)	(71,993)	(47,146)
Bank charges		(1,614)	(500)	-
Insurance paid		(108,928)	(168,121)	(153,038)
Goods and services tax paid		-	(330,422)	(100,208)
Other expenditure		(24,679)	(96,079)	(67,306)
		(3,715,552)	(6,144,286)	(4,197,757)
Net cash provided by / (used in) operating activities	16	4,310,361	(1,805,440)	2,732,224
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(227,636)	(337,150)	(119,608)
Payments for construction of infrastructure	10(a)	(3,489,396)	(4,162,605)	(3,540,022)
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Proceeds from financial assets at fair values through profit and loss		(1,869)	-	-
Proceeds from sale of property, plant & equipment	11(a)	92,954	60,000	137,256
Net cash provided by / (used in) investment activities		(1,153,034)	(1,031,700)	(766,630)
Net increase / (decrease) in cash held		3,157,327	(2,837,140)	1,965,594
Cash at beginning of year		6,902,571	6,903,500	4,936,977
Cash and cash equivalents at the end of the year	16	10,059,898	4,066,360	6,902,571

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

SHIRE OF NGAANYATJARRAKU
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	2,525,774	2,997,140	2,678,488
		2,525,774	2,997,140	2,678,488
Revenue from operating activities (excluding rates)				
Governance		52,007	2,000	65,808
General purpose funding		3,295,016	1,607,177	3,222,604
Law, order, public safety		2,289	416	416
Health		2,267	1,400	1,426
Education and welfare		102,857	48,000	204,195
Housing		180,418	95,590	147,854
Community amenities		71,520	71,265	95,734
Recreation and culture		248,571	230,000	241,158
Transport		2,751,055	2,072,257	2,326,062
Economic services		-	800	1,150
		6,706,000	4,128,905	6,306,407
Expenditure from operating activities				
Governance		(322,273)	(137,031)	(158,923)
General purpose funding		(2,883)	-	(250)
Law, order, public safety		(5,744)	(11,970)	(6,219)
Health		(252,815)	(253,488)	(270,545)
Education and welfare		(37,230)	(43,230)	(346,056)
Housing		(241,645)	(266,875)	(339,255)
Community amenities		(266,648)	(600,213)	(603,952)
Recreation and culture		(539,429)	(774,516)	(623,525)
Transport		(3,955,641)	(4,990,525)	(3,300,367)
Economic services		(52,474)	(261,176)	(19,635)
Other property and services		-	-	(101)
		(5,676,782)	(7,339,024)	(5,668,828)
Non-cash amounts excluded from operating activities	24(a)	1,596,267	1,207,023	1,543,264
Amount attributable to operating activities		5,151,259	994,044	4,859,331
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,472,913	3,408,055	2,755,744
Proceeds from disposal of assets	11(a)	92,954	60,000	137,256
Purchase of property, plant and equipment	9(a)	(227,636)	(337,150)	(119,608)
Purchase and construction of infrastructure	10(a)	(3,489,396)	(4,162,605)	(3,540,022)
		(1,151,165)	(1,031,700)	(766,630)
Amount attributable to investing activities		(1,151,165)	(1,031,700)	(766,630)
Transfers to reserves (restricted assets)	4	(1,023,263)	(160,000)	(1,794,936)
Surplus/(deficit) before imposition of general rates		2,976,831	(197,656)	2,297,765
Total amount raised from general rates	23(a)	172,589	197,656	228,009
Surplus/(deficit) after imposition of general rates	24(b)	3,149,420	-	2,525,774

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

SHIRE OF NGAANYATJARRAKU
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash Backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Revaluation Surplus	28
Note 13	Trade and Other Payables	29
Note 14	Contract Liabilities	30
Note 15	Employee Related Provisions	31
Note 16	Notes to the Statement of Cash Flows	32
Note 17	Total Assets Classified by Function and Activity	33
Note 18	Contingent Liabilities	34
Note 19	Capital Commitments	35
Note 20	Elected Members Remuneration	36
Note 21	Related Party Transactions	37
Note 22	Joint Arrangements	38
Note 23	Rating Information	39
Note 24	Rate Setting Statement Information	41
Note 25	Financial Risk Management	42
Note 26	Initial Application of Australian Accounting Standards	45
Note 27	Other Significant Accounting Policies	46
Note 28	Activities/Programs	47
Note 29	Financial Ratios	48

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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 to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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 financial statements. The trust banking account had a nil balance for the 20.21 financial year.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The impact of adoption of these standards is described at Note 26.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of Shire's facilities	Single point in time	In full in advance	Refund if event cancelled	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Shire services, other fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Warta Shop and visitor centre stock	Single point in time	In full in advance	Refund for faulty goods	Adopted by Council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and artist sales	Over time	Payment in full on sale	None	Adopted by Council annually, set by agreement with Department of Transport and Artists	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	1,991	2,000	2,094
General purpose funding	3,261,033	1,555,027	3,129,242
Education and welfare	-	-	154,686
Community amenities	-	-	10,000
Recreation and culture	30,994	-	371
Transport	2,655,546	2,010,257	2,308,131
	5,949,564	3,567,284	5,604,524
Non-operating grants, subsidies and contributions			
Transport	2,472,913	3,408,055	2,755,744
	2,472,913	3,408,055	2,755,744
Total grants, subsidies and contributions	8,422,477	6,975,339	8,360,268
Fees and charges			
Governance	500	-	562
Health	330	400	260
Education and welfare	102,857	48,000	48,000
Housing	180,418	95,590	147,854
Community amenities	71,520	71,265	85,734
Recreation and culture	187,856	200,000	205,300
Economic services	-	800	1,150
	543,481	416,055	488,860

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

Revenue (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.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	5,949,564	3,567,284	5,604,524
Fees and charges	543,481	416,055	488,860
Other revenue	1,869	61,000	36,219
Non-operating grants, subsidies and contributions	2,472,913	3,408,055	2,755,744
	8,967,827	7,452,394	8,885,347

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	317,137	317,137	256,574
Revenue from contracts with customers recognised during the year	6,177,777	4,044,339	6,129,603
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year	2,472,913	3,090,918	2,499,170
	8,967,827	7,452,394	8,885,347

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

Trade and other receivables from contracts with customers	-	-	33,797
Contract liabilities from contracts with customers	(1,504,253)	-	(317,137)

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non-financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:
 General rates

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Interest on reserve funds
 Rates instalment and penalty interest (refer Note 23(b))
 Other interest earnings

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
172,589	197,656	228,009
172,589	197,656	228,009
116,532	31,416	36,219
1,869	61,000	62,811
118,401	92,416	99,030
21,183	40,000	32,152
145	-	1,311
12,654	12,150	27,637
33,982	52,150	61,100

Interest earnings (continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report

Bank charges

Bank charges

Sundry expenses

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
24,715	38,000	24,160
24,715	38,000	24,160
1,614	500	-
1,614	500	-
24,679	96,079	67,306
24,679	96,079	67,306

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

NOTES	2021 \$	2020 \$
Cash at bank and on hand	5,197,762	3,063,698
Term deposits	4,862,136	3,838,873
Total cash and cash equivalents	10,059,898	6,902,571
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
Cash and cash equivalents	6,366,389	4,156,010
	6,366,389	4,156,010
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash backed	4	4,862,136
Contract liabilities from contracts with customers	14	3,838,873
Total restricted assets	1,504,253	317,137
	6,366,389	4,156,010

SIGNIFICANT ACCOUNTING POLICIES

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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted assets

Restricted asset balances are not available for general use by the Shire due to externally imposed restrictions.

Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	309,822	1,710	-	311,532	309,822	-	-	309,822	304,650	5,172	-	309,822
(b) Asset Replacement, Acquisition and Development Reserve	3,522,013	571,514	-	4,093,527	3,522,013	-	-	3,522,013	1,732,367	1,789,646	-	3,522,013
(c) Cultural Centre Reserve	7,038	115,039	-	122,077	7,038	80,000	-	87,038	6,920	118	-	7,038
(d) Strategic Reserve	-	335,000	-	335,000	-	80,000	-	80,000	-	-	-	-
	3,838,873	1,023,263	-	4,862,136	3,838,873	160,000	-	3,998,873	2,043,937	1,794,936	-	3,838,873

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	Established to fund a portion of future commitments for employee entitlements incurred as a result of employing staff and workers in relation to leave entitlements.
(b) Asset Replacement, Acquisition and Development Reserve	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves.
(c) Cultural Centre Reserve	Ongoing	To provide for the successful operation of the Cultural Centre as provided for in clause 8.2 of the management deed between the Shire of Ngaanyatjaraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve represent surplus funds from the day to day operations of the Cultural Centre after deducting costs incurred by the Shire.
(d) Strategic Reserve	Ongoing	To provide for the reduction of financial risk of unanticipated events in the occurrence of a natural disaster. To provide for strategic actions in support of identified activities that cannot be funded in the one budget period. To provide for the capacity to take-up unanticipated strategic opportunities.

5. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2021	2020
\$	\$
36,903	35,034
36,903	35,034
36,903	35,034
36,903	35,034

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable

2021	2020
\$	\$
-	4,833
41,312	33,797
-	23,462
41,312	62,092

SIGNIFICANT ACCOUNTING POLICIES

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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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.

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.

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	57,029	50,497
	57,029	50,497
	50,497	71,223
	(29,721)	(35,486)
	36,253	14,760
	57,029	50,497

SIGNIFICANT ACCOUNTING POLICIES

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.

8. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2021	2020
	\$	\$
Prepayments	13,600	-
Accrued income	-	3,525
	13,600	3,525

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Buildings - non-specialised	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$
Balance at 1 July 2019				
Comprises:				
Gross balance at 1 July 2019	8,816,589	187,426	2,268,015	11,272,030
Accumulated depreciation at 1 July 2019	(1,532,937)	(159,428)	(1,746,713)	(3,439,078)
Balance at 1 July 2019	7,283,652	27,998	521,302	7,832,952
Additions	73,842	-	45,766	119,608
Disposals	-	-	(173,908)	(173,908)
Depreciation expense	(151,607)	(10,389)	(110,885)	(272,881)
Balance at 30 June 2020	7,205,887	17,609	282,275	7,505,771
Comprises:				
Gross balance at 30 June 2020	8,890,432	187,426	2,024,125	11,101,983
Accumulated depreciation at 30 June 2020	(1,684,545)	(169,817)	(1,741,850)	(3,596,212)
Balance at 30 June 2020	7,205,887	17,609	282,275	7,505,771
Additions	32,902	-	194,734	227,636
Disposals	-	-	(53,992)	(53,992)
Depreciation expense	(152,277)	(10,390)	(92,644)	(255,311)
Balance at 30 June 2021	7,086,512	7,219	330,373	7,424,104
Comprises:				
Gross balance at 30 June 2021	8,923,334	187,426	2,086,637	11,197,397
Accumulated depreciation at 30 June 2021	(1,836,822)	(180,207)	(1,756,264)	(3,773,293)
Balance at 30 June 2021	7,086,512	7,219	330,373	7,424,104

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Buildings					
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
(ii) Cost					
Furniture and equipment	-	Cost	Cost	-	Purchase costs.
Plant and equipment	-	Cost	Cost	-	Purchase costs.

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

10. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads \$	Other infrastructure - Recreation Infrastructure \$	Other infrastructure \$	Total Infrastructure \$
Balance at 1 July 2019				
Comprises:				
Gross balance at 1 July 2019	118,787,092	412,993	-	119,200,085
Accumulated depreciation at 1 July 2019	(16,860,733)	(304,188)	-	(17,164,921)
Balance at 1 July 2019	101,926,359	108,805	-	102,035,164
Additions	3,309,785	26,056	204,181	3,540,022
Depreciation expense	(1,237,033)	(2,219)	-	(1,239,252)
Balance at 30 June 2020	103,999,111	132,642	204,181	104,335,934
Comprises:				
Gross balance at 30 June 2020	122,096,877	439,049	204,181	122,740,107
Accumulated depreciation at 30 June 2020	(18,097,766)	(306,407)	-	(18,404,173)
Balance at 30 June 2020	103,999,111	132,642	204,181	104,335,934
Additions	3,488,573	823	-	3,489,396
Depreciation expense	(1,373,786)	(2,742)	(10,209)	(1,386,737)
Balance at 30 June 2021	106,113,898	130,723	193,972	106,438,593
Comprises:				
Gross balance at 30 June 2021	125,585,450	439,872	204,181	126,229,503
Accumulated depreciation at 30 June 2021	(19,471,552)	(309,149)	(10,209)	(19,790,910)
Balance at 30 June 2021	106,113,898	130,723	193,972	106,438,593

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure - recreation infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.
Other infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

Revaluation (Continued)

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires buildings and infrastructure and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)	173,908	137,256	20,630	(57,282)
	53,992	92,954	60,572	(21,610)	82,500	60,000	1,000	(23,500)	173,908	137,256	20,630	(57,282)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Governance	\$	\$	\$	\$
PE018 2014 Toyota Prado	12,010	33,182	21,172	-
Health				
PE072 2016 Toyota Landcruiser	20,372	59,772	39,400	-
Community amenities				
PE066 2013 Isuzu NPR300 Truck	21,610	-	-	(21,610)
	53,992	92,954	60,572	(21,610)

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	152,277	151,607	151,607
Furniture and equipment	10,390	10,389	10,389
Plant and equipment	92,644	100,411	110,885
Infrastructure - roads	1,373,786	1,237,033	1,237,033
Other infrastructure - recreation infrastructure	2,742	2,220	2,219
Other infrastructure	10,209	-	-
	1,642,048	1,501,660	1,512,133

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	50 years
Furniture and equipment	4 years
Plant and equipment	5 to 7 years
Sealed roads and streets	
- formation	not depreciated
- pavement	8 to 31 years
- seal	
- bituminous seals	3 to 20 years
- asphalt surfaces	3 to 20 years
Gravel roads	
- formation	not depreciated
- pavement	8 to 31 years
- kerb	6 to 14 years

Depreciation on revaluation

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$
Buildings - non-specialised	4,052,570	4,052,570	4,052,570	4,052,570
Plant and equipment	190,407	190,407	190,407	190,407
Infrastructure - roads	49,024,610	49,024,610	49,024,610	49,024,610
	53,267,587	53,267,587	53,267,587	53,267,587

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
ATO liabilities
Other payables

2021	2020
\$	\$
385,353	161,037
33,199	21,638
32,411	-
1,531	-
452,494	182,675

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

14. CONTRACT LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
1,504,253	317,137
1,504,253	317,137

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current
Non-current

Additional provision
Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Isolation Leave \$	Total \$
Opening balance at 1 July 2020				
Current	74,063	69,996	10,167	154,226
Non-current	-	18,741	-	18,741
	74,063	88,737	10,167	172,967
Additional provision	38,804	23,806	1,795	64,405
Amounts used	(10,092)	(3,630)	(6,323)	(20,045)
Balance at 30 June 2021	102,775	108,913	5,639	217,327
Comprises				
Current	102,775	95,122	5,639	203,536
Non-current	-	13,791	-	13,791
	102,775	108,913	5,639	217,327

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	2021 \$	2020 \$
Less than 12 months after the reporting date	108,414	84,230
More than 12 months from reporting date	120,156	99,980
Expected reimbursements from other WA local governments	(11,243)	(11,243)
	217,327	172,967

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, isolation leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the Shire'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's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Provisions

Provisions are recognised when the Shire has a present 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.

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents.

Cash at the end of the reporting period is reconciled to the related items in the

Statement of Financial Position as follows:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	10,059,898	4,066,360	6,902,571
Reconciliation of Net Result to Net Cash Provided By / (Used In) Operating Activities			
Net result for the period	3,674,720	395,592	3,621,332
Non-cash flow items:			
Depreciation on non-current assets	1,642,048	1,501,660	1,512,133
(Profit)/loss on sale of asset	(38,962)	22,500	36,652
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	20,780	-	255,424
(Increase)/decrease in other financial assets	(10,075)	-	24,010
(Increase)/decrease in inventories	(6,532)	-	20,726
Increase/(decrease) in trade and other payables	269,819	-	(18,715)
Increase/(decrease) in employee related provisions	44,360	-	(24,157)
Increase/(decrease) in other liabilities	1,187,116	(317,137)	60,563
Non-operating grants, subsidies and contributions	(2,472,913)	(3,408,055)	(2,755,744)
Net cash provided by / (used in) operating activities	4,310,361	(1,805,440)	2,732,224

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	477,991	397,423
General purpose funding	-	4,833
Law, order, public safety	3,121	4,942
Health	93,523	82,698
Education and welfare	1,176,850	1,216,664
Housing	4,469,714	4,572,361
Community amenities	61,178	106,379
Recreation and culture	1,704,057	1,617,391
Transport	106,458,716	104,306,689
Economic services	-	333
Unallocated	9,626,289	6,585,711
	124,071,439	118,895,424

18. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities.

19. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

The Shire does not have any capital commitments.

20. ELECTED MEMBERS REMUNERATION

Cr John Damian McLean

President's annual allowance	6,000	6,000	4,000
Meeting attendance fees	5,170	4,600	4,900
Travel and accommodation expenses	-	250	550

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
11,170	10,850	9,450

Cr Andrew Jones

Deputy President's annual allowance	1,500	1,500	-
Meeting attendance fees	1,650	3,350	2,000
Travel and accommodation expenses	-	250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
3,150	5,100	2,000

Cr Alwyn Bates

Meeting attendance fees	1,760	3,050	300
Travel and accommodation expenses	807	1,250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
2,567	4,300	300

Cr Lalla West

Meeting attendance fees	1,980	3,050	2,300
Travel and accommodation expenses	-	250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
1,980	3,300	2,300

Cr Joylene Frazer

Meeting attendance fees	2,310	3,050	2,200
Travel and accommodation expenses	-	250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
2,310	3,300	2,200

Cr Julie Porter

Meeting attendance fees	2,420	3,050	1,500
Travel and accommodation expenses	-	250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
2,420	3,300	1,500

Cr Debra Frazer

Meeting attendance fees	2,750	3,050	1,900
Travel and accommodation expenses	-	250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
2,750	3,300	1,900

Cr Preston Thomas

Deputy President's annual allowance	-	3,050	927
Meeting attendance fees	-	-	1,200
Travel and accommodation expenses	-	250	-

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
-	3,300	2,127

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
26,347	36,750	21,777

Fees, expenses and allowances to be paid or reimbursed to elected council members.

President's allowance	6,000	6,000	4,000
Deputy President's allowance	1,500	1,500	927
Meeting attendance fees	18,040	26,250	16,300
Travel and accommodation expenses	807	3,000	550

2021 Actual	2021 Budget	2020 Actual
\$	\$	\$
26,347	36,750	21,777

21. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	530,488	389,789
Post-employment benefits	49,672	35,516
Other long-term benefits	44,587	34,574
	624,747	459,879

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Transactions with related parties

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

There were no transactions with related parties during the year.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

An associate person of KMP employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

22. JOINT ARRANGEMENTS

Joint operation

The Shire together with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies, Ravensthorpe, Wiluna and City of Kalgoorlie-Boulder have a joint operation arrangement with regards to the provision of a Regional Records Service. The facility is located in Kalgoorlie and the Shire holds one-tenth share of the joint operation.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint operations

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement.

Interests in joint arrangements (Continued)

The Shire recognises its interest in the joint operation assets including its share of any assets held jointly, its liabilities, including its share of any liabilities incurred jointly, the revenue from the sale of the output arising from the joint operation and its expenses, including its share of any expenses incurred jointly using a proportionate accounting method.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Unimproved valuations	0.21	31	877,885	196,646	(19,083)	(5,954)	171,609	196,576	-	100	196,676	227,274
Sub-Total		31	877,885	196,646	(19,083)	(5,954)	171,609	196,576	-	100	196,676	227,274
Minimum payment	Minimum \$											
Unimproved valuations	245	4	-	980	-	-	980	980	-	-	980	735
Sub-Total		4	-	980	-	-	980	980	-	-	980	735
		35	877,885	197,626	(19,083)	(5,954)	172,589	197,556	-	100	197,656	228,009
Total amount raised from general rate							172,589				197,656	228,009
Ex-gratia rates							-				-	32,263
Totals							172,589				197,656	260,272

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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 recognises revenue for the prepaid rates that have not been refunded.

23. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	6/10/2020	-	-	8.00%
Option Two				
First instalment	6/10/2020	-	-	8.00%
Second instalment	8/12/2020	-	-	8.00%
Option Three				
First instalment	6/10/2020	-	-	8.00%
Second instalment	8/12/2020	-	-	8.00%
Third instalment	9/02/2021	-	-	8.00%
Fourth instalment	9/04/2021	-	-	8.00%
		2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
Interest on unpaid rates		145	-	1,311
		145	-	1,311

24. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Notes		\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	11(a) (60,572)	(20,630)
	Less: Non-cash grants and contributions for assets	(1,869)	-
	Movement in employee benefit provisions (non-current)	(4,950)	(5,521)
	Movement in contract liabilities (non-current)	-	(317,137)
	Add: Loss on disposal of assets	11(a) 21,610	57,282
	Add: Depreciation on non-current assets	11(b) 1,642,048	1,512,133
	Non cash amounts excluded from operating activities	1,596,267	1,543,264
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserves - cash backed	4 (4,862,136)	(3,838,873)
	Add: Current liabilities not expected to be cleared at end of year		
	- Employee benefit provisions	-	172,862
	Total adjustments to net current assets	(4,862,136)	(3,838,873)
Net current assets used in the Rate Setting Statement			
	Total current assets	10,171,839	7,018,685
	Less: Total current liabilities	(2,160,283)	(654,038)
	Less: Total adjustments to net current assets	(4,862,136)	(3,838,873)
	Net current assets used in the Rate Setting Statement	3,149,420	2,525,774

25. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets.	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.24	10,059,898	4,862,136	5,195,262	2,500
2020					
Cash and cash equivalents	0.81	6,902,571	3,838,873	3,061,198	2,500

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	51,953	30,612

* Holding all other variables constant

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire 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.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	-	-	-	-	-
Loss allowance	-	-	-	-	-
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,833	-	-	-	4,833
Loss allowance	-	-	-	-	-

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	40,562	-	-	750	41,312
Loss allowance	-	-	-	-	-
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	33,180	617	-	-	33,797
Loss allowance	-	-	-	-	-

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the Shire's payables are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Trade and other payables	452,494	-	-	452,494	452,494
Contract liabilities	1,504,253	-	-	1,504,253	1,504,253
	1,956,747	-	-	1,956,747	1,956,747
2020					
Trade and other payables	182,675	-	-	182,675	182,675
Contract liabilities	317,137	-	-	317,137	317,137
	499,812	-	-	499,812	499,812

26. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concession assets are those assets where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specific period of time.

The Shire has considered the requirements of AASB 1059 - Service Concession Arrangements and confirms that the Shire has no existing arrangements that fall within the scope of this Standard.

SHIRE OF NGAANYATJARRAKU

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire 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's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

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

f) Superannuation

The Shire contributes to a number of superannuation funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

i) Impairment of assets

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

SHIRE OF NGAANYATJARRAKU
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, and a waste pick-up service at Warburton.
EDUCATION AND WELFARE To provide services to children and youth.	Nil.
HOUSING To provide and maintain staff housing.	Provision and maintenance of staff housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services and litter control in Warburton.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well being of the community.	Maintenance of public halls, civic centre, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots and traffic control. Cleaning of streets and maintenance of street trees.
ECONOMIC SERVICES To help promote the Shire and it's economic wellbeing.	Tourism and area promotion, and building control.
OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.	Private works operation, plant repair and operation costs and administrative costs.

29. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.94	14.85	15.16
Asset consumption ratio	0.83	0.84	0.84
Asset renewal funding ratio	1.42	1.41	1.57
Asset sustainability ratio	2.19	1.72	2.39
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio	1.30	1.00	(0.58)
Own source revenue coverage ratio	0.16	0.15	0.12

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Independent Auditors report to be tabled and inserted

Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls

Shire of Ngaanyatjaraku
October 2021



Table of Contents

1.0	Engagement Overview.....	3
2.0	Review Context.....	5
3.0	Review Summary.....	6
4.0	Methodology	10
5.0	Appropriate Framework.....	12
6.0	Framework Design.....	13
7.0	Framework Implementation.....	15
8.0	Framework Evaluation	24
9.0	Other Matters	29
	Appendix A – Financial Management Systems Review	30
	Appendix B – Council Policies Examined	32
	Appendix C – Plans Examined	33
	Appendix D – Strategic and Operational Registers Examined.....	34
	Appendix E – Operational Guidelines	35

1.0 Engagement Overview

1.1. Scope of Services

The Shire of Ngaanyatjaraku (Shire) engaged Moore Australia to undertake a review service with a dual purpose, firstly to provide the basis for a report by the CEO to the Audit Committee on the appropriateness and effectiveness of the Shire's risk management, internal controls and legislative compliance systems and procedures as required by the *Local Government (Audit) Regulations 1996* Regulation 17. Secondly, a review of financial management systems to assess the appropriateness and effectiveness of these systems and procedures, as required by *Local Government (Financial Management) Regulations 1996*, regulation 5(2)(c).

For efficiency, the reviews were undertaken simultaneously, and the results contained in this single report. Financial management systems and procedures are considered a subset of broader overall risk management, legislative compliance and internal controls. The matters examined in respect of financial management systems are detailed in Appendix A and where opportunities for improvement were identified, they are reported within the relevant section of the risk management, legislative compliance and internal controls framework design, implementation and evaluation sections of this report.

The results of the risk management, legislative compliance and internal controls review are to be reported by the CEO to the Audit & Risk Committee. The Audit & Risk Committee is required to review the CEO's report and on-report to the Council. The report from the Audit & Risk Committee to the Council is required to have attached a copy of the CEO's initial report to the Audit & Risk Committee.

1.1.1. Procedures – Financial Management Review

Our procedures for the Financial Management Review encompassed a review of the Shire's financial systems including, but not necessarily limited to:

- Collection of money owed;
- Custody and security of money and investments held;
- Rates;
- Maintenance and security of financial records;
- Accounting and controls for revenue and expenses;
- Accounting and controls for assets and liabilities;
- Accounting and controls for trust transactions;
- Authorisation of purchases;
- Authorisation of payments;
- Borrowings;
- Maintenance and processing of payroll;
- Stock controls and costing records;
- Record keeping for financial records;
- Preparation of budgets and budget reviews; and
- Preparation of financial reports.

Our procedures and approach have been developed over a number of years taking into account our extensive local government background and seeks to examine both financial systems and procedures in use.

The financial management review does not examine systems and procedures which are non-financial in nature and did not specifically test for legislative breaches.

1.0 Engagement Overview

1.1.2. Procedures – Risk Management, Legislative Compliance and Internal Controls Review

Our procedures for the systems and procedures review, as required by regulation 17 of the *Local Government (Audit) Regulations 1996*, on behalf of the CEO encompassed the following services:

- A review of the risk management systems policies, procedures and plans in place at the Shire;
- Evaluate the non-financial/operational internal control systems and procedures at the Shire;
- Assess systems and procedures for maintaining legislative compliance; and
- Prepare a report of matters identified during the review to assist the CEO assess the appropriateness and effectiveness of the relevant systems and procedures in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*.

To undertake these procedures, we applied the following methodology:

- Conduct interviews with key personnel involved in risk management, financial management and the Shire's adherence to legislative requirements;
- Identify the extent of commitment and mandate to Risk Management principles, using AS/NZS ISO 31000:2018 as the framework, within the overall risk management framework;
- Review each component of risk management, legislative compliance and internal controls after considering the overall risk environment, governance structure and internal control environment;
- Assess the gaps, if any, between the current processes and the expected risk management, internal controls and legislative compliance systems and procedures and recommend suggested improvements; and
- Report on the appropriateness and the effectiveness of current systems and procedures.

The review was a high-level review given the scale, variety and breadth of non-financial activities and considered, as a minimum, the issues identified by the Department of Local Government, Sport and Cultural Industries to Local Government Operational Guideline Number 09 – Audit in Local Government (listed in Appendix E).

2.0 Review Context

2.1. Review Context - Shire of Ngaanyatjaraku

Understanding the external and internal context in which the Shire operates, relevant to financial management, risk, the internal control environment and its legislative compliance obligations, as it seeks to achieve its overall strategic objectives is important to the review of the related systems and procedures.

The external and internal environmental influences identified during the review are set out below:

External Influences	Internal Influences
Increasing community expectations in relation to service levels and delivery to align with Kimberley and Pilbara remote communities e.g. waste, swimming pools, Sport and Recreation services, etc.	The objectives and strategies contained in the current Strategic Community Plan.
Rapid changes in information technology, changing the service delivery environment.	The timing and actions contained in the current Corporate Business Plan.
Increased compliance requirements due to Government Policy and Legislation.	Organisational size, structure, activities and extreme remote location.
Cost shifting by the Federal and State Governments e.g. responsibility for remote indigenous services.	Human resourcing levels and staff retention due to remote location and lack of normal community facilities.
Climate change and subsequent response.	The financial capacity of the Shire.
Insufficient resources and external funding for infrastructure and operations.	Maintenance of corporate records.
Significant seasonal population increase and subsequent pressure on Council services.	Allocation of resources to achieve strategic outcomes.
Lack of economic activity in the district capable of providing a revenue stream.	Difficulties in recruiting staff.
Remote location.	COVID 19 and impact on the internal environment.
COVID 19 and impact on the external environment.	

3.0 Review Summary

3.1. Financial Management

The Shire has a number of financial management system controls covering the wide variety of operations undertaken. Council has responsibility for the adoption of the annual budget and annual report, review of the monthly statement of financial activity and review of the monthly list of payments. Responsibility for the financial management of the Shire rests with the CEO, as detailed under Local Government (*Financial Management*) Regulations 1996, regulation 5(1).

3.1.1. Appropriateness

Considering the size, resources, variety of operations and the context in which the Shire operates, documented internal control procedures relating to financial management systems, are considered largely appropriate as a means of maintaining a high level of control over the financial management of the Shire. Our assessment as to the appropriateness is subject to identified weaknesses being addressed and provided internal control procedures are routinely and consistently applied and modified to address emerging risks.

Weaknesses were identified with current controls and procedures, these are explained within Section 6.0 Framework Design of this report.

3.1.2. Effectiveness

Considering the results of other elements of financial management systems and processes documented and routinely tested, the current practices undertaken by the Shire of Ngaanyatjaraku may be considered generally effective. Our assessment as to effectiveness is subject to the implementation of the improvements highlighted in Section 7.0 Framework Implementation of this report.

Whilst generally considered effective, weaknesses were identified where internal controls are not considered effective for treating identified risks. These are explained within Section 7.0 Framework Implementation of this report.

3.1.3. Improvements

Details of recommended improvements to the current financial management, procedures and systems for the Shire are set out within the framework design and implementation sections of this report. Key improvements to the appropriateness and effectiveness of these procedures and internal controls include:

- IT controls;
- General journal controls;
- Cash handling and receipting controls;
- Segregation of duties;
- Stock controls;
- Investment register;
- Revenue controls at Shire facilities;
- Register of financial interests;
- Change of banking and creditor master files;
- Procurement controls; and
- Payroll controls.

3.0 Review Summary

3.2. Risk Management

The Shire initially developed its formal risk management processes in 2017. These were further reviewed with the adoption of an updated Risk Management Policy in June 2020. The policy document is supported by a Risk Management Strategy and forms the basis for risk management activities within the Shire. The Audit and Risk Management Committee have undertaken a number of activities in the twelve months preceding the review, including articulating a revised terms of reference to set out the key duties and responsibilities of the committee, development of an induction checklist to assist with ensuring members understand their roles and responsibilities as well as an annual work plan to assist with achieving the objectives of the committee and in meeting the duties and responsibilities of the committee as set out by the terms of reference.

3.2.1. Appropriateness

Currently, a documented entity wide Risk Management Policy and Strategy is in existence to guide the implementation of risk management throughout the Shire. The current policy and strategy are aligned to the current Risk Management Standard, AS/NZ ISO 31000:2018. The updates to this Standard in February 2018 were to highlight the leadership of top management and integration of risk management in organisations, along with the iterative nature of risk management.

Considering the size, resources, operations and the context in which the Shire operates, a documented risk management policy and procedures aligned to ISO 31000:2018 is considered appropriate as a means of uniformly supporting decision making and documenting the organisation's response to risks.

3.2.2. Effectiveness

The current risk management policy and strategy reflects the Shire's commitment to organisation wide risk management principles, systems and processes aimed at optimising the achievement of objectives, embedding controls to mitigate risk, improving corporate governance and planning for continuity of critical operations. Whilst the Shire is commended for its risk management efforts to date, further development and consistent application of risk management systems and processes are required to be implemented throughout the organisation in order for risk management processes and procedures to be considered effective.

3.2.3. Improvements

Improvements to risk management practices and policies are detailed within the framework design and implementation sections of this report, with key matters summarised as follows:

- Maintain the risk-based approach to the further development and maintenance of documented internal controls and procedures. This suggestion is intended to support a continual assessment of appropriate controls throughout the organisation by identifying the need for new controls (based on risk) and ensuring existing outdated and unnecessary controls are discontinued;
- Review contractor insurance to ensure they are in place and are maintained;
- Undertake a comprehensive ICT security review;
- Progress the development and application of risk management activities to existing practices in accordance with a suitable risk management framework; and
- Ensure appropriate management of operational risks for high risk areas.

3.0 Review Summary

3.3. Internal Control

A formal internal control policy was adopted by the Shire in March 2017, (supported by a detailed CEO Procedure) and updated in June 2020. The policy aims to guide the Shire to apply an iterative risk based approach to evaluating the internal controls, systems and procedures, as well as providing a mechanism whereby regular review and updates occur. We noted a number of documented internal controls are currently being developed with the objective of improving the existing framework and reducing gaps where weaknesses have been identified.

3.3.1. Appropriateness

Considering the size, resources, operations and the internal/external context in which the Shire operates, the internal control framework, procedures and systems as described to us are considered appropriate for most areas of operations, subject to the identified improvements being in place. A number of internal controls were identified where these controls are not considered appropriate for the treatment of identified risks, as described with section 7.0 Framework Implementation of this report.

3.3.2. Effectiveness

Considering the overall results of monitoring and compliance practices undertaken by the Shire of Ngaanyatjarraku, the current internal control framework, procedures and systems (where documented and routinely tested) may be considered effective. Our assessment as to effectiveness is subject to the implementation of the improvements detailed at Section 7.0 Framework Implementation of this report.

3.3.3. Improvements

Recommended improvements to the current internal control framework, procedures and systems are detailed later within the framework design and implementation sections of this report with selected key improvements to internal controls summarised as follows:

- Update, testing and maintenance of an IT Disaster Recovery Plan;
- Finalise the update of the 2016 Business Continuity Plan;
- Finalise draft procedures, checklists or workflow diagrams to document key internal controls and procedures to manage changes to internal controls;
- Develop and maintain registers to improve existing internal controls as discussed at Section 8.2 of this report;
- Undertake appropriate training at induction and at regular intervals to ensure staff are fully aware of, and understand, relevant internal controls; and
- Implement financial management control recommendations discussed at Section 3.1 of this report.

3.0 Review Summary

3.4. Legislative Compliance

A legislative compliance policy was adopted by Council in June 2020 to communicate expectations of Council in relation to legislative breaches and regulatory compliance. Reliance in delivering the policy objectives is largely dependent upon the knowledge and experience of senior staff and their individual desire to achieve high levels of legislative and regulatory compliance.

3.4.1. Appropriateness

The Shire of Ngaanyatjarraku maintains a low risk appetite for breaches of legislation. The existing documented legislative compliance policy is considered appropriate and good governance. Whilst reliance on experienced senior staff for legislative compliance is considered appropriate it carries high risk where the number of experienced senior staff is low.

3.4.2. Effectiveness

Maintaining legislative compliance is heavily reliant on the systems and the knowledge, experience and commitment of senior staff, to identify and prevent breaches of legislation. As a consequence, staff turnover, competing priorities and variations in workloads may have a significant negative impact on legislative compliance. Therefore, one of the most effective controls in maintaining legislative compliance is a motivated, stable, experienced and knowledgeable senior management group.

Instances of non-compliance with legislative requirements were identified during our review. Apart from the identified breaches of legislation, and in the instances where the effectiveness was able to be assessed, the current legislative compliance framework is considered effective.

3.4.3. Improvements

Improvements to the current legislative compliance framework, are set out later within this report and summarised as follows:

- Ensure action reports relating to significant adverse trends highlighted in audit reports are considered by Council (and the Audit Committee) within regulatory timeframes;
- Further development and approval of authorised checklists for functions which require a high level of legislative compliance; and
- Develop and maintain a staff training matrix and coordinate across the Shire. A risk based training matrix should help ensure staff with the responsibility for preventing, identifying and reporting breaches of legislation, are offered relevant training to ensure their knowledge of legislative requirements is maintained and qualifications are maintained and up to date where required.

4.0 Methodology

4.1. Review Methodology – Financial Management Review

The objective of this review is to assist the CEO of the Shire of Ngaanyatjaraku to discharge responsibilities in respect to Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996 (as amended)*.

In carrying out our review, we examined documented policies / procedures, undertook walkthroughs of key systems and procedures and performed limited detailed testing procedures to identify weaknesses in the financial management system and report to the CEO on the appropriateness and effectiveness of the control environment within the Shire, as required by regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

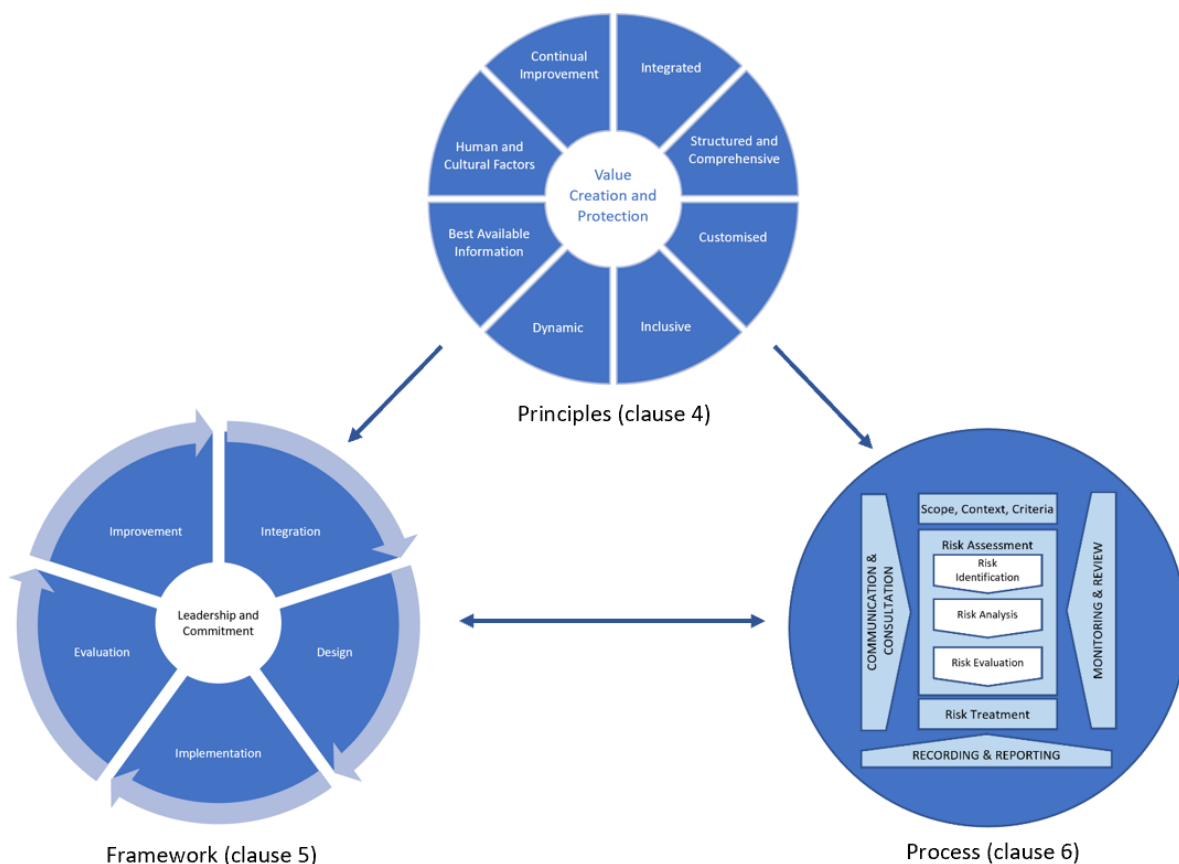
4.2. Review Methodology – Risk Management, Legislative Compliance and Internal Controls

The primary goal of this review is to assist the CEO to establish the appropriateness and effectiveness of the Shire systems and procedures in relation to risk management, legislative compliance and internal controls.

Internal controls are designed to treat risks and form part of the risk management process. Non-compliance with legislation is one of the risks that would usually be identified as a consequence of applying a risk management process.

The Australian Standard for Risk Management, ISO 31000:2018(E), identifies three components in the application of risk management, being *Principles*, *Framework* and *Process*, as set out in Diagram 1 below.

Diagram 1. Risk Management Principles, Framework and Process



Source: Australia/New Zealand Standard ISO 31000:2018

4.0 Methodology

4.2 Review Methodology – Risk Management, Legislative Compliance and Internal Controls (continued)

In undertaking our review, we have applied the three ISO 31000:2018 framework components, as set out on the previous page, to the review topics (risk management, internal controls and legislative compliance). This involves a process incorporating the five risk management framework components, *Integration, Design, Implementation, Evaluation and Improvement*, into the review of systems and processes:

- Identify the extent of leadership and commitment to the principles;
- Assess the extent of integration of risk management within the Shire;
- Assess the design of the current framework through an understanding of the Shire and the context within which it operates (risk management, legislative compliance and internal controls) after considering the overall context in which the review occurs;
- Assess the implementation of the current framework;
- Assess the extent of evaluation of the current framework and its effectiveness in supporting the Shire's objectives;
- Assess the current framework and improvements to the suitability, adequacy and effectiveness of the framework;
- Review the current process for the Shire's systematic application of policies, procedures and practices to the activities of communicating and consulting, establishing context, assessing, treating, monitoring, reviewing, recording and reporting risk, internal controls and legislative compliance; and
- Report on the appropriateness and effectiveness of current systems and procedures.

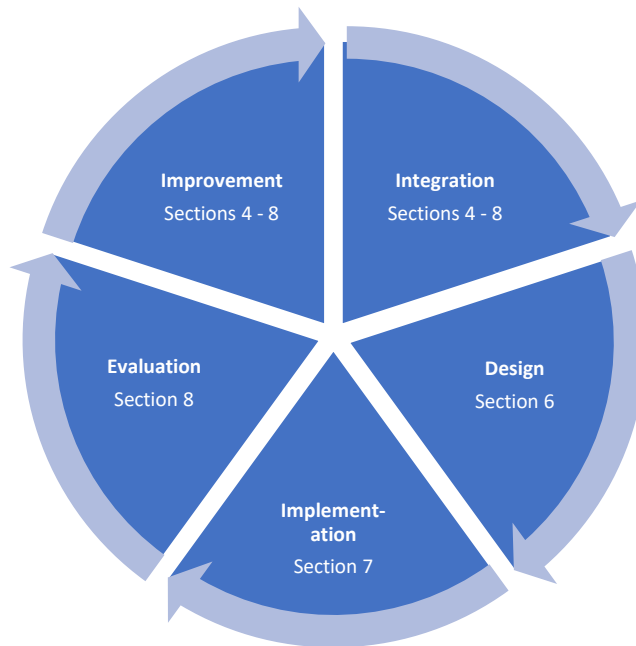
This evaluation is based on interviews with key staff, review of requested documentation listed in the Appendices and reference to any external audit reports or reviews previously conducted.

5.0 Appropriate Framework

5.1. Risk Management, Internal Control and Legislative Compliance

The following framework was identified as being appropriate for risk management, internal control and legislative compliance for the Shire of Ngaanyatjaraku, after consideration of the current internal and external influences, detailed in Section 2.1.

Diagram 2. Risk Management, Internal Control and Legislative Compliance Framework



Source: Australia/New Zealand Standard ISO 31000:2018

A high-level review of risk management systems, internal controls and legislative compliance was undertaken which precluded detailed testing in all areas.

The results of our review, as detailed on the following pages, are set out with reference to the structure of the above framework. We assessed the following areas:

Design	Implementation	Evaluation
6.1 Strategic Plans	7.1 Strategic and Operational Plans	8.1 Council and Audit and Risk Committee
6.2 Council Policies	7.2 Operational and Financial Procedures	8.2 Strategic and Operational Registers
	7.3 Human Resource Management and Practices	8.3 Annual Compliance Audit Returns
	7.4 Insurance	8.4 Complaint Handling
		8.5 Audit Practices
		8.6 Reviews required by the CEO

Integration along with Leadership and Commitment were assessed within each of the elements of the framework.

6.0 Framework Design

6.1. Strategic Plans

The Shire has adopted two key strategic documents, the Strategic Community Plan 2021-2031 and the Corporate Business Plan 2021-2031. These plans identify the Council's organisational objectives and key outcomes, as the Shire progress on its stated vision "*Shire of Ngaanyatjaraku – on a journey*".

The Strategic Community Plan recognises the community's aspirations and values through the following key focus areas:

1. **Our People:** Looking after our people - our communities are healthy, happy and informed;
2. **Our Land:** Looking after our land – which we all depend upon and love living on, and want to keep good for our children and grandchildren, and
3. **Our Leadership:** Showing the way for our communities – doing the right things to look after our people and land.

In seeking to achieve its objectives, the Shire of Ngaanyatjaraku faces both inherent and business risks. Whilst striving to fulfil expectations, it is also expected to meet compliance with numerous legislative requirements. To manage these risks, the Shire has established various processes, systems and controls.

The Strategic Community Plan references strategic challenges which might affect the Shire, and the community's aspirations / vision, and the projects and programs which will be implemented through the plan.

This review examines the appropriateness and effectiveness of the organisation's risk management systems, internal controls and legislative compliance in the context of the Shire striving to achieve its stated objectives.

6.0 Framework Design

6.2. Council Policies

Whilst the operations of the Shire are the responsibility of the CEO, the Council is responsible for setting the framework for operations via adopted Council policies. These policies represent an overarching framework relevant to risk management, internal controls and legislative compliance and have been reviewed for appropriateness and effectiveness.

In general, Council policies are well formulated and provide clear guidance regarding Council's position on certain matters. A list of policies reviewed is provided in Appendix B - Council Policies Examined. The table below details matters identified and associated suggested improvements.

Policy		Purpose / Goal	Matters Identified / Improvements
6.2.1.	External Complaints 1.10	Policy to provide guidance to the Shire's approach to managing external complaints	<p>This policy governs the procedure for complaints against elected members of Council, which contradicts the appointment of the CEO as the Complaints Officer in the Code of Conduct for Council Members, Committee Members and candidates for election.</p> <hr/> <p>Improvement:</p> <p>Review and amend the policy with consideration of the complaints resolution procedures as documented in the Code of Conduct for Council Members, Committee Members and candidates for election.</p>

7.0 Framework Implementation

7.1. Strategic and Operational Plans

The Council has several strategic and operational plans which form the basis of entity level controls and entity level risk assessments.

A list of plans reviewed is provided in Appendix C - Plans Examined. The table below details areas for possible improvement in relation to the plans examined.

Plan	Purpose / Goal	Matters Identified / Improvements
7.1.1. Business Continuity & Disaster Recovery Plan	Plan to facilitate organised decision-making in the event of a major incident impacting the Shire's ability to continue normal operations.	<p>A Business Continuity Plan was prepared in 2016 however there was no evidence of the plan being tested to ensure its validity.</p> <hr/> <p>Improvement:</p> <p>Progress the review, update of the Business Continuity Plan and test it to ensure its validity, including validity of the documented key business continuity risks along with the treatments. Ensure content of the plan is relevant and current to the Shire, and risk treatments are consolidated with overarching risk management activities.</p>
7.1.2. ICT Disaster Recovery Plan	Plan to address the handling of ICT disaster recovery.	<p>A Disaster Recovery Plan was adopted by Council on 09 November 2016 however there was no evidence of the plan being tested to ensure its validity.</p> <hr/> <p>The overall plan requires biennial testing / review, which may be not be frequent enough to maintain currency in the application of the plan. We noted reference to superfluous systems within the plan, which may impede the effectiveness of its implementation in a disruption event.</p> <hr/> <p>Improvements:</p> <p>Review and update content of the Disaster Recovery Plan to ensure relevancy and currency to the Shire. Maintain, review and test the plan to ensure validity.</p> <p>Management Comment:</p> <p>The ICT Disaster Recovery Plan and Business Continuity Plan are currently under review.</p>
7.1.3. Administration Procedures	To provide direction to staff in the delivery of day-to-day operational tasks, as well as guidance for expected processes, systems, and controls to be maintained.	<p>Documented procedures currently exist in the form of a CEO Procedures Manual (currently under review). Some other operational process manuals are also maintained by administration staff do not appear to always be assessed by senior staff for compliance and appropriateness with expected controls.</p> <hr/> <p>Improvement:</p> <p>Finalise review of the CEO Procedures.</p>

7.0 Framework Implementation

Plan	Purpose / Goal	Matters Identified / Improvements
7.1.4. Asset Management Plan	Plan to guide the future Management	<p>The most recent Asset Management Plan was adopted in November 2018. The plan does not meet the standards set within the DLGSCI Integrated Planning and Reporting Advisory Standard (September 2016), as required asset data couldn't be identified. Management advised this plan is currently under review to include information noted with the advisory standard.</p> <hr/> <p>Improvements:</p> <p>Review and update the Asset Management Plans to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSCI Integrated Planning and Reporting Advisory Standard (September 2016).</p> <p>Management Comment:</p> <p>Ratios are reported in the annual financial statements published on the Shire's website within the annual report.</p>

7.0 Framework Implementation

7.2. Operational and Financial Procedures

In seeking to achieve the Shire's vision, the Shire delivers a number of services to the community. Meetings were undertaken with key staff in each of the areas of service responsibility, as well as examination of documented processes, to determine the practices applied to implementation of risk management, internal controls and legislative compliance frameworks. A summary of the reviews undertaken to evaluate the controls is included at Appendix C.

We observed a number of practices and procedures in place, we noted instances where their application was not always consistent. Considering the number of services provided and current staff resourcing, a risk based approach to the prioritisation of the review and development of new procedures is recommended. The table below details areas of suggested improvement in relation to policies and procedures examined.

Component	Purpose / Goal	Matters Identified / Improvements
7.2.1. Checklists & Workflow Diagrams	Checklists document the completion of multiple steps within an overall process, while workflow process diagrams create a visual representation of a process, clearly identifying key points of control and responsibility.	<p>Checklists of key functions are maintained for selected functions. Checklists were not maintained and evidenced for all standard routine functions such as end of month reconciliations and reporting across the organisation. It was noted some staff have commenced with the creation of checklists and procedures.</p> <hr/> <p>Improvement:</p> <p>Creation and maintenance of standard checklists may assist in evidencing key points of control. Checklists assist in ensuring compliance with repetitive legislative compliance tasks. Staff are encouraged to continue with the development of checklists and procedures for routine functions, including evidencing independent review. In conjunction with, or as an alternative to, the development of documented procedures and checklists, development of workflow process diagrams may assist in clearly identifying controls and processes to be followed.</p>
7.2.2. Procedure Changes	Process to control and manage change to procedures.	<p>Process for amending or changing procedures are not formalised (administration procedures yet to be finalised). This creates opportunities for unilateral unauthorised changes to procedures and a breakdown in key controls within internal and financial controls.</p> <hr/> <p>Improvement:</p> <p>Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.</p>
7.2.3. Changes to Banking Details	Controls to validate banking change requests.	<p>Current procedures to restrict changes to bank details are considered appropriate, however do not appear to always be consistently documented to evidence all control validations for changes which have occurred. We noted more formal procedures relating to changes to banking details for employees and creditors master files are be developed to ensure sufficient controls exist in both substantiating the change request and the changes performed within the Shire's ERP system.</p> <hr/> <p>Improvement:</p> <p>Progress and complete the review and update procedures to ensure the following matters are appropriately considered and controls are adequate to:</p> <ul style="list-style-type: none"> • Validate the change request and its origin; • Authority exists for the change request; and • Validate and control the changes once completed. <p>Procedures should require documentary support to evidence all controls having been applied when applying changes to banking details within the Shire's ERP.</p> <p>Management Comment:</p> <p>Updates to documented controls are currently being undertaken by management.</p>

7.0 Framework Implementation

Component	Purpose / Goal	Matters Identified / Improvements
7.2.4. End of Month Processes	Processes for the completion of tasks and evidencing key points of control	<p>Creditors invoices appear to be processed and entered frequently along with creditors payment runs. Creditor invoices for payments relating to prior periods are not always allocated to the period to which the goods or services were received. Invoices for all goods or services received during the month may not be received prior to the end of the month and should be processed in the subsequent month but dated in the month the goods or services were received. These will then reflect as creditors at month end.</p> <hr/> <p>Improvement:</p> <p>Supplier invoices should be processed in a timely fashion and entered through the Shire's ERP system as soon as practicable after receipt to provide a more accurate representation of the Shire's liabilities at any given time. Invoices should be followed up where not received for goods or services obtained.</p>
7.2.5. General Journal Entries	Journals are initiated processed which are independently reviewed and approved.	<p>There are limited documented internal control procedures for general journals. No general journal audit trail is currently produced to ensure no unauthorised journals have been posted.</p> <hr/> <p>Improvement:</p> <p>Document internal controls to ensure journals requests initiated are reviewed and approved/authorised prior to posting by an appropriate officer, the current practice of independent review is maintained, and evidence of review is consistently applied. A monthly journal audit trail report should be produced and independently reviewed prior to preparation of the monthly statement of financial activity. IT permissions should also be considered when developing controls.</p> <p>Management Comment:</p> <p>Updates to documented controls are currently being undertaken by management.</p>
7.2.6. Receipting and Banking	Processes for the accurate receipting of payments made to the Shire.	<p>Evidence of an independent review of end of day receipting reports selected for testing was not always recorded.</p> <hr/> <p>Improvement:</p> <p>Update procedures and controls to ensure an appropriate review process has been undertaken for all end of day receipting activities processed for banking.</p>
7.2.7. Petty Cash	Systems and processes to ensure controls are maintained around petty cash.	<p>Our testing of petty cash noted a breakdown within the systems and controls described to us. The March 2021 reconciliation did not evidence review and authorisation of an appropriate senior officer, independent of the preparer.</p> <hr/> <p>Improvement:</p> <p>Undertake a review of systems and processes relating to petty cash, to ensure adequate controls exist for the security of cash held, as well as maintaining and processing of petty cash transactions.</p> <p>Management Comment:</p> <p>Although the process for the period tested did not occur as per required procedures, it was later reviewed once detected by the DCEO.</p>

7.0 Framework Implementation

Component	Purpose / Goal	Matters Identified / Improvements
7.2.8. Credit Cards	Systems and processes to control use of Corporate Credit Cards held	<p>Our review noted a credit card transaction in December 2020 which did not reconcile to the support documentation included with the credit card statement.</p> <hr/> <p>Improvement:</p> <p>Update systems and processes relating to credit cards, to ensure adequate controls exist relating to ensure compliance with adopted policy and approved procedure requirements. This should also provide for controls for robust control and review processes prior to payments being deducted through automated bank payments.</p>
7.2.9. Procurement Procedures for the procurement of goods or services.		<p>Through limited testing of payments we noted the following:</p> <ul style="list-style-type: none"> • An instance where the requirements of the purchasing policy had not been adhered to; • Authorisation of invoices to be processed for payment made by the same individual who requested and authorised the purchase order; • Some invoices did not evidence independent review and authorisation when entered/processed for payment • Purchase orders being issued with no assigned value. <hr/> <p>Improvements:</p> <p>All procurement of goods or services should be undertaken in accordance with legislative requirements and the purchasing policy. A review of the purchasing policy may be required to ensure the policy reflects the purchasing objectives and risks of the Shire.</p> <hr/> <p>Appropriate segregation of duties relating to the requisitioning, approval and authorisation of procurement related activities should exist. If circumstances prevent the full segregation of duties then procedures should exist to demonstrate alternate controls in place to reduce associated risks.</p> <hr/> <p>Review and update procedures to ensure appropriate review and authorisation has occurred and is evidenced prior to creditors invoices being authorised for payment.</p> <hr/> <p>Values should be assigned to all purchase orders to ensure purchasing authorisations and policy requirements have been adhered to and controls have been developed to prevent unauthorised changes being applied after purchase orders have been approved.</p> <p>Management Comment:</p> <p>Updates to documented controls are currently being undertaken by management.</p>
7.2.10. Outstanding Purchase Orders	Process to ensure invoices are being processed in a timely manner and in accordance with the purchasing policy.	<p>We did not observe any formal procedures relating to the routine monitoring of and clearance of outstanding purchase orders. Regular review of outstanding purchase orders should be undertaken to assist with monitoring the value of and status of associated liabilities.</p> <hr/> <p>Improvement:</p> <p>Update procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routinely and consistently applied.</p>

7.0 Framework Implementation

Component	Purpose / Goal	Matters Identified / Improvements
7.2.11. ICT Security	Procedures and practices to ensure the security of IT information, systems and data.	<p>We noted some levels of permissions have been established for IT network access to software and data, however this is largely undocumented. A number of recommendations were identified in the Shire's recent IT Strategic Plan, however are yet to be fully implemented. Regular review and process around access to key ICT systems are a key part of an organisation's internal controls.</p> <hr/> <p>Improvement:</p> <p>Progress the implementation of recommendations included within the Shire's recent IT Strategic Plan and consider undertaking a comprehensive IT general security review, articulate current practices and implement findings of the review.</p>
7.2.12. Art Shop Controls	Controls in relation to the operations of the Warta Shop and sale of artworks.	<p>Purchases for the Warta Shop are managed by an officer who has responsibility for operation of the centre, negotiating purchases of art with artists, recording the art, setting of prices for the disposal of the art, sale of art and issuing cash payment when purchasing artwork from artists. Limited oversight documentation exists in relation to these activities.</p> <hr/> <p>Improvement:</p> <p>A full review of procedures and controls is required to determine practical procedures, documentation and controls for the purchase and sale of art. Procedures should ensure compliance with the regulatory requirements in relation to the setting of fees and charges and ensure appropriate stock reconciliation controls are in place.</p>
7.2.13. Grants Management	Controls for the effective management of grants and compliance with conditions imposed by funding bodies.	<p>Limited procedures exist to support processes and controls in respect to:</p> <ul style="list-style-type: none"> • application of grants; • acquittal of grants; • compliance with grant conditions; and • governance and administration arrangements. <hr/> <p>Improvement:</p> <p>Systems relating to grants management should include controls for the monitoring of grants with funding conditions and acquittal processes. Incomplete consideration of these factors may contribute to the Shire's ability to effectively deliver grant programs.</p> <p>Management Comment:</p> <p>Updates to documented controls are currently being undertaken by management.</p>

7.0 Framework Implementation

7.3. Human Resource Management and Practices

A number of components constitute the Shire's human resource management practices and form an essential element of risk management, internal control and legislative compliance. Each of these elements is examined in the table below.

Component	Purpose / Goal	Matters Identified / Improvements
7.3.1. Employee Appointment Procedures	Procedures to ensure appointment of staff are appropriately authorised, and onboarding processes are consistently and routinely applied.	<p>Staff inductions are inconsistently applied throughout the Shire, and induction processes do not consistently communicate to staff required expectations and requirements when performing local government functions. It is noted that draft procedures for this are currently being developed.</p> <hr/> <p>Improvement:</p> <p>Develop and implement procedures to ensure all new staff are appropriately inducted and aware of the parameters of their employment responsibilities and obligations including:</p> <ul style="list-style-type: none"> • OH&S; • Duties and responsibilities; • Security; • Code of Conduct; • HR Policies and Procedures; • Legislative Compliance; • Risk Management; and • Other relevant and required topics.
7.3.2. Employee Termination Procedures	Procedures to ensure staff physical and IT access is removed and Shire assets returned at the time of departure.	<p>No formal process or procedure is currently in place to ensure the appropriate process on termination of employees ensuring security and IT permissions are restricted, Shire property (phones, vehicles, keys) is returned prior to the employee finishing with the Shire. We noted draft procedures for this are currently being developed.</p> <hr/> <p>Improvement:</p> <p>Establish policies, procedures or checklists to manage and document the termination of employees, ensuring access to Shire resources is appropriately restricted and all allocated Shire assets are recovered.</p>
7.3.3. Employee Identity and Credentials	Systems and controls for screening of new employee and monitoring existing employees for changes in their circumstances which may impact their employment.	<p>Practices and procedures for verifying employee identity, right to work in Australia, background checks, verification of employment history and qualifications are considered inadequate. We noted a breakdown in controls where an employee file did not contain evidence of background checks, licences, qualifications etc.</p> <hr/> <p>Improvement:</p> <p>Develop, implement and maintain appropriate policies and procedures to reduce the risk of unqualified or unsuitable staff being employed by the Shire, in line with the Western Australian Auditor General's Report in June 2019 relating to Verifying Employee Identity and Credentials.</p>

7.0 Framework Implementation

Component		Purpose / Goal	Matters Identified / Improvements
7.3.4.	Staff Training	To ensure staff have access to ongoing and appropriate training.	<p>Planned and required staff training needs for employees are currently recorded for some operational areas/departments. A central training matrix is not currently maintained.</p> <hr/> <p>Improvement:</p> <p>Refine the current practice of documenting training requirements to add further value by developing and maintaining a central training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required licences and qualifications.</p>
7.3.5.	Payroll	Procedure to allow for appropriate review and approval of fortnightly payroll.	<p>Evidence of review and authorisation of a fortnightly payroll report selected for review was not recorded by both review/authorising officers.</p> <hr/> <p>The officer responsible for preparing and processing employee pays is also tasked with authorising the payments through the bank. Risks may exist where reduced impartiality and lack of segregation of duties are associated with payroll transactions.</p> <hr/> <p>Improvements:</p> <p>Implement documented procedures to ensure adequate controls are consistently followed for review and authorisation of fortnightly payroll reports, with appropriate evidence of these reviews consistently recorded.</p> <hr/> <p>Where possible, segregation of duties should exist where those responsible for processing payroll transactions are not responsible for approving payments through the bank. If circumstances prevent the full segregation of duties, documented procedures should describe the controls in place to reduce associated risks.</p>
7.3.6.	Payroll Audit Trails	Procedure to allow for appropriate review and approval of changes made within the payroll system.	<p>A review of changes to the payroll is made each pay run and is conducted prior to the payroll being updated into the bank. However, our testing noted a payroll audit trail had no preparer or reviewer evidenced on the report.</p> <hr/> <p>Improvement:</p> <p>Procedures to minimise risk of erroneous or unauthorised changes to employee details should be consistently evidenced and maintained. Regular reviews of software audit trails is one form of control and this practice is strongly encouraged to continue with the addition of consistent evidence of the review.</p> <p>Management Comment:</p> <p>Updates to documented controls are currently being undertaken by management.</p>

7.0 Framework Implementation

7.4. Insurance

At present, the Deputy Chief Executive Officer annually reviews the completeness of insurance, which is presented to the CEO for final review. Discussions are also held with insurers annually and adjustments to policies and insurance levels made as considered appropriate. The insurance values of buildings, plant and equipment are based on the three to five yearly valuations of building assets undertaken by registered valuers.

Component		Purpose / Goal	Matters Identified / Improvements
7.4.1.	Contractor Insurance	Insurance cover maintained by contractors for damage caused when undertaking works for the Shire.	<p>Contractors' insurances are not always assessed prior to award of contracts. Reliance is placed on contract managers to ensure copies of insurances are provided and are current.</p> <hr/> <p>Improvement:</p> <p>To help ensure contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be finalised, and records maintained to ensure copies of contractors' current insurances and licences are held on file.</p>

8.0 Framework Evaluation

Developing and implementing systems and procedures for risk management, legislative compliance and internal controls within a Shire can be a time consuming and expensive exercise with the potential to divert resources away from direct services. Considering the level of investment necessary to establish these systems, actions to monitor their effectiveness are an essential practice.

Over time, the relevancy of established controls may change, their purpose may be forgotten, or technology may offer a more efficient or effective way to achieve the initial goal. For these reasons, formal review procedures are required to ensure the resources applied to maintaining these systems, practices and controls are done so in the most efficient way.

Evidence of the monitoring of risk management, internal controls and legislative compliance is sourced from Minutes of Meetings, Registers of Disclosures and reports reviewed.

8.1. Council and Audit and Risk Committee

Regular monthly financial statements and lists of payments, made in the intervening period between each meeting, have been presented to the Council for review, as required by legislation. This provides the basis for high level oversight of the expenditure transactions of the organisation.

8.0 Framework Evaluation

8.2. Strategic and Operational Registers

A number of registers are maintained by the Shire. The table below details areas for possible improvement in relation to these registers.

Register	Purpose / Goal	Matters Identified / Improvements
8.2.1. Register of Hazardous Materials	Provide a record of properties under the Shire's control containing hazardous materials.	<p>A register of hazardous materials was not available for our inspection, to reflect properties under the control of the Shire which may contain hazardous materials such as asbestos, and if associated risks have been adequately treated.</p> <hr/> <p>Improvement:</p> <p>Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.</p>
8.2.2. Investment Register	Register of investments held to evidence the nature and location of all investments and all transactions in relation to investments.	<p>An investment register was not available for our inspection detailing the nature and location of all investments and all related transactions.</p> <hr/> <p>Improvement:</p> <p>Recording the nature and location of all investments and related transactions is required by Regulation 19 (2) of the <i>Local Government (Financial Management) Regulations 1996</i>. Tracing of funds on maturity of investments is essential and record of where funds are transferred and who authorised the transfer should be maintained within the register. Maintaining printed copies of the investment register, reviewed and authorised by a senior manager, independent of the control of the investments, prevents subsequent amendment to the register.</p>
8.2.3. Contracts Register	Provide a record of contracts entered into by the Shire.	<p>A contracts register was not available for our inspection detailing the status of contracts held by the Shire.</p> <hr/> <p>Improvement:</p> <p>Maintain a register to record details of all contracts (current and expired) and their status in a form to assist with ensuring contracts are monitored and actioned as required and reflecting the value of the contracts.</p>

8.0 Framework Evaluation

8.3. Annual Compliance Audit Returns (CAR)

Returns have been completed on a self-assessment basis, reviewed by the Audit and Risk Committee and approved by Council each year. The CAR was completed in house by staff for the 2018, 2019 and 2020 return periods. Three matters of non compliance were noted in the 2018 return relating to some annual returns not being received by 31 August, no evidence of a review of legislative compliance, risk management and internal controls being performed and no evidence of a review of delegations to committees being performed. The 2019 return noted one matter of non compliance relating to a financial management review not being performed within required timeframes, with the same matter also being noted in the 2020 return. This matter was reported to the Audit and Risk Committee and to Council with an improvement noted in the officer's report.

8.4. Complaint Handling

Historically, very few community complaints have been received by the Shire. A procedure to guide the process for managing community complaints was prepared in 2017. An update to this procedure is being prepared, including the requirement to establish a register to maintain and manage community complaints. This procedure is intended to be applied across the organisation, with regular reviews and management reporting to ensure complaints are adequately actioned and addressed.

8.0 Framework Evaluation

8.5. Audit Practices

Council had appointed external financial auditors to the Shire for the 2017-18, 2018-19 and 2019-20 periods. From 2020-21 audits will be performed under the Office of the Auditor General (OAG). The 2017-18 audit report noted matters relating to lack of segregation of duties and dual signatory controls for creditor and payroll payrolls, as well as a number of employees with no employment contracts. The 2018-19 audit report noted the own source revenue coverage ratio had been below the benchmark set by the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for three years and indicated a significant adverse trend to the financial position of the Shire. A significant adverse trend was also noted in 2019-20 for the own source revenue coverage ratio.

The table below details areas for possible improvement in relation to audit practices.

Component	Purpose / Goal	Matters Noted / Improvements
8.5.1. Internal Audit	Internal audit monitors the level of compliance with internal procedures and process along with assessing the appropriateness of these procedures.	<p>Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.</p> <p>Improvement:</p> <p>We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to Parliament on the Audit Results Report – Annual 2017-18 Financial Audits of Local Government Entities.</p>
8.5.2. Significant Adverse Trend Report	To ensure action is taken to improve significant matters raised by auditors.	<p>A significant adverse trend was identified during the 2018-19 & 2019-20 audits. We noted the following legislative requirements were not met:</p> <ul style="list-style-type: none">• A report was not prepared stating actions intended to be taken in relation to the adverse trends noted;• The above mentioned report is to be considered by the audit committee and Council;• The report is to be submitted to the Minister; and• The report is to be published on the official local government website. <p>Improvements:</p> <p>Prepare a report stating actions intended to be taken relating to the significant adverse trend identified during the 2018-19 & 2019-20 audits and present for consideration by the Audit Committee and Council, forward to the Minister after adoption, and publish the report on the Shire's website. Ensure any future reports are prepared and published as required by section 7.12A of the <i>Local Government Act 1995</i>.</p>

8.0 Framework Evaluation

8.6. Review required to be undertaken by the CEO

The CEO is required to undertake reviews of systems and procedures of the local government. The table below presents matters noted in relation to these reviews.

Component	Purpose / Goal	Matters Noted / Improvements
8.6.1. Audit Regulation 17 Review	CEO's review of the appropriateness and effectiveness of systems and procedures for Risk Management, Internal Controls and Legislative Compliance in accordance with Regulation 17 of <i>Local Government (Audit) Regulations 1996</i> .	<p>A review was last undertaken in August 2017, which is outside of the time period as required by regulation 17 of <i>Local Government (Audit) Regulations 1996</i>.</p> <p>The previous review made no recommendations in relation to the appropriateness and effectiveness of risk management, legislative compliance and internal controls.</p> <p>Improvements:</p> <p>Ensure the next review is undertaken within the time period as required by legislation.</p> <p>Ensure future reviews identifies operational and financial risk, control weaknesses and compliance weaknesses.</p>
8.6.2. Financial Management Review	Review of the appropriateness and effectiveness of the Financial Management systems and procedures of the local government required to be undertaken every three years by Regulation 5(2) of <i>Local Government (Financial Management) Regulations 1996</i> .	<p>Evidence of a previous review was not available for our review. Staff representations indicated the previous review was performed in house by staff responsible for financial management of the Shire. No evidence of the results of the previous review being reported to Council as required by regulation 5 (2) (c) of the <i>Local Government (Financial Management) Regulations 1996</i> was available for our review.</p> <p>Improvement:</p> <p>Ensure the next review is undertaken within the time period, by parties with required levels of independence and is considered by Council as required <i>Local Government (Financial Management) Regulations 1996</i>.</p>

9.0 Other Matters

Liability limited by a scheme approved under Professional Standards Legislation

Disclaimer

The services provided in terms of this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standard Board and, consequently no opinions or conclusions are intended to convey assurance either expressed or implied.

Moore Australia (WA) Pty Ltd, a Perth based partnership of trusts ("the firm"), carries on business separately and independently from other Moore Global Network Limited member firms worldwide.

Services provided under this engagement are provided by the Firm and not by any other independent Moore Global Network Limited member firm. No other independent Moore Global Network Limited member has any liability for services provided by other members.

Throughout this document, a reference to Moore Australia refers to Moore Australia (WA) Pty Ltd trading as agent ABN 99 433 544 961, an independent member of Moore Global Network Limited – member in principal cities throughout the world. Moore Australia (WA) Pty Ltd is not a partner or agent of any other Moore Global Network Limited firm.

Copyright

All rights reserved.

This report is prepared solely for the purpose set out in the proposal scope and is not to be used for any other purpose or distributed to any other party without Moore Australia prior consent. Any reliance placed by a third party on the report is that party's responsibility.

Moore Australia (WA) Pty Ltd

Level 15 Exchange Tower
2 The Esplanade
PERTH WA 6000
Phone +61 (0)8 9225 5355
Email russell.barnes@moore-australia.com.au
ABN 99 433 544 961

Document Date

Version: 3.0
Status: FINAL
Date: 2 November 2021

Appendix A – Financial Management Systems Review

The following reviews were undertaken to evaluate the appropriateness and effectiveness of financial management system controls:

System	Description
Bank reconciliation and petty cash management	Examination of procedures and review of maintenance and management practices undertaken by staff
Trust funds	Examination of trust funds to determine proper accountability in the Shire's financial management system and compliance with regulatory requirements
Receipts and receivables	Examination of end of day banking procedures to determine if they were adequate in ensuring cash collection is being recorded and allocated properly to the general ledger. The receivables system including raising of invoices was also reviewed with limited testing in respect to allocation/posting
Rates	<p>The Shire's rating procedures were examined to determine if they were adequate in ensuring rates were being imposed or raised correctly. This also included inspection of the rate record, rate notices, instalment notices, valuation reconciliations and general ledger. We randomly selected and tested rate notices which included:</p> <ul style="list-style-type: none"> • sighting the notices; • re-performing the calculations; • ascertaining whether the valuations applied agree to Landgate's valuation roll/report and rates per dollar imposed are as per adopted budget; • ensuring the rate system is properly updated; and • checking proper posting to the general ledger
Purchases, payments and payables (including purchase orders)	<p>Random selection of payment transactions to determine whether purchases were authorised/budgeted and payments were supported, certified/authorised and correctly allocated. The Shire's purchases, payments and payables system was also examined to determine if adequate controls were in place in ensuring liabilities are properly recorded and payments are properly controlled.</p> <p>We are aware of many incidents of payment scams/frauds within the local government industry during recent years. As a consequence of this activity, we have had a specific focus on the controls around the changes to supplier details within the EFT payment system</p>
Payroll	<p>A sample of twelve employees were randomly selected from four pay runs and detailed testing of each employee's pay was performed to help ensure:</p> <ul style="list-style-type: none"> • the employee existed; • the correct rate of pay was used; • non-statutory deduction authorities are on hand; • time sheets were properly completed and authorised; • hours worked were properly authorised; and • allocations were reasonable and correctly posted <p>The Shire's payroll system was also reviewed to determine if adequate controls were in place to help ensure wages and salaries are properly processed and payments are properly controlled</p>
Credit card procedures	<p>A review of the Shire's credit card procedures was performed to determine if adequate controls were in place. We randomly selected and tested credit card transactions to determine whether they are legitimate and usual in the context of the Shire's operations. This included:</p> <ul style="list-style-type: none"> • sighting tax invoices; • ascertaining whether the transaction is for bona fide Shire business; and • determining whether transactions are in line with the Shire's policy.

Appendix A – Financial Management Systems Review

System	Description
Fixed assets (including depreciation, acquisition, and disposal of property)	<p>The fixed assets system including controls over acquisition and disposal of assets, updating of the fixed assets register, depreciation of fixed assets and reconciliation of the fixed assets register to the general ledger was examined. A sample of asset additions and disposals were judgmentally selected, and testing performed to ensure:</p> <ul style="list-style-type: none"> • the tax invoices existed; • correct posting to the general ledger; • fixed assets register was promptly updated; and • classification of assets was correct. <p>In addition, a sample of four assets were judgmentally selected and testing performed to ensure the depreciation rates used are in line with the Shire's policy</p>
Cost and administration allocation	<p>The Shire's cost and administration allocation system was examined to determine if indirect costs have been properly reallocated to various jobs/programs. This included review of the allocation basis and rates used to ensure they are appropriate and regularly reviewed</p>
Financial reports	<p>The format of the annual report, annual financial report and monthly financial reports were reviewed for compliance with legislative requirements</p>
Budget	<p>The 2019-20 budget document and documents surrounding budget adoption were reviewed to ensure compliance with regulatory requirements</p>

Appendix B – Council Policies Examined

The Council Policies examined as part of the review were as follows:

Policy Topic (as at 6 August 2021)

GOVERNANCE	
1.1 Legislative Compliance	1.13 Attendance at Events
1.2 Internal Control	1.14 Disturbance at Council Meetings – Complaint Procedure
1.3 Risk Management	1.15 Community Engagement
1.4 Legal Representation – Costs Indemnification	1.16 Council Election Caretaker Period
1.5 Approvals at Short Notice	1.17 Use of Common Seal
1.6 Communication – Elected Members of Staff	1.18 Citizenship Ceremony, Dress Code
1.7 Council Forums	1.19 Shire Logo
1.8 Elected Member Ongoing Professional Development	1.20 Information Technology Systems & Internet Usage
1.9 Managing Public Question Time	1.21 Records Management
1.10 External Complaints	1.22 Fraud Control
1.11 Audit and Risk Committee – Terms of Reference	1.23 Dwelling Smoke Detectors
1.12 Committees	
FINANCE	
2.1 Purchasing	2.8 Long Term Financial Planning
2.2 Financial Governance	2.9 Fees and Charges Revenue
2.3 Panels of Pre-Qualified Suppliers	2.10 Cash Reserves
2.4 Borrowing Management	2.11 Corporate Credit Cards
2.5 Rating	2.12 Investment
2.6 Rating Exemption	2.13 Financial Hardship (Rates Relief)
2.7 Asset Management	
HUMAN RESOURCES	
3.1 Senior Employees	
3.2 Appointment of Acting CEO	
3.3 Employee Gratuity Payments	
3.4 Occupational Health and Safety	
3.5 Drug and Alcohol	

Appendix C – Plans Examined

The Plans examined as part of the review were as follows:

Plan	Status
Plan for the Future (SCP & CBP)	2021-2031
Long Term Financial Plan	2021-2036
Workforce Plan	2021-2025
Code of Conduct – Elected Members	February 2021
Code of Conduct – Staff	June 2021
Record Keeping Plan	Approved by State Records Office 10 March 2016
Local Emergency Management Arrangements	2016-2020
Disaster Recovery Plan	2016
Annual Report	2019-20
CEO Procedures	Draft
Risk Management Strategy	2019
IT Strategic Plan	December 2020

Appendix D – Strategic and Operational Registers Examined

The registers examined as part of the review were as follows:

Register
Tender Register
Gifts Register
Delegation Register (adopted 26 August 2020)
Financial Interests Register
Official Complaints Register
Food Business Inspections Register
Risk Register

Appendix E – Operational Guidelines

Risk Management

The internal control and risk management systems and programs are a key expression of a local government's attitude to effective controls. Good audit committee practices in monitoring internal control and risk management programs typically include:

Reviewing whether the local government has an effective risk management system and material operating risks to the local government are appropriately considered;

Reviewing whether the local government has a current and effective Business Continuity Plan (including disaster recovery) which is tested from time to time;

Assessing the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas:

- *potential non-compliance with legislation, regulations and standards and local government's policies*
- *important accounting judgements or estimates prove to be wrong*
- *litigation and claims*
- *misconduct, fraud and theft*
- *significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government*

Obtaining regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure identified risks are monitored and new risks are identified, mitigated and reported;

Assessing the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance;

Reviewing the effectiveness of the local government's internal control system with management and the internal and external auditors;

Assessing whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;

Assessing the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;

Should the need arise, meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment; and

Ascertaining whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

Legislative Compliance

'The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. Audit committee practices in regard to monitoring compliance programs typically include:

- a) *Monitoring compliance with legislation and regulations*
- b) *Reviewing the annual Compliance Audit Return and reporting to Council the results of that review*
- c) *Staying informed about how management is monitoring the effectiveness of its compliance and making recommendations for change as necessary*
- d) *Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints*
- e) *Obtaining assurance that adverse trends are identified and review management's Plans to deal with these*

Appendix E – Operational Guidelines

Legislative Compliance (continued)

- f) *Reviewing management disclosures in financial reports of the effect of significant compliance issues*
- g) *Reviewing whether the internal and / or external auditors have regard to compliance and ethics risks in the development of their Audit Plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee*
- h) *Considering the internal auditor's role in assessing compliance and ethics risks in their Plan;*
- i) *Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements*
- j) *Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest*

Internal Controls

Internal controls are systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations.

These systems not only relate to accounting and reporting but also include communication processes both internally and externally, staff management and error handling.

Operational Guidelines prepared by the Department of Local Government and Communities (Audit in Local Government number 09 September 2013) provide the background to Internal Controls in the context of this review as follows:

'Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.

An effective and transparent internal control environment is built on the following key areas:

- a) *integrity and ethics;*
- b) *policies and delegated authority;*
- c) *levels of responsibilities and authorities;*
- d) *audit practices;*
- e) *information system access and security;*
- f) *management operating style; and*
- g) *human resource management and practices.*

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

Aspects of an effective control framework will include:

- a) *delegation of authority;*
- b) *documented policies and procedures;*
- c) *trained and qualified employees;*
- d) *system controls;*
- e) *effective Policy and process review;*
- f) *regular internal audits;*

Appendix E – Operational Guidelines

Internal Controls (continued)

- g) documentation of risk identification and assessment; and*
- h) regular liaison with auditor and legal advisors.*

The following are examples of controls that are typically reviewed:

- a) separation of roles and functions, processing and authorisation;*
- b) control of approval of documents, letters and financial records;*
- c) comparison of internal data with other or external sources of information;*
- d) limit of direct physical access to assets and records;*
- e) control of computer applications and information system standards;*
- f) limit access to make changes in data files and systems;*
- g) regular maintenance and review of financial control accounts and trial balances;*
- h) comparison and analysis of financial results with budgeted amounts;*
- i) the arithmetical accuracy and content of records;*
- j) report, review and approval of financial payments and reconciliations; and*
- k) comparison of the result of physical cash and inventory counts with accounting records.*

CONTACT US

Level 15, 2 The Esplanade,
Perth WA 6000

T +61 8 9225 5355

F +61 8 9225 6181

E perth@moore-australia.com.au

www.moore-australia.com.au



MOORE

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
External Complaints 1.10								
Functional	6.2.1	This policy governs the procedure for complaints against elected members of Council, which contradicts the appointment of the CEO as the Complaints Officer in the Code of Conduct for Council Members, Committee Members and candidates for election.	Medium	Planned action required	Review and amend the policy with consideration of the complaints resolution procedures as documented in the Code of Conduct for Council Members, Committee Members and candidates for election.	DGS		
Business Continuity & Disaster Recovery Plan								
Entity Wide	7.1.1	A Business Continuity Plan was prepared in 2016 however there was no evidence of the plan being tested to ensure its validity.	High	Prioritised action required	Progress the review, update of the Business Continuity Plan and test it to ensure its validity, including validity of the documented key business continuity risks along with the treatments. Ensure content of the plan is relevant and current to the Shire, and risk treatments are consolidated with overarching risk management activities. The plan should facilitate organised decision making in the event of any major disruption impacting the Shire's ability to continue normal operations, with testing involving relevant and key personnel to ensure validity of the identified risks and treatments within the plan.	DGS		
ICT Disaster Recovery Plan								
Entity Wide	7.1.2	A Disaster Recovery Plan was adopted by Council on 09 November 2016 however there was no evidence of the plan being tested to ensure its validity. The overall plan requires biennial testing / review, which may be not be frequent enough to maintain currency in the application of the plan. We noted reference to superfluous systems within the plan, which may impede the effectiveness of its implementation in a disruption event.	High	Prioritised action required	Review and update content of the Disaster Recovery Plan to ensure relevancy and currency to the Shire. Maintain, review and test the plan to ensure validity.	DGS		
Administration Procedures								
Entity Wide	7.1.3	Documented procedures currently exist in the form of a CEO Procedures Manual (currently under review). Some other operational process manuals are also maintained by administration staff do not appear to always be assessed by senior staff for compliance and appropriateness with expected controls.	Medium	Planned action required	Finalise review of the CEO Procedures.	DGS / DCEO		
Asset Management Plan								
Entity Wide	7.1.4	The most recent Asset Management Plan was adopted in November 2018. The plan does not meet the standards set within the DLGSCI Integrated Planning and Reporting Advisory Standard (September 2016), in that the ratio data cannot be identified.	Medium	Planned action required	Review and update the Asset Management Plans to maintain effective alignment with IPR documents, and to include all required data and information as published within the DLGSCI Integrated Planning and Reporting Advisory Standard (September 2016).	DIS		
Checklists & Workflow Diagrams								

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Functional	7.2.1	Checklists of key functions are maintained for selected functions. Checklists were not maintained and evidenced for all standard routine functions such as end of month reconciliations and reporting across the organisation. It was noted some staff have commenced with the creation of checklists and procedures.	Medium	Planned action required	Creation and maintenance of standard checklists may assist in evidencing key points of control. Checklists assist in ensuring compliance with repetitive legislative compliance tasks. Staff are encouraged to continue with the development of checklists and procedures for routine functions, including evidencing independent review. In conjunction with, or as an alternative to, the development of documented procedures and checklists, development of workflow process diagrams may assist in clearly identifying controls and processes to be followed.	DCEO		
Procedure Changes								
Functional	7.2.2	Process for amending or changing procedures are not formalised (administration procedures yet to be finalised). This creates opportunities for unilateral unauthorised changes to procedures and a breakdown in key controls within internal and financial controls.	High	Prioritised action required	Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.	DCEO		
Changes to Banking Details								
Functional	7.2.3	Current procedures to restrict changes to bank details are considered appropriate, however do not appear to always be consistently documented to evidence all control validations for changes which have occurred. We noted more formal procedures relating to changes to banking details for employees and creditors master files are be developed to ensure sufficient controls exist in both substantiating the change request and the changes performed within the Shire's ERP system.	High	Prioritised action required	Progress and complete the review and update procedures to ensure the following matters are appropriately considered and controls are adequate to: •Validate the change request and its origin; •Authority exists for the change request; and •Validate and control the changes once completed. Procedures should require documentary support to evidence all controls having been applied when applying changes to banking details within the Shire's ERP.	DCEO		
End of Month Processes								
Functional	7.2.4	Creditors invoices appears to be processed and entered only at the time where a routine creditors payment run is scheduled resulting in month end creditor balances being nil at the end of each month selected for review. This may result in an incorrect balance being presented in monthly financial statements.	Medium	Planned action required	Supplier invoices should be processed in a timely fashion and entered through the Shire's ERP system as soon as practicable after receipt to provide a more accurate representation of the Shire's liabilities at any given time. Invoices should be followed up where not received for goods or services obtained.	DCEO		
General Journal Entries								
Functional	7.2.5	There are limited documented internal control procedures for general journals. No general journal audit trail is currently produced to ensure no unauthorised journals have been posted.	High	Prioritised action required	Document internal controls to ensure journals requests initiated are reviewed and approved/authorised prior to posting by an appropriate officer, the current practice of independent review is maintained, and evidence of review is consistently applied. A monthly journal audit trail report should be produced and independently reviewed prior to preparation of the monthly statement of financial activity. IT permissions should also be considered when developing controls.	DCEO		
Receipting and Banking								

Shire of Ngaanyatjaraku Risk Assessment FMR Reg 17 Review - V3.0

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Functional	7.2.6	Evidence of an independent review of end of day receipting reports selected for testing was not always recorded. Petty Cash	Medium	Planned action required	Update procedures and controls to ensure an appropriate review process has been undertaken for all end of day receipting activities processed for banking.	DCEO		
Functional	7.2.7	Our testing of petty cash noted a breakdown within the systems and controls described to us. The March 2021 reconciliation did not evidence review and authorisation of an appropriate senior officer, independent of the preparer. Credit Cards	High	Prioritised action required	Undertake a review of systems and processes relating to petty cash, to ensure adequate controls exist for the security of cash held, as well as maintaining and processing of petty cash transactions.	DCEO		
Functional	7.2.8	Credit card statement in December 2020 selected for review was not signed by the FAC for the transactions incurred as required by the documented policy and procedure in place. Our review noted a credit card transaction in December 2020 which did not reconcile to the support documentation included with the credit card statement. Procurement	High	Prioritised action required	Update systems and processes relating to credit cards, to ensure adequate controls exist relating to ensure compliance with adopted policy and approved procedure requirements. This should also provide for controls for robust control and review processes prior to payments being deducted through automated bank payments. Ensure processes exist to maintain adherence to and detect any deviation from established documented procedures and controls. Where possible, segregation of duties should exist where those who have incurred charges on corporate credit cards are not also responsible for reconciling and entering credit card transactions. If circumstances prevent the full segregation of duties, documented procedures should describe the controls in place to reduce associated risks.	DCEO		

Shire of Ngaanyatjaraku Risk Assessment FMR Reg 17 Review - V3.0

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Functional	7.2.9	Through limited testing of payments we noted the following: •An instance where the requirements of the purchasing policy had not been adhered to; •Authorisation of invoices to be processed for payment made by the same individual who requested and authorised the purchase order; •Some invoices did not evidence independent review and authorisation when entered/processed for payment •Purchase orders being issued with no assigned value.	High	Prioritised action required	All procurement of goods or services should be undertaken in accordance with legislative requirements and the purchasing policy. A review of the purchasing policy may be required to ensure the policy reflects the purchasing objectives of the Shire. Appropriate segregation of duties relating to the requisitioning, approval and authorisation of procurement related activities should exist. If circumstances prevent the full segregation of duties then procedures should exist to demonstrate alternate controls in place to reduce associated risks. Review and update procedures to ensure appropriate review and authorisation has occurred and is evidenced prior to creditors invoices being authorised for payment. Values should be assigned to all purchase orders to ensure purchasing authorisations and policy requirements have been adhered to and controls have been developed to prevent unauthorised changes being applied after purchase orders have been approved.	DCEO		
		Outstanding Purchase Orders						
Entity Wide	7.2.10	We did not observe any formal procedures relating to the routine monitoring of and clearance of outstanding purchase orders. Regular review of outstanding purchase orders should be undertaken to assist with monitoring the value of and status of associated liabilities.	Medium	Planned action required	Update procedures to include review of the status of outstanding purchase orders as part of end of month processes. Ensure any controls developed are routinely and consistently applied.	DCEO		
		ICT Security						
Entity Wide	7.2.11	We noted some levels of permissions have been established for IT network access to software and data, however this is largely undocumented. A number of recommendations were identified in the Shire's recent IT Strategic Plan, however are yet to be fully implemented. Regular review and process around access to key ICT systems are a key part of an organisation's internal controls.	High	Prioritised action required	Progress the implementation of recommendations included within the Shire's recent IT Strategic Plan and consider undertaking a comprehensive IT general security review, articulate current practices and implement findings of the review.	DGS		
		Art Shop Controls						
Functional	7.2.12	Purchases for the Warta Shop are managed by an officer who has responsibility for operation of the centre, negotiating purchases of art with artists, recording the art, setting of prices for the disposal of the art, sale of art and issuing cash payment when purchasing artwork from artists. Limited oversight documentation exists in relation to these activities.	High	Prioritised action required	A full review of procedures and controls is required to determine practical procedures, documentation and controls for the purchase and sale of art. Procedures should ensure compliance with the regulatory requirements in relation to the setting of fees and charges and ensure appropriate stock reconciliation controls are in place.	DCEO		
		Grants Management						

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Entity Wide	7.2.13	Limited procedures exist to support processes and controls in respect to: • application of grants; • acquittal of grants; • compliance with grant conditions; and • governance and administration arrangements.	Medium	Planned action required	Systems relating to grants management should include controls for the monitoring of grants with funding conditions and acquittal processes. Incomplete consideration of these factors may contribute to the Shire's ability to effectively deliver grant programs.	DCEO		
Segregation of Duties and Internal Controls								
Functional	7.1.14	We noted a lack of independent oversight for some key roles, with some existing controls considered inadequate, especially where multiple process controls for high risk transactions are performed by a single individual or involve closely related parties. Where a single individual or closely related parties are responsible for or involved in multiple stages of various processes, there is an increased risk and opportunity for error, misconduct etc to occur.	High	Prioritised action required	Interventions should be available at various stages for a number of operational functions, including routine independent reviews of controls to ensure they are being observed and maintained as required. Where resourcing constraints exist (such as small local governments with limited staff), other considerations should be applied such as training and engaging officers within the organisation who may not normally be involved in these processes, to assist with checks and controls, or engaging independent parties to provide sufficient levels of oversight.	DCEO		
Procurement Assessment								
Functional	7.2.15	Documented formal requirements when undertaking assessments of responses to requests for quotations exist, however are not always consistently recorded / maintained with our samples selected for testing. Procedures are currently being updated to ensure records are maintained and and review of assessments are routinely performed. Documented procedures are also being updated to formalise the requirement for declarations of interest and confidentiality to be signed prior to assessments being undertaken for high value purchases.	Medium	Planned action required	To help ensure probity and fairness when assessing high value procurement, at least three persons should assess the procurement responses independently of each other. Documented processes should require a higher level of probity and due diligence, for higher value or higher risk purchases.	DCEO / DGS		
Rates								
Functional	7.2.16	Evidence of routine reviews of rate exempt properties as defined by section 6.26(2)(g) of the Local Government Act 1995 was not available for our inspection.	Medium	Planned action required	Develop and maintain systems and processes whereby routine reviews are undertaken of rate exempt properties within the Shire, confirming these properties are used exclusively for rate exempt purpose, in accordance with policy 2.6 Rating Exemption.	DCEO		
Fixed Assets								
Functional	7.2.17	We noted two instances of asset additions being incorrectly recorded on the fixed assets register due to inconsistent GST treatment of some line item expenses for the asset acquisition.	Medium	Planned action required	Ensure appropriate controls are in place to correctly identify the initial carrying value of new assets. Review procedures and controls for updates to the asset register, including review and authorisation by an independent officer.	DCEO		
Stock Controls								

Shire of Ngaanyatjarra Risk Assessment FMR Reg 17 Review - V3.0

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Functional	7.2.18	Controls in relation to management of stock for the Warta Shop are considered inadequate. Documented procedures for annual stocktakes of artwork and other items of value as well as reconciliations to validate effectiveness of controls are under review and to be finalised.	Medium	Planned action required	Review and update systems and procedures relating to stock controls at Shire facilities, including permission/authorisation requirements for stock pricing changes and stock write offs. Periodic stocktakes should minimally include reconciliation of stock movements against sales and independent review of data etc.	DCEO		
Employee Appointment Procedures								
Entity Wide	7.3.1	Staff inductions are inconsistently applied throughout the Shire, and induction processes do not consistently communicate to staff required expectations and requirements when performing local government functions. It is noted that draft procedures for this are currently being developed.	High	Prioritised action required	Develop and implement procedures to ensure all new staff are appropriately inducted and aware of the parameters of their employment responsibilities and obligations including: •OH&S; •Duties and responsibilities; •Security; •Code of Conduct; •HR Policies and Procedures; •Legislative Compliance; •Risk Management; and •Other relevant and required topics.	DCEO		
Employee Termination Procedures								
Entity Wide	7.3.2	No formal process or procedure is currently in place to ensure the appropriate process on termination of employees ensuring security and IT permissions are restricted, Shire property (phones, vehicles, keys) is returned prior to the employee finishing with the Shire. We noted draft procedures for this are currently being developed.	High	Prioritised action required	Establish policies, procedures or checklists to manage and document the termination of employees, ensuring access to IT systems, etc. is appropriately restricted and all allocated Shire assets are recovered.	DCEO		
Employee Identity and Credentials								
Entity Wide	7.3.3	Practices and procedures for verifying employee identity, right to work in Australia, background checks, verification of employment history and qualifications are considered inadequate. We noted a breakdown in controls where an employee file did not contain evidence of background checks, licences, qualifications etc.	High	Prioritised action required	Develop, implement and maintain appropriate policies and procedures to reduce the risk of unqualified or unsuitable staff being employed by the Shire, in line with the Western Australian Auditor General's Report in June 2019 relating to Verifying Employee Identity and Credentials.	DCEO		
Staff Training								
Entity Wide	7.3.4	Planned and required staff training needs for employees are currently recorded for some operational areas/departments. A central training matrix is not currently maintained.	Medium	Planned action required	Refine the current practice of documenting training requirements to add further value by developing and maintaining a central training matrix to identify staff training needs relevant to their role, ensuring it is co-ordinated across the organisation and monitors currency of required licences and qualifications.	DCEO		
Payroll								

Shire of Ngaanyatjaraku Risk Assessment FMR Reg 17 Review - V3.0

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Functional	7.3.5	Evidence of review and authorisation of fortnightly payroll reports was not recorded by both review/authorising officers. The officer responsible for preparing and processing employee pays is also tasked with authorising the payments through the bank. Risks may exist where reduced impartiality and lack of segregation of duties are associated with payroll transactions.	High	Prioritised action required	Implement documented procedures to ensure adequate controls are consistently followed for review and authorisation of fortnightly payroll reports, with appropriate evidence of these reviews consistently recorded. Where possible, segregation of duties should exist where those responsible for processing payroll transactions are not responsible for approving payments through the bank. If circumstances prevent the full segregation of duties, documented procedures should describe the controls in place to reduce associated risks.	DCEO		
Payroll Audit Trails								
Entity Wide	7.3.6	A review of changes to the payroll is made each pay run and is conducted prior to the payroll being updated into the bank. However, our testing noted a payroll audit trail had no preparer or reviewer evidenced on the report.	Medium	Planned action required	Procedures to minimise risk of erroneous or unauthorised changes to employee details should be consistently evidenced and maintained. Regular reviews of software audit trails is one form of control and this practice is strongly encouraged to continue with the addition of consistent evidence of the review.	DCEO		
Payroll Exception Reporting								
Functional	7.3.7	The officers responsible for processing and reviewing payroll are tasked with review and capture of employee entitlements, allowances, deductions, etc. with no verification to contractual entitlements. Staff have advised more formal documentation / checklists are intended to be created to assist with payroll processing, review and authorisation.	High	Prioritised action required	Review of procedures and controls to define procedures, documentation and controls for the accurate processing of payroll each fortnight. Details for each employee should be reviewed against individual employment contracts to capture allowances, deductions, entitlements etc, into a master list, with appropriate review and authorisation for changes. Payroll exception reporting and review of audit trails should be undertaken to capture anomalies or unauthorised changes.	DCEO		
Contractor Insurance								
Entity Wide	7.4.1	Contractors' insurances are not always assessed prior to award of contracts. Reliance is placed on contract managers to ensure copies of insurances are provided and are current.	High	Prioritised action required	To help ensure contractors have the relevant licences and have adequate insurance cover for the works they undertake for the Shire, procedures should be finalised, and records maintained to ensure copies of contractors' current insurances and licences are held on file.	DCEO		
Register of Hazardous Materials								
Functional	8.2.1	A register of hazardous materials was not available for our inspection, to reflect properties under the control of the Shire which may contain hazardous materials such as asbestos, and if associated risks have been adequately treated.	High	Prioritised action required	Develop and maintain a register to record details of hazardous materials, such as asbestos, for properties under the control of the Shire.	DCEO / DIS		
Investment Register								

Shire of Ngaanyatjaraku Risk Assessment FMR Reg 17 Review - V3.0

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Functional	8.2.2	An investment register was not available for our inspection detailing the nature and location of all investments and all related transactions.	High	Prioritised action required	Recording the nature and location of all investments and related transactions is required by Regulation 19 (2) of the Local Government (Financial Management) Regulations 1996. Tracing of funds on maturity of investments is essential and record of where funds are transferred and who authorised the transfer should be maintained within the register. Maintaining printed copies of the investment register, reviewed and authorised by a senior manager, independent of the control of the investments, prevents subsequent amendment to the register.	DCEO		
Contracts Register								
Functional	8.2.3	A contracts register was not available for our inspection detailing the status of contracts held by the Shire.	Medium	Planned action required	Maintain a register to record details of all contracts (current and expired) and their status in a form to assist with ensuring contracts are monitored and actioned as required and reflecting the value of the contracts.	DGS		
Tender Register								
Entity Wide	8.2.4	Inspection of the register noted the inclusion of a procurement activity which was not a tender, but rather a request for quotation. Procurement processes which are not tenders should be maintained separate to the tender register.	Medium	Planned action required	Ensure the tender register contains only the information required to comply with Regulation 16 & 17 of the Local Government (Functions and General) Regulations 1996.	DGS		
Financial Interest Register								
Functional	8.2.5	Our testing noted several returns prior to 2018/19 are not recorded within the register for some relevant persons, due to the register not being maintained in some previous years. It was also noted these instances have since been reported as required by legislation.	Medium	Planned action required	Maintain systems and procedures to obtain all returns required under the Local Government Act 1995.	DGS		
Community Complaints								
Functional	8.4.1	A procedure to guide the process for managing community complaints was prepared in 2017. An update to this procedure is being prepared, including the requirement to establish a register to maintain and manage community complaints	High	Prioritised action required	Finalise and implement procedure to ensure community complaints are adequately reported, actioned, and addressed.	DGS		
Internal Audit								
Entity Wide	8.5.1	Currently, no internal auditors have been appointed, and limited internal audit functions have been undertaken.	Medium	Planned action required	We suggest as the level of documented procedures increases, an expanded internal audit function to confirm adherence to documented policies and procedures may be required as recommended by the OAG in their report to Parliament on the Audit Results Report – Annual 2017-18 Financial Audits of Local Government Entities.	DGS		
Significant Adverse Trend Report								

Shire of Ngaanyatjaraku Risk Assessment FMR Reg 17 Review - V3.0

Context of assessment	Risk Number	Risk Assessment Category Risk Issue and Failure Modes	Risk Category	Action Required	Mitigation and Management Strategy (Possible Future Controls)	Responsible Officer	% Complete	Action taken
Entity Wide	8.5.2	<p>A significant adverse trend was identified during the 2018-19 & 2019-20 audits. We noted the following legislative requirements were not met:</p> <ul style="list-style-type: none"> •A report was not prepared stating actions intended to be taken in relation to the adverse trends noted; •The above mentioned report is to be considered by the audit committee and Council; •The report is to be submitted to the Minister; and •The report is to be published on the official local government website. 	High	Prioritised action required	Prepare a report stating actions intended to be taken relating to the significant adverse trend identified during the 2018-19 & 2019-20 audits and present for consideration by the Audit Committee and Council, forward to the Minister after adoption, and publish the report on the Shire's website. Ensure any future reports are prepared and published as required by section 7.12A of the Local Government Act 1995.	CEO / DCEO		
Audit Regulation 17 Review								
Entity Wide	8.6.1	<p>A review was last undertaken in August 2017, which is outside of the time period as required by. regulation 17 of <i>Local Government (Audit) Regulations 1996</i> .</p> <p>The previous review made no recommendations in relation to the appropriateness and effectiveness of risk management, legislative compliance and internal controls.</p>	Medium	Planned action required	<p>Ensure the next review is undertaken within the time period as required by legislation.</p> <p>Ensure future review identifies operational and financial risk, control weaknesses and compliance weaknesses.</p>	DCEO / DGS		
Financial Management Review								
Entity Wide	8.6.2	<p>Evidence of a previous review was not available for our review. Staff representations indicated the previous review was performed in house by staff responsible for financial management of the Shire. No evidence of the results of the previous review being reported to Council as required by regulation 5 (2) (c) of the Local Government (Financial Management) Regulations 1996 was available for our review.</p>	Medium	Planned action required	<p>Ensure the next review is undertaken within the time period, by parties with required levels of independence and is considered by Council as required Local Government (Financial Management) Regulations 1996.</p>	DCEO / DGS		

Payment listing October (21/22)					
Chq/EFT	Date	Name	Description	Invoice / Debit	Payment
EFT3823	05/10/2021	Focus Networks	Cameras, adapters, ear pods, router for CEO house		1,309.11
INV-9332G	30/09/2021	Focus Networks	Cameras, adapters, ear pods, router for CEO house	1,309.11	
EFT3824	05/10/2021	Avon Valley Toyota	Service on Shire Prado 1DXW195		1,090.84
JC14003575	29/09/2021	Avon Valley Toyota	Service on Shire Prado 1DXW195	1,090.84	
EFT3825	05/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road		113,597.00
1620	30/09/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road	84,183.00	
1622	30/09/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of graders for the formation and improvement of the Great Central Road	29,414.00	
EFT3826	05/10/2021	DEPT FOR PLANNING & INFRASTRUCTURE (DPI)	DoT agency payments 182344 - 182349		848.80
182344-182349	30/09/2021	DEPT FOR PLANNING & INFRASTRUCTURE (DPI)	DoT agency payments 182344 - 182349	848.80	
EFT3827	05/10/2021	PLAZA HOTEL KALGOORLIE	Accommodation for DIS 23 August 2021		164.00
1016053	24/08/2021	PLAZA HOTEL KALGOORLIE	Accommodation For DIS, Monday 23rd August 2021	164.00	
EFT3828	05/10/2021	CHARTAIR PTY LTD	Flight and additional baggage allowance for Focus IT tech Kalgoorlie to Warburton		411.00
T612289	23/09/2021	CHARTAIR PTY LTD	Thursday 23rd September 2021, Kalgoorlie to Warburton, Focus Technician	411.00	
EFT3829	05/10/2021	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Replace and install 2 x aircons at Lot 97 Warburton		2,938.36
30122	29/09/2021	NGAANYATJARRA COUNCIL REGIONAL HOUSING PROGRAM - Repairs & Maintenance	Install 2 x aircon at Lot 97 Warburton, Per your quote via email on 20 July 2021 (Job # 44949)	2,938.36	
EFT3830	05/10/2021	thinkproject Australia Pty Ltd	Import road data into QGIS		484.00
INV-0461	30/09/2021	thinkproject Australia Pty Ltd	import road data into QGIS, alter the point based geometry into Linestrings and then import this completed data into RAMM, as per estimate from Dylan Musgrave	484.00	
EFT3831	05/10/2021	LAVERTON SUPPLIES MOTORS	Diesel for 1HED881		324.90
01-125615	27/08/2021	LAVERTON SUPPLIES MOTORS	Diesel for 1HED881	126.90	
02-219813	11/09/2021	LAVERTON SUPPLIES MOTORS	Diesel for 1HED881	128.00	
02-219814	11/09/2021	LAVERTON SUPPLIES MOTORS	Parking for W/E vehicle	70.00	
EFT3832	12/10/2021	WARBURTON ROADHOUSE	Warburton Roadhouse payment for September 2021		4,493.65
SEPTEMBER 2021	01/09/2021	WARBURTON ROADHOUSE	Supplies for Shire meeting room, Supplies for Shire meeting room, Diesel for Shire Prado 1DXW195, Diesel for Shire Troop Carrier 1GJT224, Diesel for Shire Landcruiser 1HED881, Diesel for Shire rubbish truck 1GDT303, Diesel for Shire Landcruiser 1EYW816, Diesel for Shire Troop Carrier 1EJN112, Diesel for Shire FAC Prado 1HFB600, Oil for small engine equipment, Accommodation and meals for Fulcrum Agency staff member, Accommodation and meals for Focus Networks staff member	4,493.65	
EFT3833	12/10/2021	One Music Australia	Music for Councils - Rural quarterly subscription 1 October - 31 December 2021		88.22
167095	02/10/2021	One Music Australia	Music for Councils - Rural quarterly subscription 1 October - 31 December 2021	88.22	
EFT3834	12/10/2021	Easifleet Management	Novated lease for DGC		955.85
150399	11/10/2021	Easifleet Management	Novated lease for DGC	955.85	
EFT3835	12/10/2021	MCLEODS	Legal advice around damage to Shire roads		1,762.34
121251	30/09/2021	MCLEODS	Letter to DoC raising concerns re works within road verge without consultation.	1,762.34	
EFT3836	12/10/2021	Visage Productions	ONE ROAD Great Australian Road Trips series as per agreement and joint with Shires of Laverton / Menzies (only supplier)		8,112.50
INV1145	01/10/2021	Visage Productions	ONE ROAD Great Australian Road Trips series as per agreement and joint with Shires of Laverton / Menzies (only supplier)	8,112.50	
EFT3837	12/10/2021	James Leslie Morgan	Re-imbursement for DIS		243.26
DIS120921	12/09/2021	James Leslie Morgan	Diesel for Shire Prado 1DXW195	243.26	
EFT3838	12/10/2021	The Fulcrum.Agency	Warburton Concept Plan, Stage 1, as per RFQ Vendor Panel		24,743.64
C21015 - 002	04/10/2021	The Fulcrum.Agency	Warburton Concept Plan, Stage 1, as per RFQ Vendor Panel	24,743.64	
EFT3839	12/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road		111,361.80
1623	06/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road	84,469.00	
1624	06/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of graders for the formation and improvement of the Great Central Road	26,892.80	
EFT3840	12/10/2021	WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	2021 LG Elections - WALGA electoral advertising program		330.00
I3089609	07/10/2021	WESTERN AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION	2021 LG Elections - WALGA electoral advertising program	330.00	
EFT3841	12/10/2021	LGIS	LGIS Property 2021/22 2nd Instalment		75,208.61
100-146349	30/09/2021	LGIS	LGIS Liability 2021/22 2nd instalment	13,542.87	

100-146431	30/09/2021	LGIS	LGIS Workcare 2021/22 2nd instalment	21,271.54	
100-146452	30/09/2021	LGIS	LGIS Property 2021/22 2nd Instalment	42,350.78	
100-146608	05/10/2021	LGIS	2021/22 membership contributions credit 2nd instalment		1,956.58
EFT3842	12/10/2021	DEPARTMENT OF FIRE & EMERGENCY SERVICES	ESL income Local Government 2021/22		1,232.00
152802	28/09/2021	DEPARTMENT OF FIRE & EMERGENCY SERVICES	ESL income Local Government 2021/22	1,232.00	
EFT3843	12/10/2021	PLAZA HOTEL KALGOORLIE	Accommodation for DIS 10 October 2021		164.00
1018087	11/10/2021	PLAZA HOTEL KALGOORLIE	Accommodation for DIS Sunday 10 October 2021	164.00	
EFT3844	12/10/2021	MOORE AUSTRALIA (WA) Pty Ltd	Revise CEO Procedure Manual as per Schedule of Rates RFT01, 1819 Accounting & Compliance Contract, Note replaces previous 2020 manual PO		42,685.17
323337	30/09/2021	MOORE AUSTRALIA (WA) Pty Ltd	Revise CEO Procedure Manual as per Schedule of Rates RFT01, 1819 Accounting & Compliance Contract	42,355.17	
323351	30/09/2021	MOORE AUSTRALIA (WA) Pty Ltd	Assist with balancing AFS	330.00	
EFT3845	12/10/2021	LAVERTON SUPPLIES MOTORS	Diesel for 1HED881		243.64
01-130907	24/09/2021	LAVERTON SUPPLIES MOTORS	Diesel for 1HED881	129.00	
01-131116	25/09/2021	LAVERTON SUPPLIES MOTORS	Diesel for FAC Prado 1HFB600	114.64	
EFT3846	15/10/2021	Julie Porter	Refund of Council election nomination fee		80.00
JP141021	14/10/2021	Julie Porter	Refund of Council election nomination fee	80.00	
EFT3847	15/10/2021	WARAKURNA ROADHOUSE	Diesel for W/S Landcruiser 1EYW816		111.62
02-150313	12/10/2021	WARAKURNA ROADHOUSE	Diesel for W/S Landcruiser 1EYW816	111.62	
EFT3848	15/10/2021	MILLY (WARBURTON) STORE	Petty cash recoup and October invoices		3,140.96
112395	02/09/2021	MILLY (WARBURTON) STORE	Supplies for Shire meeting room	46.80	
112502	09/09/2021	MILLY (WARBURTON) STORE	Supplies for S&R breakfast program, Supplies for S&R breakfast program	64.12	
112510	09/09/2021	MILLY (WARBURTON) STORE	Petty cash recoup	2,400.00	
112511	09/09/2021	MILLY (WARBURTON) STORE	1 x box UHT milk	30.00	
112540	10/09/2021	MILLY (WARBURTON) STORE	Items for maintenance of W/S Landcruiser	33.70	
112593	14/09/2021	MILLY (WARBURTON) STORE	Supplies for Shire meeting room	57.00	
112743	24/09/2021	MILLY (WARBURTON) STORE	Supplies for S&R breakfast program	370.97	
112817	30/09/2021	MILLY (WARBURTON) STORE	Supplies for S&R breakfast program	138.37	
EFT3849	15/10/2021	Focus Networks	Agreement Monthly MPS devices for September 2021		3,146.44
SAAS-12037	12/10/2021	Focus Networks	Agreement MFS, MRS, HAV, MFA, SPLA and EPS Monthly fee for October 2021	1,213.74	
MPSD-12043	13/10/2021	Focus Networks	Agreement Monthly MPS devices for September 2021	1,932.70	
EFT3850	15/10/2021	Alex Benning	Refund of Council election nomination fee		80.00
AB141021	14/10/2021	Alex Benning	Refund of Council election nomination fee	80.00	
EFT3851	15/10/2021	Syndicate 87 Pty Ltd T/A Outback Internet	Supply, installation and commissioning of new PSU Circuit board for the Blackstone TV transmission site		880.00
1849	11/10/2021	Syndicate 87 Pty Ltd T/A Outback Internet	Supply, installation and commissioning of new PSU Circuit board for the Blackstone TV transmission site	880.00	
EFT3852	15/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road		114,741.00
1625	13/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road	85,327.00	
1626	13/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of graders for the formation and improvement of the Great Central Road	29,414.00	
EFT3853	15/10/2021	DESERT INN HOTEL	Accommodation and meal for W/E 12 October 2021		158.00
5341	13/10/2021	DESERT INN HOTEL	Accommodation and meal for W/E 12 October 2021	158.00	
EFT3854	15/10/2021	PRESTON THOMAS	Refund of Council election nomination fee		80.00
PT141021	14/10/2021	PRESTON THOMAS	Refund of Council election nomination fee	80.00	
EFT3855	15/10/2021	ANDREW JONES	Refund of Council election nomination fee		80.00
AJ141021	14/10/2021	ANDREW JONES	Refund of Council election nomination fee	80.00	
EFT3856	15/10/2021	DEBRA FRAZER	Refund of Council election nomination fee		80.00
DF141021	14/10/2021	DEBRA FRAZER	Refund of Council election nomination fee	80.00	
EFT3857	27/10/2021	DAMIAN MCLEAN	OCM fees for 27 October 2021		440.00
DM271021	27/10/2021	DAMIAN MCLEAN	OCM fees for 27 October 2021	440.00	

EFT3858	27/10/2021	Julie Porter	OCM fees for 27 October 2021		220.00
JP271021	27/10/2021	Julie Porter	OCM fees for 27 October 2021	220.00	
EFT3859	27/10/2021	LALLA WEST	OCM fees for 27 October 2021		220.00
LW271021	27/10/2021	LALLA WEST	OCM fees for 27 October 2021	220.00	
EFT3860	27/10/2021	PRESTON THOMAS	OCM fees for 27 October 2021		220.00
PT271021	27/10/2021	PRESTON THOMAS	OCM fees for 27 October 2021	220.00	
EFT3861	27/10/2021	JOYLENE FRAZER	OCM fees for 27 October 2021		220.00
JF271021	27/10/2021	JOYLENE FRAZER	OCM fees for 27 October 2021	220.00	
EFT3862	27/10/2021	Andre Peter Frederick Kerp	Taxi fares for W/E home to Perth airport and return		166.74
WE041021	04/10/2021	Andre Peter Frederick Kerp	Taxi fares for W/E home to Perth airport and return	166.74	
EFT3863	27/10/2021	WARAKURNA ROADHOUSE	Accommodation and meal for EHO 17 October 2021		380.00
02-150558	18/10/2021	WARAKURNA ROADHOUSE	Accommodation and meal for EHO 17 October 2021	194.00	
02-150714	19/10/2021	WARAKURNA ROADHOUSE	Diesel for 1EYW816	186.00	
EFT3864	27/10/2021	Melville Toyota	Service on Toyota Troop carrier 1GJT224		644.85
JC13317612	16/10/2021	Melville Toyota	Service on Toyota Troop carrier 1GJT224	644.85	
EFT3865	27/10/2021	Steve Girschik	Bronze medallion course for S&R staff		470.00
011	25/10/2021	Steve Girschik	Bronze medallion course for S&R staff	470.00	
EFT3866	27/10/2021	MCLEODS	Review of proposed ILUA		2,432.03
120585	31/08/2021	MCLEODS	Review of proposed ILUA	2,432.03	
EFT3867	27/10/2021	Focus Networks	Video conferencing equipment - supply and install - final payment		5,686.88
INV-9294GB	15/10/2021	Focus Networks	Video conferencing equipment - supply and install - final payment	5,686.88	
EFT3868	27/10/2021	Eftsure Pty Ltd	12 month subscription at \$380/month October 2021 - October 2022		5,016.00
INV-3191	15/10/2021	Eftsure Pty Ltd	12 month subscription at \$380/month October 2021 - October 2022	5,016.00	
EFT3869	27/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road		82,242.05
1627	20/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of plant and equipment for construction work on the Wanarn Access Road	57,030.05	
1629	20/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of graders for the formation and improvement of the Warakurna Community Roads	1,680.80	
1630	20/10/2021	KEY FACTORS PTY LTD (BREAKAWAY)	Hire of graders for the formation and improvement of the Great Central Road	23,531.20	
EFT3870	27/10/2021	GEOFFREY RAYMOND HANDY	Diesel for 1HBF600		483.48
GH191021	19/10/2021	GEOFFREY RAYMOND HANDY	Diesel for 1HBF600	483.48	
EFT3871	27/10/2021	LAVERTON SUPPLIES MOTORS	Diesel for Shire troop carrier 1GJT224		248.54
01-135544	18/10/2021	LAVERTON SUPPLIES MOTORS	Diesel for Shire troop carrier 1GJT224	248.54	
DD2034.1	01/10/2021	WESTPAC BANK	Transaction fee for September 2021		48.50
BF011021	01/10/2021	WESTPAC BANK	Bank fees for September 2021	22.00	
TF011021	01/10/2021	WESTPAC BANK	Transaction fee for September 2021	26.50	
DD2035.1	06/10/2021	PIVOTEL SATELLITE PTY LTD	Satellite phone & spot tracker charges September 2021		439.00
3135160	06/10/2021	PIVOTEL SATELLITE PTY LTD	Satellite phone & spot tracker charges September 2021	439.00	
DD2037.1	11/10/2021	TELSTRA CORPORATION LTD	Telstra account for September 2021		990.97
K173767570-3	11/10/2021	TELSTRA CORPORATION LTD	Telstra account for September 2021	990.97	
PAY	13/10/2021	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	53,156.25	53,156.25
DD2041.1	13/10/2021	Aware Super	Superannuation contributions		4,850.44
SUPER	13/10/2021	Aware Super	Superannuation contributions	4,425.83	
DEDUCTION	13/10/2021	Aware Super	Superannuation contributions	320.80	
DEDUCTION	13/10/2021	Aware Super	Superannuation contributions	103.81	
DD2041.2	13/10/2021	VISION SUPER	Superannuation contributions		843.67
SUPER	13/10/2021	VISION SUPER	Superannuation contributions	843.67	
DD2041.3	13/10/2021	HOST PLUS	Superannuation contributions		64.99
SUPER	13/10/2021	HOST PLUS	Superannuation contributions	64.99	
DD2041.4	13/10/2021	SUNSUPER SOLUTIONS	Superannuation contributions		76.50
SUPER	13/10/2021	SUNSUPER SOLUTIONS	Superannuation contributions	76.50	

DD2041.5	13/10/2021	The Trustee For Care Super	Superannuation contributions		274.32
SUPER	13/10/2021	The Trustee For Care Super	Superannuation contributions	274.32	
DD2041.6	13/10/2021	REST	Superannuation contributions		235.41
SUPER	13/10/2021	REST	Superannuation contributions	235.41	
DD2041.7	13/10/2021	MLC Superannuation	Superannuation contributions		290.04
SUPER	13/10/2021	MLC Superannuation	Superannuation contributions	290.04	
DD2041.8	13/10/2021	Local Government Super, NSW	Superannuation contributions		615.39
SUPER	13/10/2021	Local Government Super, NSW	Superannuation contributions	615.39	
PAY	27/10/2021	Payroll Direct Debit Of Net Pays	Payroll Direct Debit Of Net Pays	51,615.51	51,615.51
DD2050.1	27/10/2021	Aware Super	Superannuation contributions		4,654.47
SUPER	27/10/2021	Aware Super	Superannuation contributions	4,229.86	
DEDUCTION	27/10/2021	Aware Super	Superannuation contributions	103.81	
DEDUCTION	27/10/2021	Aware Super	Superannuation contributions	320.80	
DD2050.2	27/10/2021	VISION SUPER	Superannuation contributions		843.67
SUPER	27/10/2021	VISION SUPER	Superannuation contributions	843.67	
DD2050.3	27/10/2021	SUNSUPER SOLUTIONS	Superannuation contributions		189.00
SUPER	27/10/2021	SUNSUPER SOLUTIONS	Superannuation contributions	189.00	
DD2050.4	27/10/2021	The Trustee For Care Super	Superannuation contributions		281.02
SUPER	27/10/2021	The Trustee For Care Super	Superannuation contributions	281.02	
DD2050.5	27/10/2021	REST	Superannuation contributions		235.41
SUPER	27/10/2021	REST	Superannuation contributions	235.41	
DD2050.6	27/10/2021	MLC Superannuation	Superannuation contributions		290.04
SUPER	27/10/2021	MLC Superannuation	Superannuation contributions	290.04	
DD2050.7	27/10/2021	Local Government Super, NSW	Superannuation contributions		634.62
SUPER	27/10/2021	Local Government Super, NSW	Superannuation contributions	634.62	
DD2052.1	29/10/2021	FAC Westpac Credit Card	FAC credit card payment for October 2021		1,773.23
FAC291021	29/10/2021	FAC Westpac Credit Card	Flights for W/E Perth to Laverton return 3 - 12 November 2021, Internet charge for CEO/WE/EHO accommodation, Picture wire for Warta shop, Flights for EHO Perth to Laverton return 13 - 22 October 2021, Credit card fee for October 2021	1,773.23	
DD2070.1	13/10/2021	CEO Westpac Credit Card	Westpac Mastercard payment for CEO September 2021		82.00
CEO131021	13/10/2021	CEO Westpac Credit Card	Subscription to the West Australian newspapers, Credit card for CEO September 2021	82.00	
DD2070.2	13/10/2021	DCEO Westpac credit card	Westpac mastercard fee for DCEO September 2021		10.00
DCEO131021	13/10/2021	DCEO Westpac credit card	Credit card fee for DCEO September 2021	10.00	
DD2070.3	13/10/2021	DGC Westpac Mastercard	Westpac mastercard payment for DGC September 2021		78.03
DGC131021	13/10/2021	DGC Westpac Mastercard	Diesel for Shire Landcruiser 1HED882, Adobe subscription for October 2021, Credit card fee for DGC for September 2021	78.03	
DD2070.4	13/10/2021	FAC Westpac Credit Card	FAC Westpac Mastercard payment for September 2021		937.69
FAC131021	13/10/2021	FAC Westpac Credit Card	Shire office internet charge for September 2021, CEO/WE/EHO residence internet charge for September 2021, Flight for casual S&R staff Perth to Laverton, Charger for S&R surface pro, Incorrect charge to FAC credit card (refunded in October), Credit card fee for FAC September 2021	937.69	
			TOTALS	739,928.03	739,928.03



SHIRE OF NGAANYATJARRAKU - Business banking ▾

Approval

Notifications ▾

Sign Out

Overview

Payments

Service

Administration

Business Hub

Products

Your accounts

Edit view ▾



Transfer funds

Make a payment

Westpac Business
One Flexi ▾

036-016 831911



\$57,848.56

Westpac Business
One ▾

036-016 831946



\$0.00

Westpac 31 Day
Notice Account ▾

036-125 520231



\$4,878,809.96

Available \$0.00

Westpac 90 Day
Notice Account ▾

036-125 521074



\$4,867,462.48

Available \$0.00

SHIRE OF NGAANYATJARRAKU

MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 October 2021

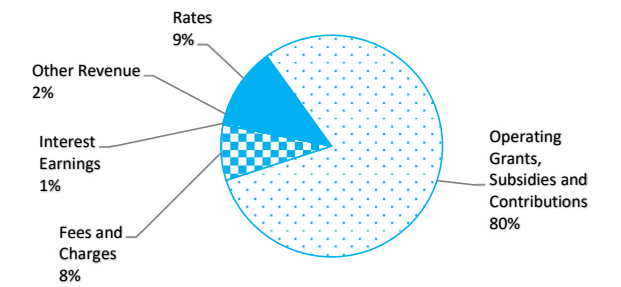
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

TABLE OF CONTENTS

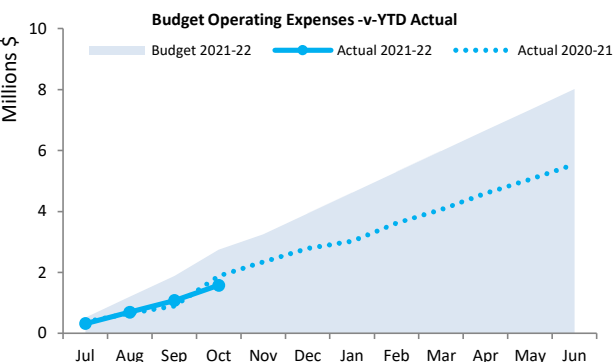
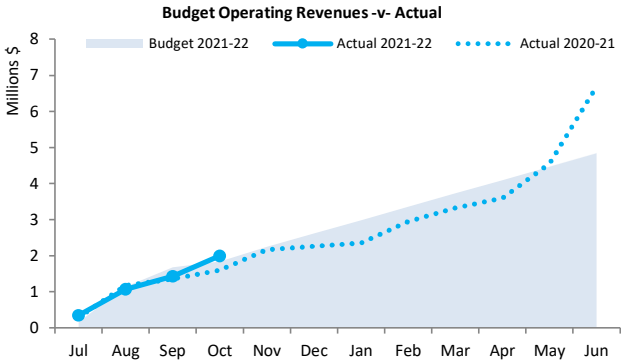
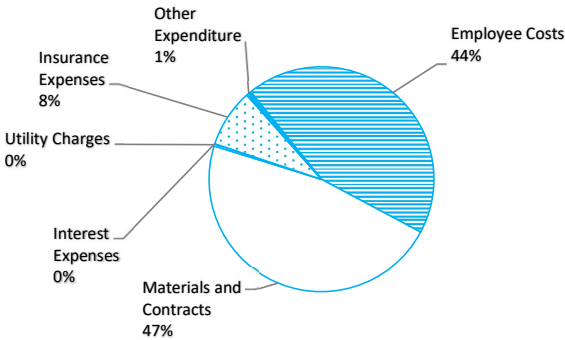
Statement of Financial Activity by Program	5
Statement of Financial Activity by Nature or Type	7
Basis of Preparation	8
Note 1 Statement of Financial Activity Information	9
Note 2 Cash and Financial Assets	10
Note 3 Receivables	11
Note 4 Other Current Assets	12
Note 5 Payables	13
Note 6 Rate Revenue	14
Note 7 Disposal of Assets	15
Note 8 Capital Acquisitions	16
Note 9 Cash Reserves	18
Note 10 Other Current Liabilities	19
Note 11 Operating grants and contributions	20
Note 12 Non operating grants and contributions	21
Note 13 Explanation of Material Variances	22

OPERATING ACTIVITIES

OPERATING REVENUE

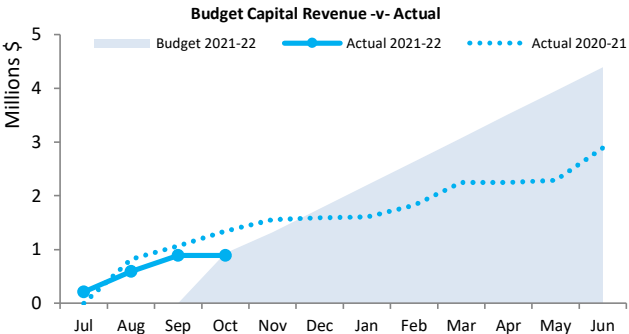


OPERATING EXPENSES

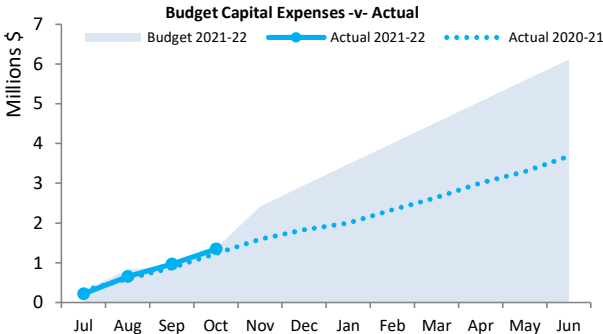


INVESTING ACTIVITIES

CAPITAL REVENUE

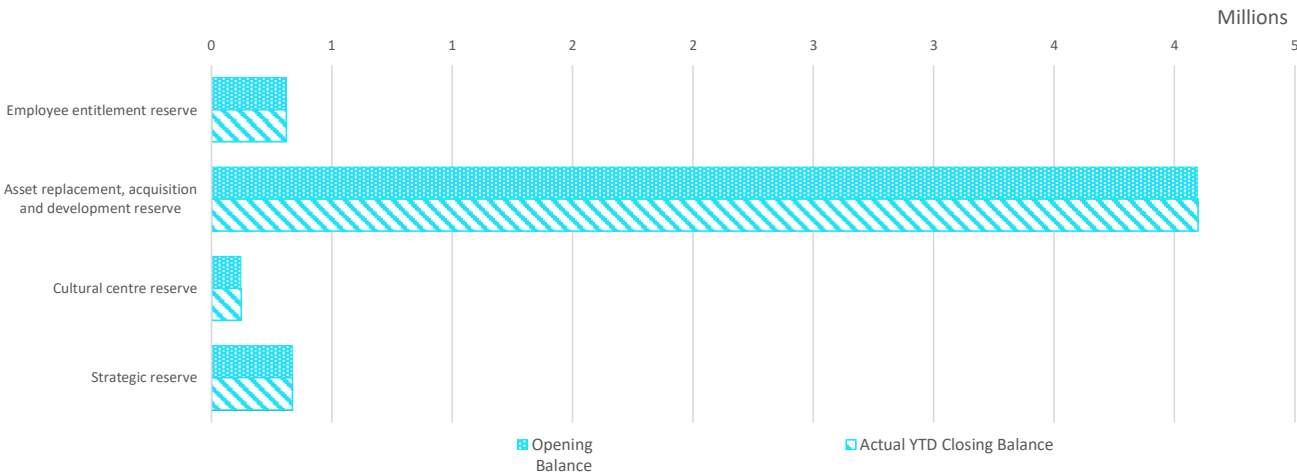


CAPITAL EXPENSES



FINANCING ACTIVITIES

RESERVES



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	\$3.15 M	\$3.15 M	\$3.35 M	\$0.20 M
Closing	\$0.00 M	\$2.42 M	\$3.31 M	\$0.90 M
Refer to Statement of Financial Activity				

Cash and cash equivalents		
	\$8.54 M	% of total
Unrestricted Cash	\$3.67 M	43.0%
Restricted Cash	\$4.87 M	57.0%
Refer to Note 2 - Cash and Financial Assets		

Payables		
	\$0.41 M	% Outstanding
Trade Payables	\$0.17 M	
0 to 30 Days		98.5%
30 to 90 Days		1.5%
Over 90 Days		0%
Refer to Note 5 - Payables		

Receivables		
	\$1.16 M	% Collected
Rates Receivable	\$0.02 M	91.8%
Trade Receivable	\$1.14 M	% Outstanding
30 to 90 Days		4.0%
Over 90 Days		0%
Refer to Note 3 - Receivables		

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.41 M)	(\$0.30 M)	\$0.42 M	\$0.72 M
Refer to Statement of Financial Activity			

Rates Revenue		
YTD Actual	\$0.18 M	% Variance
YTD Budget	\$0.19 M	(2.4%)
Refer to Note 6 - Rate Revenue		

Operating Grants and Contributions		
YTD Actual	\$1.60 M	% Variance
YTD Budget	\$1.48 M	8.0%
Refer to Note 11 - Operating Grants and Contributions		

Fees and Charges		
YTD Actual	\$0.16 M	% Variance
YTD Budget	\$0.16 M	3.8%
Refer to Statement of Financial Activity		

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$1.64 M)	(\$0.43 M)	(\$0.46 M)	(\$0.03 M)
Refer to Statement of Financial Activity			

Proceeds on sale		
YTD Actual	\$0.00 M	%
Adopted Budget	\$0.08 M	0.0%
Refer to Note 7 - Disposal of Assets		

Asset Acquisition		
YTD Actual	\$1.35 M	% Spent
Adopted Budget	\$6.11 M	22.0%
Refer to Note 8 - Capital Acquisitions		

Capital Grants		
YTD Actual	\$0.89 M	% Received
Adopted Budget	\$4.40 M	20.2%
Refer to Note 8 - Capital Acquisitions		

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.10 M)	(\$0.01 M)	(\$0.01 M)	\$0.00 M
Refer to Statement of Financial Activity			

Borrowings	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.00 M
Refer to Note 8 - Borrowings	

Reserves	
Reserves balance	\$4.87 M
Interest earned	\$0.01 M
Refer to Note 9 - Cash Reserves	

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

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

PROGRAM NAME AND OBJECTIVES
GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

ACTIVITIES

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure safer and environmentally conscious community.

Supervision and enforcement of various laws relating to aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, and a waste pick-up service Warburton.

EDUCATION AND WELFARE

To provide services to children and youth.

Nil

HOUSING

To provide and maintain staff housing.

Provision and maintenance of staff housing.

COMMUNITY AMENITIES

To provide services required by the community.

Rubbish collection services, litter control; Warburton

RECREATION AND CULTURE

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

Maintenance of public halls, civic centres, Warburton recreation centre and operation of recreation services in Warburton. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

ECONOMIC SERVICES

To help promote the shire and its economic well-being.

Tourism and area promotion and building control.

OTHER PROPERTY AND SERVICES

To monitor and control council's overheads operating accounts.

Private works operation, plant repairs, operation costs and administrative costs.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

STATUTORY REPORTING PROGRAMS

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	3,151,790	3,151,790	3,352,958	201,168	6.38%	
Operating Activities							
Revenue from operating activities							
Governance		4,250	1,578	37,549	35,971	2279.53%	▲
General purpose funding - general rates	6	189,482	189,584	184,944	(4,640)	(2.45%)	
General purpose funding - other		1,518,486	381,714	371,697	(10,017)	(2.62%)	
Law, order and public safety		426	140	440	300	214.29%	
Health		320	104	0	(104)	(100.00%)	
Education and welfare		102,000	25,500	26,000	500	1.96%	
Housing		140,000	46,664	53,552	6,888	14.76%	
Community amenities		129,125	128,789	130,425	1,636	1.27%	
Recreation and culture		185,000	61,664	63,994	2,330	3.78%	
Transport		2,567,294	1,004,947	1,128,849	123,902	12.33%	▲
Economic services		1,000	324	0	(324)	(100.00%)	
		4,837,383	1,841,008	1,997,450	156,442		
Expenditure from operating activities							
Governance		(181,228)	(88,338)	(42,030)	46,308	52.42%	▲
Law, order and public safety		(41,975)	(27,931)	(3,428)	24,503	87.73%	▲
Health		(220,832)	(75,654)	(92,638)	(16,984)	(22.45%)	
Education and welfare		(61,279)	(24,690)	(10,467)	14,223	57.61%	
Housing		(459,641)	(178,719)	(60,580)	118,139	66.10%	▲
Community amenities		(526,099)	(180,424)	(60,283)	120,141	66.59%	▲
Recreation and culture		(747,825)	(265,400)	(166,916)	98,484	37.11%	▲
Transport		(5,470,927)	(1,794,238)	(1,059,308)	734,930	40.96%	▲
Economic services		(313,455)	(104,794)	(79,490)	25,304	24.15%	▲
		(8,023,261)	(2,740,188)	(1,575,140)	1,165,048		
Non-cash amounts excluded from operating activities	1(a)	1,779,453	598,116	0	(598,116)	(100.00%)	▼
Amount attributable to operating activities		(1,406,425)	(301,064)	422,310	723,374		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	12	4,395,093	935,142	889,849	(45,293)	(4.84%)	
Proceeds from disposal of assets	7	75,000	0	0	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(6,113,802)	(1,361,963)	(1,345,803)	16,160	1.19%	
Amount attributable to investing activities		(1,643,709)	(426,821)	(455,954)	(29,133)		
Financing Activities							
Transfer to reserves	9	(101,656)	(5,326)	(5,326)	0	0.00%	
Amount attributable to financing activities		(101,656)	(5,326)	(5,326)	0		
Closing funding surplus / (deficit)	1(c)	0	2,418,579	3,313,988			

KEY INFORMATION

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

Refer to Note 13 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021-22 year is \$20,000 or 10.00% whichever is the greater.

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 OCTOBER 2021

REVENUE

RATES

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

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers 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 identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

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.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

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

Shortfall between the value of assets received over the net book value for assets on their disposal.

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, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021

BY NATURE OR TYPE

	Ref Note	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	3,151,790	3,151,790	3,352,958	201,168	6.38%	
Operating Activities							
Revenue from operating activities							
Rates	6	189,482	189,584	184,944	(4,640)	(2.45%)	
Operating grants, subsidies and contributions	11	4,147,035	1,478,350	1,596,509	118,159	7.99%	
Fees and charges		433,290	155,558	161,435	5,877	3.78%	
Interest earnings		25,150	8,380	8,065	(315)	(3.76%)	
Other revenue		27,426	9,136	46,497	37,361	408.94%	▲
Profit on disposal of assets	7	15,000	0	0	0	0.00%	
		4,837,383	1,841,008	1,997,450	156,442		
Expenditure from operating activities							
Employee costs		(2,663,916)	(851,062)	(687,240)	163,822	19.25%	▲
Materials and contracts		(3,287,940)	(1,102,176)	(740,171)	362,005	32.84%	▲
Utility charges		(64,550)	(20,444)	(5,388)	15,056	73.65%	
Depreciation on non-current assets		(1,794,453)	(598,116)	0	598,116	100.00%	▲
Interest expenses		(1,500)	(500)	0	500	100.00%	
Insurance expenses		(132,162)	(132,162)	(130,731)	1,431	1.08%	
Other expenditure		(78,740)	(35,728)	(11,610)	24,118	67.50%	▲
		(8,023,261)	(2,740,188)	(1,575,140)	1,165,048		
Non-cash amounts excluded from operating activities	1(a)	1,779,453	598,116	0	(598,116)	(100.00%)	▼
Amount attributable to operating activities		(1,406,425)	(301,064)	422,310	723,374		
Investing activities							
Proceeds from non-operating grants, subsidies and contributions	12	4,395,093	935,142	889,849	(45,293)	(4.84%)	
Proceeds from disposal of assets	7	75,000	0	0	0	0.00%	
Payments for property, plant and equipment	8	(6,113,802)	(1,361,963)	(1,345,803)	16,160	1.19%	
Amount attributable to investing activities		(1,643,709)	(426,821)	(455,954)	(29,133)		
Financing Activities							
Transfer to reserves	9	(101,656)	(5,326)	(5,326)	0	0.00%	
Amount attributable to financing activities		(101,656)	(5,326)	(5,326)	0		
Closing funding surplus / (deficit)	1(c)	0	2,418,579	3,313,988			

KEY INFORMATION

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

Refer to Note 13 for an explanation of the reasons for the variance.

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

BASIS OF PREPARATION

The financial report has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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 to measure any vested improvements at zero cost.

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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 financial statements.

SIGNIFICANT ACCOUNTING POLICES

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.

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.

ROUNDING OFF FIGURES

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

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 16 November 2021

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities		\$	\$	\$
Adjustments to operating activities				
Less: Profit on asset disposals	7	(15,000)	0	0
Add: Depreciation on assets		1,794,453	598,116	0
Total non-cash items excluded from operating activities		1,779,453	598,116	0

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30 June 2021	This Time Last Year 31 October 2020	Year to Date 31 October 2021
Adjustments to net current assets				
Less: Reserves - restricted cash	9	(4,862,136)	(3,846,267)	(4,867,462)
Add: Provisions - employee	10	203,536	154,226	203,536
Total adjustments to net current assets		(4,658,600)	(3,692,041)	(4,663,926)

(c) Net current assets used in the Statement of Financial Activity

Current assets				
Cash and cash equivalents	2	10,059,898	6,888,233	8,536,612
Rates receivables	3	0	26,452	15,118
Receivables	3	8,901	287,546	1,143,544
Other current assets	4	70,629	50,497	70,629
Less: Current liabilities				
Payables	5	(420,081)	(55,404)	(410,486)
Contract liabilities	10	(670,832)	(286,298)	(442,395)
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	10	(833,421)	0	(731,572)
Provisions	10	(203,536)	(154,226)	(203,536)
Less: Total adjustments to net current assets	1(b)	(4,658,600)	(3,692,041)	(4,663,926)
Closing funding surplus / (deficit)		3,352,958	3,064,759	3,313,988

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. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted \$	Restricted \$	Total Cash \$	Trust \$	Institution	Interest Rate	Maturity Date
Cash on hand								
Cash Advance	Cash and cash equivalents	2,500	0	2,500	0	Cash on hand	Nil	Nil
Cash at Bank - Municipal	Cash and cash equivalents	137,840	0	137,840	0	Westpac	Variable	Nil
Cash at Bank - Municipal	Cash and cash equivalents	3,528,810	0	3,528,810	0	Westpac	Variable	Nil
Cash at Bank - Reserve	Cash and cash equivalents	0	4,867,462	4,867,462	0	Westpac	Variable	Nil
Total		3,669,150	4,867,462	8,536,612	0			
Comprising								
Cash and cash equivalents		3,669,150	4,867,462	8,536,612	0			
		3,669,150	4,867,462	8,536,612	0			

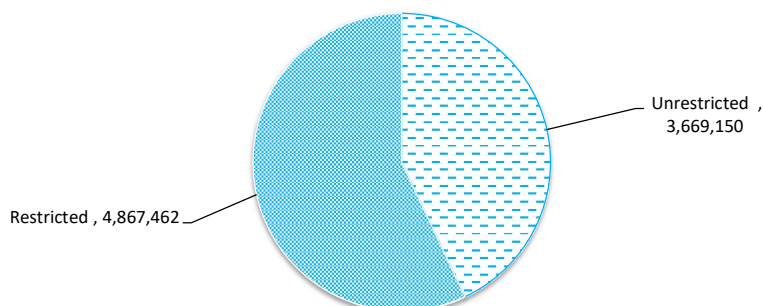
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less 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 net current assets.

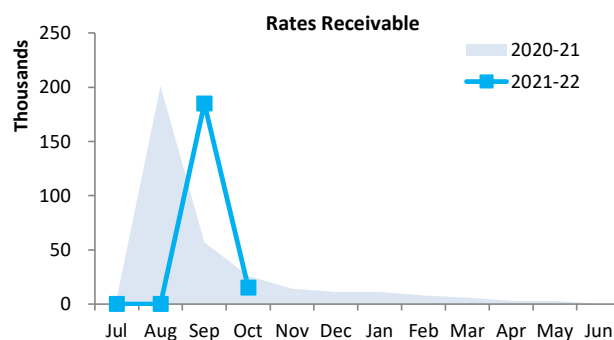
The local government classifies financial assets at amortised cost if both of the following criteria are met:

- 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.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



Rates receivable	30 Jun 2021	31 Oct 2021
	\$	\$
Gross rates in arrears previous year	4,833	0
Levied this year	172,589	184,944
Less - collections to date	(177,422)	(169,826)
Net rates collectable	0	15,118
% Collected	100%	91.8%

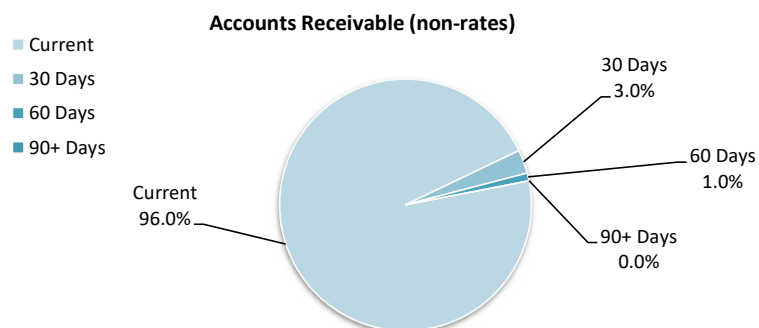


Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	982,784	31,020	10,208	0	1,024,012
Percentage		96%	3%	1%	0%	
Balance per trial balance						
Sundry receivable						1,024,012
GST receivable						119,532
Total receivables general outstanding						1,143,544

Amounts shown above include GST (where applicable)

KEY INFORMATION

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 impairment of receivables is raised when there is objective evidence that they will not be collectible.



	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 31 October 2021
Other current assets	\$	\$	\$	\$
Inventory				
Fuel, oil and materials on hand	57,029	0	0	57,029
Other current assets				
Accrued income	13,600	0	0	13,600
Total other current assets	70,629	0	0	70,629
Amounts shown above include GST (where applicable)				

KEY INFORMATION

Inventory

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

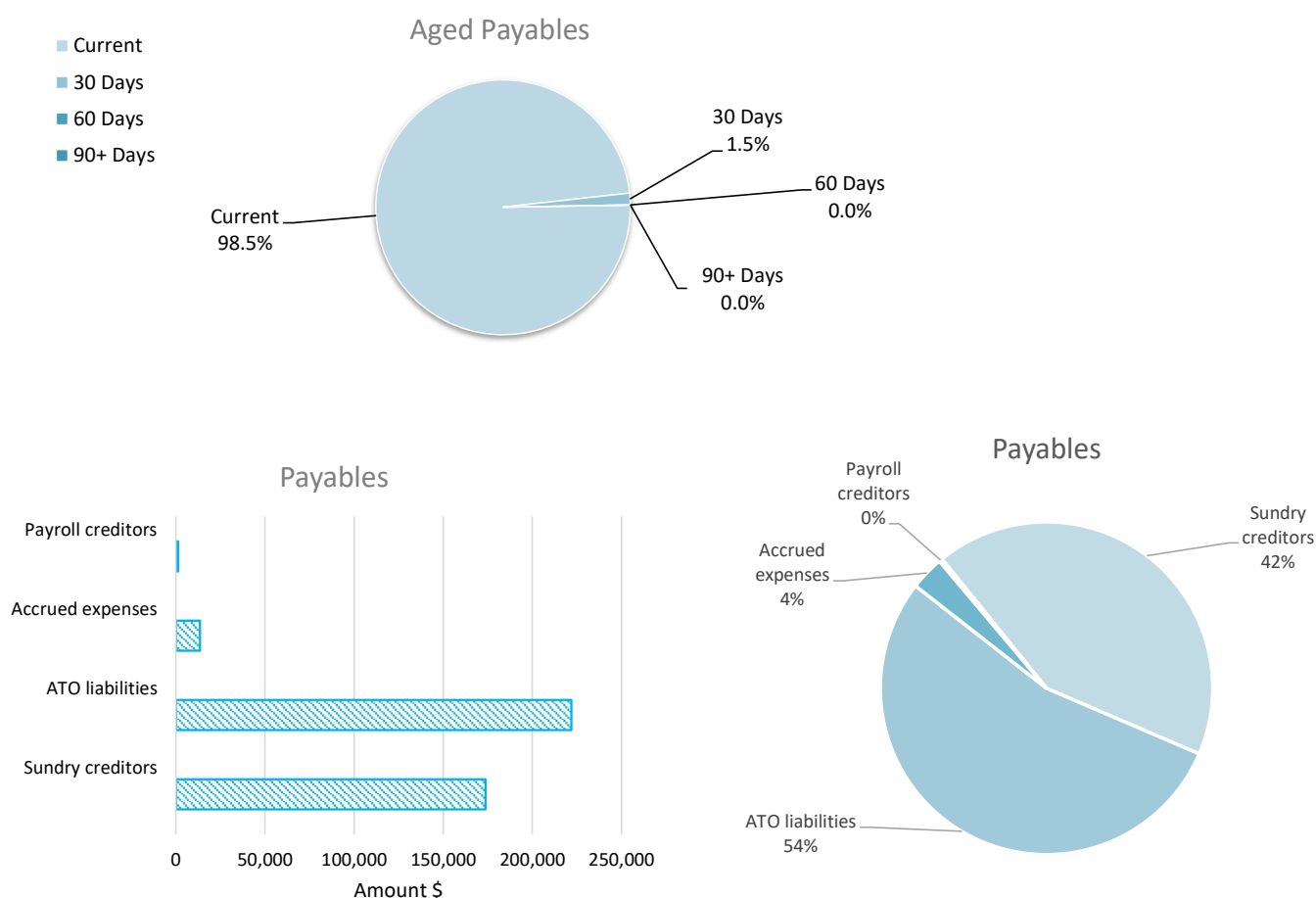
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	171,009	2,642	0	0	173,651
Percentage		98.5%	1.5%	0%	0%	
Balance per trial balance						
Sundry creditors						173,651
ATO liabilities						221,974
Accrued expenses						13,600
Payroll creditors						1,261
Total payables general outstanding						410,486

Amounts shown above include GST (where applicable)

KEY INFORMATION

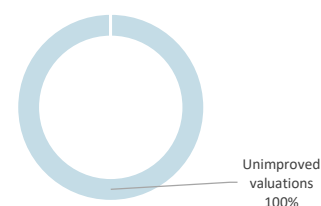
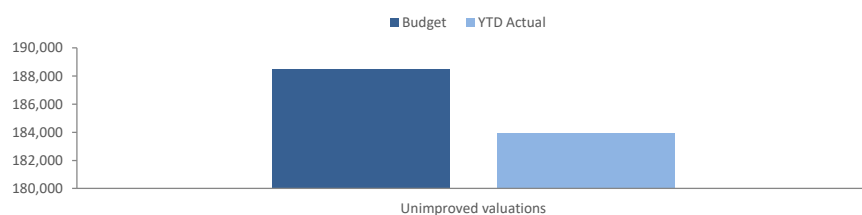
Trade and other payables represent liabilities for goods and services provided to the Shire that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are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



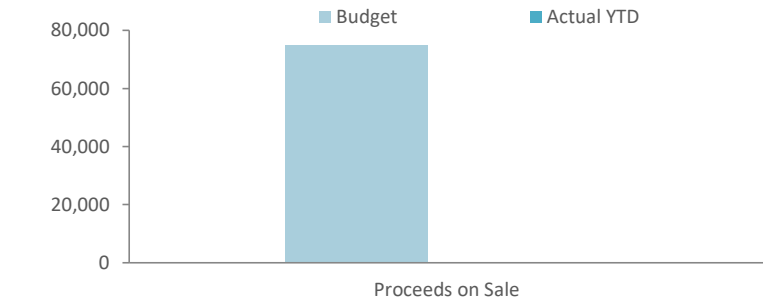
General rate revenue	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Unimproved value											
Unimproved valuations	0.2100	28	898,344	188,652	(150)	0	188,502	184,356	0	(392)	183,964
Sub-Total		28	898,344	188,652	(150)	0	188,502	184,356	0	(392)	183,964
Minimum payment											
Unimproved value											
Unimproved valuations	245	4	3,471	980	0	0	980	980	0	0	980
Sub-total		4	3,471	980	0	0	980	980	0	0	980
Total general rates							189,482				184,944

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2021 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.



Asset Ref.	Asset description	Budget				YTD Actual			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
	Plant and equipment								
	Transport								
	Plant and equipment	60,000	75,000	15,000	0	0	0	0	0
		60,000	75,000	15,000	0	0	0	0	0



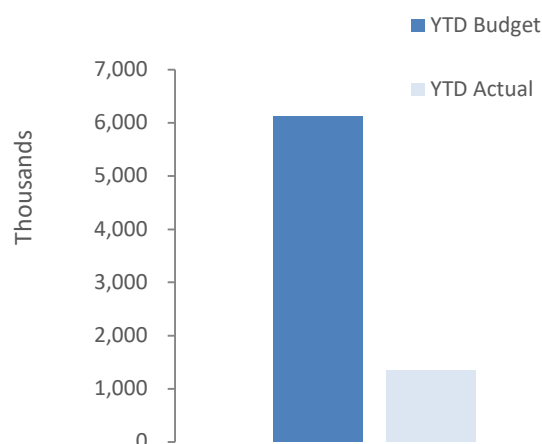
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**INVESTING ACTIVITIES
NOTE 8
CAPITAL ACQUISITIONS**

Capital acquisitions	Adopted		YTD Actual	YTD Actual Variance
	Budget	YTD Budget		
	\$	\$	\$	\$
Land & Buildings	290,000	6,664	570	(6,094)
Furniture & Equipment	55,000	55,000	0	(55,000)
Plant & Equipment	284,000	0	0	0
Infrastructure - Roads	5,479,802	1,298,635	1,343,352	44,717
Infrastructure - Recreation	5,000	1,664	1,881	217
Payments for Capital Acquisitions	6,113,802	1,361,963	1,345,803	(16,160)
Total Capital Acquisitions	6,113,802	1,361,963	1,345,803	(16,160)
Capital Acquisitions Funded By:				
	\$	\$	\$	\$
Capital grants and contributions	4,395,093	935,142	889,849	(45,293)
Other (disposals & C/Fwd)	75,000	0	0	0
Contribution - operations	1,643,709	426,821	455,954	29,133
Capital funding total	6,113,802	1,361,963	1,345,803	(16,160)

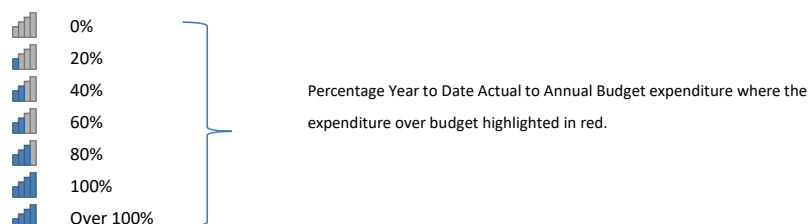
SIGNIFICANT ACCOUNTING POLICIES

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.



Capital expenditure total

Level of completion indicators



Level of completion indicator, please see table at the end of this note for further detail.

Account Description		Adopted Current Budget	Year to Date Budget	Year to Date Actual	Variance (Under)/Over
Capital Expenditure					
Infrastructure - Roads					
121008	Wanarn Access	400,000	300,000	381,591	81,591
121400	Great Central Road - MRWA Capex	2,089,849	889,849	954,859	65,010
147612	Warburton Blackstone (RRG)	1,479,081	108,786	6,902	(101,884)
147625	Giles Mulga Park (RRG)	495,000	0	0	0
147631	Warburton Town Roads - renewal / upgrade	1,015,872	0	0	0
Infrastructure - Roads Total		5,479,802	1,298,635	1,343,352	44,717
Furniture & Equipment					
042562	Furniture & Equipment - Computer	55,000	55,000	0	(55,000)
Furniture & Equipment Total		55,000	55,000	0	(55,000)
Plant & Equipment					
042565	Plant & Equipment	90,000	0	0	0
102100	Plant & Equipment (New)	100,000	0	0	0
123007	Plant & Equipment Purchases	94,000	0	0	0
Plant & Equipment Total		284,000	0	0	0
Land & Buildings					
111100	Buildings (Upgrade)	20,000	6,664	0	(6,664)
121200	Storage Compound (Land & Buildings - new)	270,000	0	570	570
Land & Buildings Total		290,000	6,664	570	(6,094)
Infrastructure - Recreation					
147564	Warbon Oval Shade Structure	5,000	1,664	1,881	217
Infrastructure - Recreation Total		5,000	1,664	1,881	217
Grand Total		6,113,802	1,361,963	1,345,803	(16,160)

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021

OPERATING ACTIVITIES

NOTE 9

CASH RESERVES

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Employee entitlement reserve	311,532	0	341	0	0	0	0	311,532	311,873
Asset replacement, acquisition and development reserve	4,093,527	0	4,484	101,656	0	0	0	4,195,183	4,098,011
Cultural centre reserve	122,077	0	134	0	0	0	0	122,077	122,211
Strategic reserve	335,000	0	367	0	0	0	0	335,000	335,367
	4,862,136	0	5,326	101,656	0	0	0	4,963,792	4,867,462

	Opening Balance	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance
Other current liabilities	1 July 2021				31 October 2021
	\$		\$	\$	\$
Other liabilities					
- Contract liabilities	670,832	0	690,500	(918,937)	442,395
- Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	833,421	0	788,000	(889,849)	731,572
Total other liabilities	1,504,253	0	1,478,500	(1,808,786)	1,173,967
Provisions					
Provision for annual leave	108,414	0	0	0	108,414
Provision for long service leave	95,122	0	0	0	95,122
Total Provisions	203,536	0	0	0	203,536
Total other current liabilities	1,707,789	0	1,478,500	(1,808,786)	1,377,503
Amounts shown above include GST (where applicable)					

A breakdown of contract liabilities and associated movements is provided on the following pages at Note 11 and 12

KEY INFORMATION

Provisions

Provisions are recognised when the Shire has a present 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.

Employee benefits

Short-term employee benefits

Provision is made for the Shire'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's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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 identified specifications be constructed to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

Provider	Unspent operating grant, subsidies and contributions liability					Operating grants, subsidies and contributions revenue		
	Liability 1 July 2021	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Oct 2021	Current Liability 31 Oct 2021	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Operating grants and subsidies								
Governance								
General Grants (Untied)	0	0	0	0	0	1,493,336	373,334	363,632
Community amenities								
Grant income	99,405	0	(99,405)	0	0	99,405	99,405	99,405
Transport								
Grants - Direct	0	0	0	0	0	185,918	185,918	185,918
Govt Grant - RA, Ab Access (Operating)	412,517	310,500	(517,992)	205,025	205,025	1,531,517	565,405	517,992
MRWA Grant - GCR Maintenance	158,910	380,000	(301,540)	237,370	237,370	538,909	179,636	301,539
Fed, Roads Grant (untied)	0	0	0	0	0	295,950	73,988	123,400
	670,832	690,500	(918,937)	442,395	442,395	4,145,035	1,477,686	1,591,886
Operating contributions								
Governance								
Licensing Commission	0	0	0	0	0	2,000	664	697
Recreation and culture								
Contributions	0	0	0	0	0	0	0	3,926
	0	0	0	0	0	2,000	664	4,623
TOTALS	670,832	690,500	(918,937)	442,395	442,395	4,147,035	1,478,350	1,596,509

Provider	Unspent non operating grants, subsidies and contributions liability					Non operating grants, subsidies and contributions revenue		
	Liability 1 July 2021	Increase in Liability	Decrease in Liability (As revenue)	Liability 31 Oct 2021	Current Liability 31 Oct 2021	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual
	\$	\$	\$	\$	\$	\$	\$	\$
Non-operating grants and subsidies								
Transport								
Grants - MRWA GCR income for CapEx	589,849	520,000	(889,849)	220,000	220,000	2,009,849	889,849	889,849
Grants - Stimulus Funding	243,572	0	0	243,572	243,572	1,299,125	45,293	0
Grant - Special Projects	0	268,000	0	268,000	268,000	670,000	0	0
Grant-Roads to Recovery	0	0	0	0	0	416,119	0	0
	833,421	788,000	(889,849)	731,572	731,572	4,395,093	935,142	889,849

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 OCTOBER 2021**

**NOTE 13
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 Actual materially.

The material variance adopted by Council for the 2021-22 year is \$20,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Explanation of positive variances		Explanation of negative variances	
			Timing	Permanent	Timing	Permanent
Revenue from operating activities	\$	%				
Governance	35,971	2279.53%	▲	Reductions in staffing 20.21 has created refunds for FBT and also Workers Compensation. Insurance claims income makes up the remainder of this permanent variance.		
Transport	123,902	12.33%	▲	See Note 11 for the contract liability related to Grant income.		FAGs Road Income higher than budgeted due to officers input on 'Unit Rates' to
Expenditure from operating activities						
Governance	46,308	52.42%	▲	Depreciation is creating a favourable variance of \$16,000 and will be run after 20.21 audit is finalised. Audit fees, consultancy fees, legal fees and IT Management are also well under budget. Plannning for DFES	Election expenses has created a permanent 19,300 variance as no election was required.	Salaries are currently tracking over budget. Expenditure in many accounts within this program being below budget is causing an under allocation of Admin expenses.
Law, order and public safety	24,503	87.73%	▲	expenditure has yet to commence		
Housing	118,139	66.10%	▲	Maintenance on all Shire housing is well below budget. Depreciation is yet to be run, waiting until the completion of 20.21 audit.		Moore compliance work has come in over budget and an adjustment will need to be made at MYBR.
Community amenities	120,141	66.59%	▲	Delays with recruitment of Operations Coordinator and low staff numbers have resulted in this large variance. Waste Consultancy advice, Refuse Site Maintenance and depreciation are all tracking under budget.		
Recreation and culture	98,484	37.11%	▲	Salaries and associated costs are the biggest contributor to this variance. Many accounts in this program are tracking below budget. Depreciation is also contributing to this variance and will be run after audit.		
Transport	734,930	40.96%	▲	Depreciation \$512,176 is the largest cause for this variance and will be run after audit. Roadwork is behind schedule on the road projects and consultancy work on RAMM and Asset Management is also below budget. Admin allocation is tracking under by \$49,526.		
Economic services	25,304	24.15%	▲	Tourism Consultancy is the main cause of this variance. Other accounts are also tracking under budget at this time.		

ACTION SHEET

Environmental Health & Building Officer – Maurice Walsh

Dates on Site: 13th to 22nd October 2021
Next site visit: 15th to 26th November 2021

Date	Subject	Action Taken
Ongoing	Covid-19 Pandemic	Contact Tracing Registers in place at Shire Offices and other facilities as per Department of Health requirements. Action: EHO monitor Covid-19 Public Health matters.
Ongoing 2021	Oz Minerals West Mulgrave Mine Site	EHO gave advice about upgrading Mine's effluent system. Mine opening with a work force of 150. Requested information about a COVID-19 scheduled in Jameson Townsite. Action: EHO monitor Mine Site activities.
	Warburton Community	Lot 166 Third St Warburton - Building Permit issued for verandah construction. Action: EHO monitor development at Lot 166 Third Street Warburton.
		Lot 80C Sixteenth St – conversion of building from Class 1A to Class 5. Building Application pending. Action: EHO monitor development at Lot 80C Sixteenth Street Warburton.
		Warburton Swimming Pool - Water sampling results for pool satisfactory. Action: EHO monitor Swimming Pool water quality.
October 2021	Wanarn Community	Wanarn Store food business inspection. Premises operating satisfactorily. Action: EHO monitor food business safety.
		Wanarn Aged Care Facility food business inspection. Premises operating satisfactorily. Action: EHO monitor food business safety.
October 2021	Wingelina Community	Futher discussions with Ng Health and NCAMS regarding development of HACC Kitchen in Wingelina – Building Application pending. Action: EHO monitor food business safety.
		Lot 30 Wanatjukutju St, regarding construction of new dwelling and on-site effluent disposal system. Building Application pending. Action: EHO monitor development at Lot 30 Wanatjukutju St, Wingelina.
		Inspection Lot 61 Office Close, about construction of on-site effluent system. Action: EHO monitor development at Lot 61 Office Close.
October 2021	Warrakurna Community	Warrakurna Roadhouse food business inspection. Premises operating satisfactorily. Action: EHO monitor food business safety.
		Warrakurna Store food business inspection. Premises operating satisfactorily. Action: EHO monitor food business safety.
		Warrakurna HACC Kitchen food business inspection. Premises operating satisfactorily. Action: EHO monitor food business safety.
		Warrakurna Swimming Pool - Water sampling results for pool satisfactory. Pool opened 18 th October. Action: EHO monitor Swimming Pool water quality.
		Lot 4 Fifteenth Street, - Building Permit issued for construction of a carport. Action: EHO monitor development at Lot 4 Fifteenth Street Warakurna.
		Lot 42 Third Street, - Building Permit issued for construction of a shade facility. Action: EHO monitoring development at Lot 42 Third Street Warakurna.
October 2021	Community Shade Structure Warburton Oval	Project completed.
2021	Waste Management Plan	Waste Management Plan prepared and submission made to the State Government for funding to implement the Plan. Action: EHO monitor implementation of the Shire's Waste Management Plan.

2021	Asbestos	National Strategic Plan for Asbestos Awareness and Management (NSP) 2019-2023. The Shire to report on number of properties it owns containing asbestos to Department of Mines, Industry Regulation and Safety (DMIRS) for the period 1/7/21 to 31/12/21 by 21/12/22. Action: EHO to ascertain the number of Shire owned properties that contain asbestos and submit report to DMIRS as required.
Pending	Lot 410 Cultural Centre St Warburton Community Layout Plan Amendment - Shire Depot Storage Facility Warburton and Staff Accommodation	Previously determined the best place for Shire storage area is behind the Shire dwellings near the Roadhouse. Building plans have been approved/certified by engineers. Shire to apply to the Department of Planning, Lands and Heritage to rezone Lot 410 Culture Centre Street to facilitate staff accommodation as well as the Shire's storage area. Shire engaged a Town Planner to prepare documentation to achieve this rezoning. BO issued building permit for construction of the fencing at the Storage area. The Shire is to construct the storage areas hardstand and then fencing of the site. Works commenced in November 2021. Action: BO monitor project with DIS.
Pending	Public Health Plan 2022-2027	Shire's Public Health Plan is being prepared by the Environmental Health Officer. Shire has requested data from the Department of Health of WA on chronic disease rates of the Ngaanyatjarra People to include such data within the Plan. Shire wrote to the Minister for Health requesting the chronic disease rates. Department of Health provided some data on chronic disease in the Shire, more information needed. Action: EHO requested more data on chronic disease rates in the Shire from Department of Health to include in the Public Health Plan for presentation to Council in January 2022.
Pending	Drinking Water Report 2020	Department of Communities provided the Shire with a report on quality and safety of drinking water in the Shire's Communities for 2020. The report contains data on the microbiological, chemical and radiological findings of drinking water samples submitted for examination and analysis as part of the Department of Communities public drinking water sampling program. EHO assisted by Department of Communities and provided with an updated report on the quality and safety of drinking water in the Shire's Communities for January to June 2021. EHO assisted by Ng Services and obtained water samples from the bores in Warburton for chemical analyses. Action: EHO monitor the quality and safety of the Shire's Communities drinking water.
2021	Contaminates Sites	Department of Water and Environmental Regulation advised that the Shire is not responsible for any contaminated sites existing within the Shire. It was anticipated that all landfill sites within the Shire had been classified as Contaminated Sites under the provisions of the <i>Contaminated Sites Act 2003</i> , however, this is not the case. The Department of Water and Environmental Regulation advised the Shire that the only designated/reported Contaminated Sites within the Shire as far as the EPA of WA is concerned are the Giles Weather Station in Warrakurna and the Power Stations in Blackstone, Jameson, Patjarr, Tjirrkarli, Tjukurla, Wanarn, Warrakurna and Warburton. All sites have been classified as <i>Possibly Contaminated – investigation required</i> with the exception of Patjarr which has been classified as <i>Report not substantiated</i> . All of the above "possibly contaminated sites", are owned by the State Government - Department of Planning, Lands and Heritage. Action: EHO with CEO and DIS monitor issue as it has potential implications for the implementation of Waste Management Plan.

ACTION SHEET

Works Engineer – Peter Kerp

Dates on Site 3rd November – 12th November 2021**Next site visit: 1st December – 10th December 2021**

Date	Subject	Action Taken
November 2021	2021/2022 Annual Road Construction Program	Set out levels for hard stand at Warburton depot and Third St gravel sheeting. Rain over Sunday/Monday resulted in wet ground delaying works over the next 4 days. Wanarn Rd gravel sheeting completed Wednesday 3 rd November SLK 12.50 to SLK 15.00 and SLK 7.70 to SLK9.70. ACTION: Works Engineer/Works Officer undertake site visits to Third Street and Depot construction sites.
November 2021	Talis Engineering Consultants Shire Road Network Condition Surveys	Talis Consultants were engaged by WALGA to undertake Road Condition Survey of specified roads in the Goldfields - Esperance LGs including remote aboriginal access roads. The shire negotiated with Talis to undertake road condition survey of 10 community's road networks. Talis commenced this survey in early September 2021. After completion the survey data of all sealed and unsealed roads was uploaded into the Shire's RAMM database. Inspection of the database showed the following issues still to be addressed by Talis: <ol style="list-style-type: none"> 1. A separate report for the Aboriginal access roads regarding the maintenance and improvement strategy for each road or road segment. For example, urgent grading required, clear side drains, 150mm re-gravelling required, widen to 9.0m, upgrade from unformed to formed, reconstruct floodways etc. 2. Video and survey data in the form of a custom online web portal. This medium is likely to be available to the Shire in early 2022 following completion of the survey of the Goldfields regions. 3. Talis will schedule a presentation to the Goldfields RRG early new year of the results of the survey. ACTION: Works Engineer to follow up with Talis to progress outstanding items.
November 2021	Traffic Counts RAMM	Traffic counts collected on Great Central Road at NT border, Telstra Tower 11km west of Warburton, Wanarn Rd and Mantamaru Rd. The data from the counters to be uploaded into RAMM Metrocount data base. Traffic counters will be installed at following locations. <ol style="list-style-type: none"> 1. Papulankutja Rd SLK1.45 and SLK 7.36 2. Mantamaru Rd at junction with Papulankutja Rd 3. Papulankutja Rd at junction with Mantamaru Rd. ACTION: Works Engineer to progress traffic count uploads into RAMM as traffic counts are completed on individual roads
November 2021	RAMM Data Base	Reviewed data uploaded into RAMM from road condition survey in 2015 and 2021. This data is recorded in multiple applications in the RAMM database. RAMM Pavement & Surfacing application is where road pavement and surface layers can be viewed and maintained. This records initial construction, pavement and surfacing renewal works. It is this application that allows contiguous lengths of road that have the same characteristics for valuation purposes to be merged and valued as a single record for IP&R purposes. ACTION: Works Engineer to continue reviewing RAMM Pavement and Surfacing application.
November 2021	RAMM Training	Works Engineer to upload all gravelling re-sheets to shire roads from available works records. The task of uploading this data into RAMM

		<p>is very complex and training is required to be undertaken. Training has been scheduled for Tuesday 23rd November and will cover:</p> <ol style="list-style-type: none"> 1. Adding paving and surfacing records. 2. Theory. 3. recording initial construction. 4. reconstruction and rehabilitation <p>ACTION: Works Engineer to upload resheeting records into RAMM after completion of the Pavement and Surfacing module.</p>
November 2021	Supplementary Funding Aboriginal Access Roads	<p>Council has received notice of extra funding for improvements to Aboriginal access roads by the DLG with applications to be lodged by 1st December 2021. Up to \$300,000 will be allocated to any single project and the funds need to be spent by 30th June 2022. The following 3 projects are being considered by engineering:</p> <ol style="list-style-type: none"> 1. Wanarn Rd, Two sections of unformed sand subbase pavement need substantial lift SLK1.00 – SLK3.90 and SLK4.90 – SLK7.70. 2. Papulankutja Rd, SLK31.00 – SLK35.00 existing pavement consisting of rock rubble and limestone subbase to be replaced. 3. Tjirrkarli Rd, SLK 1.0 Realignment of 'S' bend that has restricted sight distance on approaches. SLK 88.00 – SLK 89, requires gravel resheeting as these sections are very rough and have lost their gravel pavement and running surface. <p>Action: Further investigation and submission of applications for supplementary Aboriginal Access Road funding for:</p> <ol style="list-style-type: none"> 1. Wanarn Rd 2. Papulankutja Rd 3. Tjirrkarli Rd
November 2021	Sewer Pipeline Works Warburton	<p>Contractor on site to undertake sewer pipeline works in Warburton and first road crossing was completed in Fifth Street near intersection with Eighteenth Street on Thursday 11th November 2021. Works Officer will undertake site surveillance of the road crossings to ensure full compliance with the technical specifications provided by the Shire. Three other road crossings to be completed at following locations:</p> <ol style="list-style-type: none"> 1. Nineteenth Street at intersection with Fifth Street 2. 2 x road crossings on leg of Blackstone – Warburton Rd slip road at intersection with Fifth Street. <p>Action: Works Officer to undertake surveillance of the road crossings to ensure full compliance with the technical specifications provided by the Shire Director Infrastructure Services.</p>