

## SHIRE OF WANDERING

22 Watts Street, Wandering WA 6308  
Ph: 08 9884 1056  
www.wandering.wa.gov.au



### *Our Vision:*

*Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.*

# Audit Committee

## Agenda 17 February 2022

*Dear Committee Member*

*The next Meeting of the Audit Committee of the Shire of Wandering will be held on 17/02/2022 in the Council Chambers, 22 Watts Street, Wandering, commencing at 1:00pm.*

**Ian Fitzgerald**  
**A/CHIEF EXECUTIVE OFFICER**

*We wish to acknowledge the traditional custodians of the land we are meeting on today. We acknowledge and respect their continuing culture and the contribution they make to the Shire of Wandering, and convey our respects to Elders past, present and emerging.*

# CONTENTS

<b>1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS</b>	<b>3</b>
1.1. <i>DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY</i>	3
<b>2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)</b>	<b>3</b>
<b>3. PUBLIC QUESTION TIME</b>	<b>3</b>
<b>4. STATUS REPORT FROM PREVIOUS MEETINGS</b>	<b>3</b>
<b>5. OFFICER'S REPORT</b>	<b>4</b>
5.1. <i>2020/21 ANNUAL FINANCIAL STATEMENTS</i>	4
5.2. <i>COMPLIANCE AUDIT RETURN 01/01/2021 – 31/12/2021</i>	66
<b>6. CLOSURE OF MEETING</b>	<b>67</b>

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

### 1.1. DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Division 6 Subdivision 1 of the Local Government Act 1995 requires Council Members and Employees to declare any direct or indirect financial interest or general interest in any matter listed in this Agenda.

The Act also requires the nature of the interest to be disclosed in writing before the meeting or immediately before the matter be discussed.

NB: A Council member who makes a disclosure must not preside or participate in, or be present during, any discussion or decision-making procedure relating to the declared matter unless the procedures set out in Sections 5.68 or 5.69 of the Act have been complied with.

#### DISCLOSURE OF INTEREST AFFECTING IMPARTIALITY

Disclosures of Interest Affecting Impartiality are required to be declared and recorded in the minutes of a meeting. Councillors who declare such an interest are still permitted to remain in the meeting and to participate in the discussion and voting on the particular matter. This does not lessen the obligation of declaring financial interests etc. covered under the Local Government Act.

To help with complying with the requirements of declaring Interests Affecting Impartiality the following statement is recommended to be announced by the person declaring such an interest and to be produced in the minutes.

"I (give circumstances of the interest being declared, eg: have a long-standing personal friendship with the proponent). As a consequence, there may be a perception that my impartiality on this matter may be affected. I declare that I will consider this matter on its merits and vote accordingly".

## 2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

#### Present:

Cr I Turton	Chairman	Cr G Curtis	Mr I Fitzgerald	A/CEO
Cr G Parson		Cr P Treasure	Mr B Gibbs	EMTS
Cr S Little		Cr M Watts		
Cr G Hansen				

#### Apologies:

Nil

## 3. PUBLIC QUESTION TIME

## 4. STATUS REPORT FROM PREVIOUS MEETINGS

Nil

## 5. OFFICER'S REPORT

### 5.1. 2020/21 ANNUAL FINANCIAL STATEMENTS

<b>Proponent</b>	Office of Auditor General & AMD
<b>Owner</b>	Shire of Wandering
<b>Location/Address</b>	
<b>Author of Report</b>	Ian Fitzgerald, A/CEO
<b>Date of Meeting</b>	17/02/2022
<b>Previous Reports</b>	Nil
<b>Disclosure of any Interest</b>	Nil
<b>File Reference</b>	14.145.14512
<b>Attachments</b>	2020/2021 Management Letter 2020/2021 Audit Completion Report 2020/2021 Annual Financial Report

#### BRIEF SUMMARY

The Auditor's Report and Audited Financial Statements of the Shire of Wandering for the financial year ended 30 June 2021 were received by the Shire on the 22 December 2021.

After receiving the auditor reports, the audit committee is to examine the report of the auditor and determine if any matters raised by the report require action to be taken and ensure appropriate action is taken in future.

#### BACKGROUND

The Shire's Auditors, Office of Auditor General and AMD have audited the 2020/2021 Annual Financial Statements and have provided an Independent Auditor's Report as required under the relevant provisions of the Local Government Act 1995 (LGA). The Management Report, Auditor's Report and Annual Financial Statements are now presented to the audit committee for their information.

The Management Report offers the following comments regarding the Shire's financial position.

#### STATUTORY/LEGAL IMPLICATIONS

*Local Government Act 1995 Section 7.12(A).*

*Local Government Audit Regulations 1996 Regulation 16*

*Local Government Financial Management Regulations 1996*

#### POLICY IMPLICATIONS

As per Significant Accounting Policies

#### FINANCIAL IMPLICATIONS

As per the Annual Financial Report

#### STRATEGIC IMPLICATIONS

#### IMPROVE OUR FINANCIAL POSITION

<b>Our Goals</b>	<b>Our Strategies</b>	<b>Our Measurement</b>
<b>The Wandering Shire is financially sustainable</b>	<p>Improve accountability and transparency</p> <p>Develop an investment strategy that plans for the future and provides cash backed reserves to meet operational needs</p> <p>Prudently manage our financial resources to ensure value for money</p>	<p>Rate review implemented over a staged process by 2020</p> <p>Balanced budget delivered annually</p> <p>Annual external financial audit identifies no adverse issues</p> <p>Long Term Financial Plan updated annually</p> <p>Investment Strategy</p>

**CONSULTATION/COMMUNICATION**

Office of Auditor General and AMD

**COMMENT**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER'S RECOMMENDATION – ITEM 9.1.1      2020/2021 ANNUAL FINANCIAL STATEMENTS**

That the Audit Committee recommends to Council that it receives the Management Letter, Audit Completion Report and Annual Financial Statements, as attached, from the Office of the Auditor General and AMD for the 2020/2021 financial year.

**OFFICER'S RECOMMENDATION – ITEM 9.1.2      2020/2021 ANNUAL ELECTORS' MEETING**

That the Audit Committee recommends to Council that it sets the date for the Annual Electors' Meeting to be (insert date).

**AUTHOR'S SIGNATURE:**





Our Ref: F21/73

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mr Ian Turton  
President  
Shire of Wandering  
22 Watts Street  
WANDERING WA 6308

**Mail to:** Perth BC  
PO Box 8489  
PERTH WA 6849

**Tel:** 08 6557 7500  
**Email:** [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Dear President

### **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the Chief Executive Officer (CEO) and the Minister, as required by the Act. The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Matters of regulatory non-compliance and adverse trends in the financial position are reported on page 3 and 4 of the auditor's report.

#### **Management Control Issues**

While the result of the audit was generally satisfactory, we would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

We would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact the undersigned on 6557 7742 if you would like to discuss these matters further.

Yours faithfully

Jay Teichert  
Director  
Financial Audit  
22 December 2021

Attach

## SHIRE OF WANDERING

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS.	RATING		
	Significant	Moderate	Minor
<b>Findings identified during the current year</b>			
1. Bank reconciliations and Investments	✓		
2. Credit Card Payments Presented to Council	✓		
3. Financial Management Review	✓		
4. General Journals Exceptions		✓	
5. Payroll Exceptions		✓	

**KEY TO RATINGS**

The ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

**SHIRE OF WANDERING**  
**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021**  
**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**1. Bank Reconciliations and Investments**

**Finding**

During our testing of monthly bank reconciliations and associated procedures, we identified the following exceptions:

- The reserve bank account had not been reconciled at 30 November 2020 or 30 June 2021;
- Both the CEO and the Finance Officer (who are related parties) were banking authorities to the Westpac municipal bank account;
- The Westpac bank confirmation indicated there were 11 signatories to the account, with one being a former employee; and
- The Shire does not maintain an investment register.

**Rating: Significant**

**Implication**

Risk of material misstatement or omission within accounting records.

Without appropriate mitigation strategies and controls in place to prevent any perceived or actual collusion, there is an increased risk of unauthorised transactions occurring.

**Recommendation**

We recommend:

- Reconciliations for all bank accounts be completed at least monthly for all bank and investment accounts held;
- Appropriate risk mitigation strategies and controls be implemented should related parties be required to have joint banking authority access;
- Signatories to the Westpac bank account be updated to remove former employees; and
- An investment register be maintained.

**Management Comment**

*Accepted.*

*A system will be put in place to ensure all bank reconciliations are completed and are reviewed by a second staff member.*

*The bank account signatories will be reviewed and updated as necessary for all shire bank accounts.*

*An investment register will be developed and reported to Council on a regular basis.*

*With a change in CEO imminent the related parties having joint bank access to banking authorities will be alleviated. In the interim it is proposed that a non-related party will review all transactions of this type as an added control measure.*

**Responsible Officer:** Ian Fitzgerald – A/CEO

**Completion Date:** 21 December 2021

**SHIRE OF WANDERING**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021**

**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**2. Credit Card Payments Presented to Council**

**Finding**

We identified credit card transactions are not separately listed in the payments submitted to Council each month, rather the total amount of the payment for the credit card is submitted with a narrative description of what the purchases related to for the month.

**Rating: Significant**

**Implication**

- Non-compliance with Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*.
- Risk of fraud or unauthorised transactions occurring.

**Recommendation**

Credit card transactions be separately itemised in the list of payments provided to Council.

**Management Comment**

*Accepted*

*A separate report itemising credit card expenditure will be prepared each month and presented to Council as a part of the payment listing process.*

**Responsible Officer:** Ian Fitzgerald – A/CEO

**Completion Date:** 21 December 2021

**SHIRE OF WANDERING****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****3. Financial Management Review****Finding**

Section 5 (2)(c) of the *Local Government (Financial Management) Regulations 1996* requires:

<p><b>5 . CEO's duties as to financial management</b></p> <p>(2) The CEO is to –</p> <p>(c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once every 3 financial years) and report to the local government the results of those reviews.</p>
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Shire of Wandering's last Financial Management Review took place in 2016.

**Rating: Significant****Implication**

Non-compliance with Regulation 5(2) (c) of the *Local Government (Financial Management) Regulations 1996*.

**Recommendation**

In accordance with Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, the Financial Management Review be undertaken in the 2022 year and at least every 3 years thereafter.

**Management Comment**

*Accepted*

*A Financial Management Review will be undertaken in 2022 and prior to the end of year audit subject to independent contractor availability.*

**Responsible Officer:** Ian Fitzgerald – A/CEO

**Completion Date:** 21 December 2021

**SHIRE OF WANDERING**  
**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021**  
**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**4. General Journal Exceptions**

**Finding**

During our testing of general journals post balance date, we identified the following:

- General journals were not consistently reviewed throughout the year; and
- Where general journals were reviewed, the review was completed by a related party.

**Rating: Moderate**

**Implication**

Risk of fraud or unauthorised transactions occurring.

**Recommendation**

We recommend general journals and supporting documentation be independently reviewed and signed prior to being processed in the general ledger.

**Management Comment**

*Accepted*

*A procedure will be implemented to ensure general journals are reviewed prior to being processed.*

**Responsible Officer:** Ian Fitzgerald – A/CEO

**Completion Date:** 21 December 2021

**SHIRE OF WANDERING**  
**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021**  
**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**5. Payroll Exceptions**

**Finding**

During testing of employee transactions, we were unable to verify the following:

- Supporting documentation was not provided for the phone allowance paid to a related employee (allowance paid was different to the letter of offer provided); and
- Deductions relating to the Christmas club, salary sacrifice and additional tax were not supported by an authorised deduction form.

In addition, there was no employment contract for the employee tested and the letter of offer of employment was signed by a related party.

**Rating: Moderate**

**Implication**

Risk of fraud or unauthorised transactions occurring.

**Recommendation**

We recommend:

- Documentation supporting all allowances paid and all deductions from pay be retained; and
- Contracts of employment be implemented and authorised by an independent party.

**Management Comment**

*Accepted*

*All personnel files will be reviewed to ensure appropriate authorisations in relation to employment terms and conditions are in place, or put in place, including signed acceptance of employment of employment contracts.*

**Responsible Officer:** Ian Fitzgerald – A/CEO

**Completion Date:** 21 December 2021



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2021 Shire of Wandering

To the Councillors of the Shire of Wandering

### Report on the audit of the annual financial report

#### Opinion

I have audited the financial report of the Shire of Wandering (Shire) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Wandering:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibility for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### **Report on other legal and regulatory requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:
  - a) The Debt Service Cover Ratio as set out in Note 26 has been below the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for the last three financial years.
  - b) The Operating Surplus Ratio as set out in Note 26 has been below the DLGSC standard for the last three financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a) Financial activity statements for the months of October and December 2020 were not prepared and presented to Council as required by Section 6.4 of the Local Government Act 1995 and Regulation 34(1) of the Local Government (Financial Management) Regulations 1996.
  - b) The Financial Management Review was not completed every three years as required by Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996. The last review being completed in 2016.
  - c) Changes made to supplier master files were not independently reviewed and approved by a senior staff member. This increases the risk of unauthorised changes to key information, although our audit sampling did not identify any.

- d) Credit card transactions were not separately listed in the monthly payments submitted to Council as required by Regulation 13(1) of the Local Government (Financial Management) Regulations 1996. Credit card statements were not signed by the credit card holder nor subject to independent review. Credit card holders were not required to sign an agreement acknowledging they will comply with the terms and conditions of use as outlined within the Shire's Credit Card policy.
  - e) Two related parties had joint banking authority access to one bank account throughout the year and the Shire had not implemented appropriate risk mitigation strategies nor controls to ensure independent approval of banking transactions.
  - f) Reserve bank reconciliations were not consistently reconciled and subject to independent review on a monthly basis throughout the year. In addition, the Shire does not maintain an investment register.
  - g) Rateable values reconciliations were not subject to independent review.
- (iii) All required information and explanations were obtained by me.
  - (iv) All audit procedures were satisfactorily completed.
  - (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### **Other matter**

The annual financial report of the Shire for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2019 and 2020 in Note 26 of the audited annual financial report were included in the audited annual financial report for those years.

### **Other information**

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

### **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Wandering for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
22 December 2021

**SHIRE OF WANDERING**  
**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	50

**COMMUNITY VISION**

Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.

Principal place of business:  
22 Watts St  
WANDERING WA 6308

**SHIRE OF WANDERING  
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 Wandering 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 Wandering 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

14th day of December

2021



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Chief Executive Officer

Belinda Knight

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Name of Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	21(a)	1,101,341	1,101,272	1,106,019
Operating grants, subsidies and contributions	2(a)	826,746	1,031,660	791,246
Fees and charges	2(a)	560,013	809,130	622,701
Interest earnings	2(a)	11,201	15,810	16,387
Other revenue	2(a)	30,894	43,700	55,435
		<b>2,530,195</b>	<b>3,001,572</b>	<b>2,591,788</b>
<b>Expenses</b>				
Employee costs		(1,226,226)	(1,142,005)	(1,115,495)
Materials and contracts		(936,919)	(1,353,420)	(961,135)
Utility charges		(47,004)	(56,410)	(49,436)
Depreciation on non-current assets	10(b)	(1,166,417)	(1,112,530)	(1,116,142)
Interest expenses	2(b)	0	(2,970)	(119)
Insurance expenses		(77,405)	(92,700)	(89,895)
Other expenditure		(49,811)	(46,350)	(48,576)
		<b>(3,503,782)</b>	<b>(3,806,385)</b>	<b>(3,380,798)</b>
		<b>(973,587)</b>	<b>(804,813)</b>	<b>(789,010)</b>
Non-operating grants, subsidies and contributions	2(a)	1,142,720	1,324,455	510,157
Profit on asset disposals	10(a)	8,182	13,010	8,184
(Loss) on asset disposals	10(a)	(92,623)	(85,370)	(9,267)
Fair value adjustments to financial assets at fair value through profit or loss		935	0	0
		<b>1,059,214</b>	<b>1,252,095</b>	<b>509,074</b>
		<b>85,627</b>	<b>447,282</b>	<b>(279,936)</b>
<b>Net result for the period</b>				
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	1,442,382	0	0
		<b>1,442,382</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the period</b>				
		<b>1,528,009</b>	<b>447,282</b>	<b>(279,936)</b>
<b>Total comprehensive income for the period</b>				

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Governance	2(a)	3,500	500	1,850
General purpose funding		1,660,835	1,888,822	1,679,182
Law, order, public safety		42,181	42,650	33,343
Health		3,906	2,450	1,454
Education and welfare		0	1,520	1,520
Housing		42,224	45,500	46,436
Community amenities		46,240	48,820	45,209
Recreation and culture		1,645	1,370	6,800
Transport		56,775	56,850	66,424
Economic services		620,253	854,665	653,461
Other property and services		52,636	58,425	56,109
		<b>2,530,195</b>	<b>3,001,572</b>	<b>2,591,788</b>
<b>Expenses</b>				
Governance	2(b)	(107,447)	(123,040)	(192,210)
General purpose funding		(158,643)	(294,415)	(136,432)
Law, order, public safety		(129,845)	(134,050)	(124,737)
Health		(6,309)	(12,060)	(20,830)
Education and welfare		(2,159)	(3,065)	(878)
Housing		(24,689)	(47,900)	(29,089)
Community amenities		(189,470)	(161,520)	(217,341)
Recreation and culture		(224,194)	(245,020)	(226,614)
Transport		(1,842,104)	(1,843,245)	(1,512,819)
Economic services		(778,732)	(880,835)	(803,950)
Other property and services		(40,190)	(58,265)	(115,779)
		<b>(3,503,782)</b>	<b>(3,803,415)</b>	<b>(3,380,679)</b>
<b>Finance Costs</b>				
Transport	2(b)	0	0	(119)
Economic services		0	(2,970)	0
		<b>0</b>	<b>(2,970)</b>	<b>(119)</b>
		<b>(973,587)</b>	<b>(804,813)</b>	<b>(789,010)</b>
Non-operating grants, subsidies and contributions	2(a)	1,142,720	1,324,455	510,157
Profit on disposal of assets	10(a)	8,182	13,010	8,184
(Loss) on disposal of assets	10(a)	(92,623)	(85,370)	(9,267)
Fair value adjustments to financial assets at fair value through profit or loss		935	0	0
		<b>1,059,214</b>	<b>1,252,095</b>	<b>509,074</b>
<b>Net result for the period</b>		<b>85,627</b>	<b>447,282</b>	<b>(279,936)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	1,442,382	0	0
<b>Total other comprehensive income for the period</b>		<b>1,442,382</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>1,528,009</b>	<b>447,282</b>	<b>(279,936)</b>



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

**SHIRE OF WANDERING  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	841,093	1,434,257
Trade and other receivables	6	67,643	40,766
Inventories	7	74,270	59,572
<b>TOTAL CURRENT ASSETS</b>		983,006	1,534,595
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	1,251	2,020
Other financial assets	5	18,452	17,517
Inventories	7	0	421,950
Property, plant and equipment	8	7,320,571	5,496,500
Infrastructure	9	51,567,956	51,191,573
<b>TOTAL NON-CURRENT ASSETS</b>		58,908,230	57,129,560
<b>TOTAL ASSETS</b>		59,891,236	58,664,155
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	203,312	149,333
Other liabilities	13	217,439	546,460
Employee related provisions	15	81,180	71,242
<b>TOTAL CURRENT LIABILITIES</b>		501,931	767,035
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	15	43,734	79,558
<b>TOTAL NON-CURRENT LIABILITIES</b>		43,734	79,558
<b>TOTAL LIABILITIES</b>		545,665	846,593
<b>NET ASSETS</b>		59,345,571	57,817,562
<b>EQUITY</b>			
Retained surplus		20,305,298	20,357,634
Reserves - cash backed	4	525,967	388,004
Revaluation surplus	11	38,514,306	37,071,924
<b>TOTAL EQUITY</b>		59,345,571	57,817,562

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>20,684,178</b>	<b>341,396</b>	<b>37,071,924</b>	<b>58,097,498</b>
Comprehensive income					
Net result for the period		(279,936)	0	0	(279,936)
Total comprehensive income		(279,936)	0	0	(279,936)
Transfers from reserves	4	10,570	(10,570)	0	0
Transfers to reserves	4	(57,178)	57,178	0	0
<b>Balance as at 30 June 2020</b>		<b>20,357,634</b>	<b>388,004</b>	<b>37,071,924</b>	<b>57,817,562</b>
Comprehensive income					
Net result for the period		85,627	0	0	85,627
Other comprehensive income	11	0	0	1,442,382	1,442,382
Total comprehensive income		85,627	0	1,442,382	1,528,009
Transfers from reserves	4	300,292	(300,292)	0	0
Transfers to reserves	4	(438,255)	438,255	0	0
<b>Balance as at 30 June 2021</b>		<b>20,305,298</b>	<b>525,967</b>	<b>38,514,306</b>	<b>59,345,571</b>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,086,117	1,101,272	1,102,949
Operating grants, subsidies and contributions		778,862	497,878	2,176,470
Fees and charges		560,013	809,130	622,701
Interest received		11,201	15,810	16,387
Goods and services tax received		285,291	152,261	117,991
Other revenue		30,894	43,700	55,435
		<u>2,752,378</u>	<u>2,620,051</u>	<u>4,091,933</u>
<b>Payments</b>				
Employee costs		(1,248,180)	(1,142,005)	(1,083,802)
Materials and contracts		(1,171,213)	(1,353,420)	(945,100)
Utility charges		(47,004)	(56,410)	(49,436)
Interest expenses		0	(2,970)	(119)
Insurance paid		(77,405)	(92,700)	(89,895)
Goods and services tax paid		(15,648)	(152,261)	(203,154)
Other expenditure		(49,811)	(46,350)	(48,576)
		<u>(2,609,261)</u>	<u>(2,846,116)</u>	<u>(2,420,082)</u>
<b>Net cash provided by (used in) operating activities</b>	16	143,117	(226,065)	1,671,851
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of land held for resale		0	(200,000)	0
Payments for purchase of property, plant & equipment	8(a)	(621,606)	(725,000)	(508,431)
Payments for construction of infrastructure	9(a)	(1,258,152)	(1,540,775)	(752,385)
Non-operating grants, subsidies and contributions		850,699	1,324,455	510,157
Proceeds from sale of property, plant & equipment	10(a)	292,778	379,000	155,132
<b>Net cash provided by (used in) investment activities</b>		<u>(736,281)</u>	<u>(762,320)</u>	<u>(595,527)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(a)	0	(18,665)	(473,507)
Proceeds from new borrowings	14(a)	0	200,000	0
<b>Net cash provided by (used in) financing activities</b>		<u>0</u>	<u>181,335</u>	<u>(473,507)</u>
<b>Net increase (decrease) in cash held</b>		(593,164)	(807,050)	602,817
Cash at beginning of year		1,434,257	1,528,865	831,440
<b>Cash and cash equivalents at the end of the year</b>	16	<u>841,093</u>	<u>721,815</u>	<u>1,434,257</u>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	22 (b)	418,979	1,134,308	1,180,795
		418,979	1,134,308	1,180,795
<b>Revenue from operating activities (excluding rates)</b>				
Governance		3,500	500	1,850
General purpose funding		562,633	787,550	576,302
Law, order, public safety		42,181	42,650	33,343
Health		3,906	2,450	1,454
Education and welfare		0	1,520	1,520
Housing		42,224	45,500	46,436
Community amenities		46,240	48,820	45,209
Recreation and culture		1,645	1,370	6,800
Transport		64,957	69,860	69,307
Economic services		620,253	854,665	653,461
Other property and services		53,571	58,425	61,410
		1,441,110	1,913,310	1,497,092
<b>Expenditure from operating activities</b>				
Governance		(107,447)	(123,040)	(192,210)
General purpose funding		(158,643)	(294,415)	(136,432)
Law, order, public safety		(129,845)	(134,050)	(124,737)
Health		(6,309)	(12,060)	(20,830)
Education and welfare		(2,159)	(3,065)	(878)
Housing		(68,140)	(47,900)	(29,089)
Community amenities		(189,470)	(161,520)	(217,341)
Recreation and culture		(227,869)	(245,020)	(226,614)
Transport		(1,887,601)	(1,928,615)	(1,512,938)
Economic services		(778,732)	(883,805)	(803,950)
Other property and services		(40,190)	(58,265)	(125,046)
		(3,596,405)	(3,891,755)	(3,390,065)
Non-cash amounts excluded from operating activities	22(a)	1,235,689	672,108	1,143,919
<b>Amount attributable to operating activities</b>		(500,627)	(172,029)	431,741
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	1,142,720	1,324,455	510,157
Proceeds from disposal of assets	10(a)	292,778	379,000	155,132
Purchase of land held for resale		0	(200,000)	0
Purchase of property, plant and equipment	8(a)	(621,606)	(725,000)	(508,431)
Purchase and construction of infrastructure	9(a)	(1,258,152)	(1,540,775)	(752,385)
<b>Amount attributable to investing activities</b>		(444,260)	(762,320)	(595,527)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(a)	0	(18,665)	(473,507)
Proceeds from borrowings	14(a)	0	200,000	0
Transfers to reserves (restricted assets)	4	(438,255)	(550,168)	(57,178)
Transfers from reserves (restricted assets)	4	300,292	201,910	10,570
<b>Amount attributable to financing activities</b>		(137,963)	(166,923)	(520,115)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,082,850)	(1,101,272)	(683,901)
<b>Total amount raised from general rates</b>	21(a)	1,098,202	1,101,272	1,102,880
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	<b>15,352</b>	<b>0</b>	<b>418,979</b>

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



**SHIRE OF WANDERING**  
**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	Property, Plant and Equipment	20
Note 9	Infrastructure	22
Note 10	Fixed Assets	24
Note 11	Revaluation Surplus	27
Note 12	Trade and Other Payables	28
Note 13	Other Liabilities	29
Note 14	Information on Borrowings	30
Note 15	Employee Provisions	32
Note 16	Notes to the Statement of Cash Flows	33
Note 17	Total Assets Classified by Function and Activity	34
Note 18	Commitments	35
Note 19	Elected Members Remuneration	36
Note 20	Related Party Transactions	38
Note 21	Rating Information	40
Note 22	Rate Setting Statement Information	43
Note 23	Financial Risk Management	44
Note 24	Other Significant Accounting Policies	47
Note 25	Activities/Programs	48
Note 26	Financial Ratios	49

## **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 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.

### **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 adoption of these standards had no material impact on the financial report.

### **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 WANDERING**  
**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	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 funding body	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
Grants, subsidies or contributions with no contractual 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
Fees and charges - 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 of the licence, registration or approval
Fees and charges - 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
Fees and charges - 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
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges for other goods and services	Cemetery services, library 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
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - 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 WANDERING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES (Continued)**

**(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 \$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	543,775	764,200	548,890
Law, order, public safety	41,540	41,540	31,518
Education and welfare	0	1,520	1,520
Transport	56,275	56,600	55,512
Economic services	181,156	163,720	149,806
Other property and services	4,000	4,080	4,000
	<u>826,746</u>	<u>1,031,660</u>	<u>791,246</u>
<b>Non-operating grants, subsidies and contributions</b>			
General purpose funding	61,152	0	0
Law, order, public safety	9,114	0	0
Transport	1,072,454	1,324,455	510,157
	<u>1,142,720</u>	<u>1,324,455</u>	<u>510,157</u>
<b>Total grants, subsidies and contributions</b>	<u>1,969,466</u>	<u>2,356,115</u>	<u>1,301,403</u>
<b>Fees and charges</b>			
General purpose funding	4,518	3,460	3,675
Law, order, public safety	2,550	1,110	1,873
Health	3,906	2,450	1,454
Housing	42,224	45,500	46,436
Community amenities	46,240	47,290	45,209
Recreation and culture	1,600	1,370	1,570
Transport	500	250	10,912
Economic services	439,097	690,945	501,752
Other property and services	19,378	16,755	9,820
	<u>560,013</u>	<u>809,130</u>	<u>622,701</u>

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 WANDERING**  
**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	216,841	200,060	791,246
Fees and charges	551,045	801,920	613,552
Other revenue	26,940	22,080	25,736
Non-operating grants, subsidies and contributions	1,142,720	1,324,455	510,157
	<u>1,937,546</u>	<u>2,348,515</u>	<u>1,940,691</u>

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	11,460	11,460	39,566
Revenue from contracts with customers recognised during the year	783,366	1,012,600	1,390,968
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	498,000	498,000	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	644,720	826,455	510,157
	<u>1,937,546</u>	<u>2,348,515</u>	<u>1,940,691</u>

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	28,477		12,890
Contract liabilities from contracts with customers	(11,460)		(48,460)
Financial assets held from transfers for recognisable financial assets	205,979		498,000
Grant liabilities from transfers for recognisable non financial assets	(205,979)		(498,000)

No impairment of assets associated with contracts with customers are currently expected.

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 WANDERING**  
**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:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	1,098,202	1,098,072	1,102,880
Statutory permits and licences	8,218	6,860	8,044
Fines	750	350	1,105
	<u>1,107,170</u>	<u>1,105,282</u>	<u>1,112,029</u>
<b>Other revenue</b>			
Reimbursements and recoveries	3,954	43,700	29,699
Other	26,940	0	25,736
	<u>30,894</u>	<u>43,700</u>	<u>55,435</u>
<b>Interest earnings</b>			
Interest on reserve funds	802	2,550	2,178
Rates instalment and penalty interest (refer Note 21(b))	8,222	8,670	8,764
Other interest earnings	2,177	4,590	5,445
	<u>11,201</u>	<u>15,810</u>	<u>16,387</u>

**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).

**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**

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Audit Services	9,017	15,000	11,079
	<u>9,017</u>	<u>15,000</u>	<u>11,079</u>

**Interest expenses (finance costs)**

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Borrowings	0	2,970	119
	<u>0</u>	<u>2,970</u>	<u>119</u>

**Other expenditure**

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Sundry expenses	49,811	46,350	0
	<u>49,811</u>	<u>46,350</u>	<u>0</u>

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

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		841,093	1,434,257
<b>Total cash and cash equivalents</b>		<b>841,093</b>	<b>1,434,257</b>
<b>Restrictions</b>			
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		743,406	934,464
		<b>743,406</b>	<b>934,464</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	525,967	388,004
Contract liabilities from contracts with customers	13	11,460	48,460
Grants for transfers for recognisable non financial assets	13	205,979	498,000
<b>Total restricted assets</b>		<b>743,406</b>	<b>934,464</b>

**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 and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted assets**

Restricted asset balances are not available for general use by the local government 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 WANDERING**  
**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) Reserves cash backed - Leave Reserve	39,423	20,821	0	60,244	39,421	21,000	0	60,421	39,173	250	0	39,423
(b) Reserves cash backed - Office equipment reserve	35,140	12,342	0	47,482	35,139	12,500	0	47,639	34,918	222	0	35,140
(c) Reserves cash backed - Land & building reserve	73,703	339,703	(181,547)	231,859	73,699	340,023	0	413,722	33,488	40,215	0	73,703
(d) Reserves cash backed - Plant replacement reserve	224,737	457	(91,745)	133,449	224,727	111,645	(201,910)	134,462	233,817	1,490	(10,570)	224,737
(e) Reserves cash backed - Fuel facility reserve	15,001	64,932	(27,000)	52,933	15,000	65,000	0	80,000	0	15,001	0	15,001
	388,004	438,255	(300,292)	525,967	387,986	550,168	(201,910)	736,244	341,396	57,178	(10,570)	388,004

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:

**Anticipated**

**date of use Purpose of the reserve**

(a) Reserves cash backed - Leave Reserve	Ongoing	For the payment of long service leave
(b) Reserves cash backed - Office equipment reserve	2023/2024	For the replacement of office equipment
(c) Reserves cash backed - Land & building reserve	Ongoing	For the purchase of land and buildings, and major repairs/upgrading of existing buildings
(d) Reserves cash backed - Plant replacement reserve	Ongoing	For the purchase and replacement of plant and equipment
(e) Reserves cash backed - Fuel facility reserve	2027/2028	For the renewal or replacement of fuel facility equipment

## 5. OTHER FINANCIAL ASSETS

### 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
	\$	\$
	18,452	17,517
	18,452	17,517
	18,452	17,517
	18,452	17,517

## 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:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

### Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
Accrued income	

### Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

	2021	2020
	\$	\$
	39,167	23,174
	28,476	12,890
	0	4,702
	67,643	40,766
	1,251	2,020
	1,251	2,020

### 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 23.

### 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	53,717	26,139
History books	0	3,533
Gravel	20,553	29,900
	74,270	59,572

### Non-current

Land held for resale - cost		
Cost of acquisition	0	421,950
	0	421,950

The following movements in inventories occurred during the year:

### Balance at beginning of year

Inventories expensed during the year	(329,937)	(590,701)
Inventories transferred to fixed assets during the year	(421,950)	0
Additions to inventory	344,635	583,701
<b>Balance at end of year</b>	<b>74,270</b>	<b>481,522</b>

	2021	2020
	\$	\$
	53,717	26,139
	0	3,533
	20,553	29,900
	74,270	59,572
	0	421,950
	0	421,950
	481,522	488,522
	(329,937)	(590,701)
	(421,950)	0
	344,635	583,701
	74,270	481,522

## 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.

### Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

### Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

During the financial year, land held for resale was transferred to fixed assets as the likelihood of the land being sold is remote.

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

**8. 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.

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	566,000	1,422,792	1,846,311	3,835,103	29,010	1,536,033	5,400,146
Additions	0	0	0	0	40,965	467,466	508,431
(Disposals)	0	0	0	0	0	(156,215)	(156,215)
Depreciation (expense)	0	(29,639)	(38,457)	(68,096)	(23,372)	(164,394)	(255,862)
<b>Balance at 30 June 2020</b>	566,000	1,393,153	1,807,854	3,767,007	46,603	1,682,890	5,496,500
<b>Comprises:</b>							
Gross balance amount at 30 June 2020	566,000	1,481,950	1,922,900	3,970,850	101,457	2,111,778	6,184,085
Accumulated depreciation at 30 June 2020	0	(88,797)	(115,046)	(203,843)	(54,854)	(428,888)	(687,585)
<b>Balance at 30 June 2020</b>	566,000	1,393,153	1,807,854	3,767,007	46,603	1,682,890	5,496,500
Additions	0	0	22,789	22,789	0	598,817	621,606
(Disposals)	(30,000)	(152,280)	0	(182,280)	0	(194,939)	(377,219)
Revaluation increments / (decrements) transferred to revaluation surplus	492,050	123,356	826,976	1,442,382	0	0	1,442,382
Depreciation (expense)	0	(24,229)	(35,297)	(59,526)	(22,812)	(202,310)	(284,648)
Transfers *	421,950	0	0	421,950	0	0	421,950
<b>Balance at 30 June 2021</b>	1,450,000	1,340,000	2,622,322	5,412,322	23,791	1,884,458	7,320,571
<b>Comprises:</b>							
Gross balance amount at 30 June 2021	1,450,000	1,340,000	2,622,322	5,412,322	101,457	2,436,096	7,949,875
Accumulated depreciation at 30 June 2021	0	0	0	0	(77,666)	(551,638)	(629,304)
<b>Balance at 30 June 2021</b>	1,450,000	1,340,000	2,622,322	5,412,322	23,791	1,884,458	7,320,571

\* Land held for resale was transferred from non-current inventories during the year to fixed assets, as the likelihood of selling this asset is limited.

## 8. 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
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	Level 2	Market cost	Independent valuation	June 2021	Unobservable inputs for assets and liabilities
Buildings - non-specialised	Level 2	Market cost	Independent valuation	June 2021	Unobservable inputs for assets and liabilities
Buildings - specialised	Level 3	Replacement cost	Independent valuation	June 2021	Unobservable inputs for assets and liabilities
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		Deemed cost	Deemed cost	June 2019	Purchase cost
<b>Plant and equipment</b>		Deemed cost	Deemed cost	June 2019	Purchase cost

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.

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

**9. 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	Infrastructure - bridges	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - recreation	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	35,296,674	10,312,707	3,673,793	205,925	1,185,356	625,013	51,299,468
Additions	752,385	0	0	0	0	0	752,385
Depreciation (expense)	(505,097)	(211,347)	(74,615)	(10,785)	(34,174)	(24,262)	(860,280)
<b>Balance at 30 June 2020</b>	35,543,962	10,101,360	3,599,178	195,140	1,151,182	600,751	51,191,573
<b>Comprises:</b>							
Gross balance at 30 June 2020	36,482,946	10,567,365	3,730,758	215,696	1,265,600	673,537	52,935,902
Accumulated depreciation at 30 June 2020	(938,984)	(466,005)	(131,580)	(20,556)	(114,418)	(72,786)	(1,744,329)
<b>Balance at 30 June 2020</b>	35,543,962	10,101,360	3,599,178	195,140	1,151,182	600,751	51,191,573
Additions	760,152	498,000	0	0	0	0	1,258,152
Depreciation (expense)	(527,668)	(211,348)	(74,615)	(10,784)	(33,735)	(23,619)	(881,769)
<b>Balance at 30 June 2021</b>	35,776,446	10,388,012	3,524,563	184,356	1,117,447	577,132	51,567,956
<b>Comprises:</b>							
Gross balance at 30 June 2021	37,243,098	11,065,365	3,730,758	215,696	1,265,600	673,537	54,194,054
Accumulated depreciation at 30 June 2021	(1,466,652)	(677,353)	(206,195)	(31,340)	(148,153)	(96,405)	(2,626,098)
<b>Balance at 30 June 2021</b>	35,776,446	10,388,012	3,524,563	184,356	1,117,447	577,132	51,567,956

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - bridges	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessment inputs
Infrastructure - recreation	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities
Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2017	Unobservable inputs for assets and liabilities

## 10. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either 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 land, buildings, infrastructure and investment properties 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 land, buildings, infrastructure and investment properties 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.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### 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 land, buildings, infrastructure, investment properties 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.

#### 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.

Refer to Note 10 that details the significant accounting policies applying to leases (including right-of-use assets).

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

10. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	30,000	30,000	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	152,280	108,829	0	(43,451)	140,000	140,000	0	0	0	0	0	0
Plant and equipment	194,939	153,949	8,182	(49,172)	311,360	239,000	13,010	(85,370)	156,215	155,132	8,184	(9,267)
	377,219	292,778	8,182	(92,623)	451,360	379,000	13,010	(85,370)	156,215	155,132	8,184	(9,267)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Recreation and culture</b>				
SBS Satellite TV and Radio	3,675	0	0	(3,675)
<b>Transport</b>				
Isuzu 2007 Truck FV21400	67,852	55,767	0	(12,085)
Grader 2008 Cat 120M	123,412	90,000	0	(33,412)
Holden Colorado Ute	0	8,182	8,182	0
	194,939	153,949	8,182	(49,172)
<b>Land</b>				
<b>Housing</b>				
7 Gnowing Street	30,000	30,000	0	0
	30,000	30,000	0	0
<b>Buildings - non-specialised</b>				
<b>Housing</b>				
7 Gnowing Street	152,280	108,829	0	(43,451)
	152,280	108,829	0	(43,451)
	377,219	292,778	8,182	(92,623)

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

**10. FIXED ASSETS**

**(b) Depreciation**

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	24,229	69,600	29,639
Buildings - specialised	35,297	0	38,457
Furniture and equipment	22,812	28,880	23,372
Plant and equipment	202,310	143,490	164,394
Infrastructure - roads	527,668	800,000	505,097
Infrastructure - bridges	211,348	10,980	211,347
Infrastructure - drainage	74,615	24,780	74,615
Infrastructure - footpaths	10,784	34,800	10,785
Infrastructure - recreation	33,735	0	34,174
Infrastructure - other	23,619	0	24,262
	<u>1,166,417</u>	<u>1,112,530</u>	<u>1,116,142</u>

**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	40 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	3 to 10 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	50 years
- asphalt surfaces	20 years
Gravel roads formation pavement	25 years
Footpaths - slab	not depreciated
Sewerage piping	50 years
Water supply piping and drainage systems	100 years
Recreation assets	75 years
Other assets	4 to 50 years
Bridges	4 to 50 years

**Depreciation on revaluation**

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) 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; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

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

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - PPE & Other	2,056,825	1,442,382	0	1,442,382	3,499,207	2,056,825	0	0	0	2,056,825
Revaluation surplus - Infrastructure	35,015,099	0	0	0	35,015,099	35,015,099	0	0	0	35,015,099
	37,071,924	1,442,382	0	1,442,382	38,514,306	37,071,924	0	0	0	37,071,924

## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors
Accrued salaries and wages
Bonds and deposits held
Accrued expenses

2021	2020
\$	\$
146,563	112,278
18,525	14,593
28,436	19,535
9,788	2,927
203,312	149,333

### 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

#### Prepaid rates

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

### 13. OTHER LIABILITIES

#### Current

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

2021	2020
\$	\$
11,460	48,460
205,979	498,000
<b>217,439</b>	<b>546,460</b>

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
11,460	205,979
<b>11,460</b>	<b>205,979</b>

#### 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.

##### Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

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

**14. INFORMATION ON BORROWINGS**

**(a) Repayments - Borrowings**

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Budget	Principal	Actual	Actual	Actual
				1 July 2020	Principal	Interest	Principal	Principal	New	Principal	Interest	Principal	1 July 2019	Principal	Interest	Principal
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>General purpose funding</b>																
Short term lending facility		Treasury	1.56%	0	0	0	0	0	0	0	0	0	400,000	(400,000)	(119)	0
<b>Housing</b>																
5 Dunmall Drive		Treasury	2.49%	0	0	0	0	0	0	0	0	0	73,507	(73,507)	0	0
<b>Community amenities</b>																
Industrial Estate Development		Treasury	1.60%	0	0	0	0	0	200,000	(18,665)	(2,970)	181,335	0	0	0	0
				0	0	0	0	0	200,000	(18,665)	(2,970)	181,335	473,507	(473,507)	(119)	0

\* WA Treasury Corporation

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

**14. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(b) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	(1,729)	(4,648)
<b>Total amount of credit unused</b>	<b>3,271</b>	<b>352</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**Risk**

Information regarding exposure to risk can be found at Note 23.

## 15. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

#### Opening balance at 1 July 2020

Current provisions  
Non-current provisions

Additional provision  
Amounts used

#### Balance at 30 June 2021

#### Comprises

Current  
Non-current

#### 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

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	60,004	11,238	71,242
Non-current provisions	0	79,558	79,558
	60,004	90,796	150,800
Additional provision	44,816	0	44,816
Amounts used	(39,652)	(31,050)	(70,702)
Balance at 30 June 2021	65,168	59,746	124,914
Comprises			
Current	65,168	16,012	81,180
Non-current	0	43,734	43,734
	65,168	59,746	124,914

	2021	2020
	\$	\$
Less than 12 months after the reporting date	38,412	93,642
More than 12 months from reporting date	132,089	79,558
Expected reimbursements from other WA local governments	(45,587)	(22,400)
	124,914	150,800

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 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, net of outstanding bank overdrafts. 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	841,093	721,815	1,434,257

### Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	85,627	447,282	(279,936)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(935)	0	0
Depreciation on non-current assets	1,166,417	1,112,530	1,116,142
(Profit)/loss on sale of asset	84,441	72,360	1,083
Transfer of inventory to fixed assets	(421,950)	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(26,108)	0	875,260
(Increase)/decrease in inventories	407,252	0	7,000
Increase/(decrease) in payables	53,979	0	(67,386)
Increase/(decrease) in employee provisions	(25,886)	0	22,951
Increase/(decrease) in other liabilities	(329,021)	(533,782)	506,894
Non-operating grants, subsidies and contributions	(850,699)	(1,324,455)	(510,157)
Net cash from operating activities	143,117	(226,065)	1,671,851

## 17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	40,418	25,194
Law, order, public safety	506,442	559,074
Health	220	0
Housing	2,087,910	2,024,451
Community amenities	748,030	586,834
Recreation and culture	2,299,814	1,983,011
Transport	51,156,741	50,952,188
Economic services	725,283	642,434
Other property and services	1,279,639	1,890,969
Unallocated	1,046,739	0
	<b>59,891,236</b>	<b>58,664,155</b>

## 18. CAPITAL COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2021	2020
	\$	\$
	122,789	0
	<u>122,789</u>	<u>0</u>

## 19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member -President</b>			
President's annual allowance	5,959	7,500	4,469
Meeting attendance fees	3,553	3,572	3,553
Other expenses	571	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
	11,133	12,822	9,072
<b>Elected member - Deputy President</b>			
Deputy President's annual allowance	508	500	380
Meeting attendance fees	3,553	3,572	3,553
Other expenses	1,157	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
Travel and accommodation expenses	0	0	355
	6,268	5,822	5,338
<b>Elected member - 1</b>			
Meeting attendance fees	3,553	3,572	1,777
Other expenses	1,157	700	0
Annual allowance for ICT expenses	1,050	1,050	525
	5,760	5,322	2,302
<b>Elected member - 2</b>			
Meeting attendance fees	3,553	3,571	3,553
Other expenses	749	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
Travel and accommodation expenses	475	0	374
	5,827	5,321	4,977
<b>Elected member - 3</b>			
Meeting attendance fees	3,553	3,571	1,776
Other expenses	1,157	700	0
Annual allowance for ICT expenses	1,050	1,050	525
	5,760	5,321	2,301
<b>Elected member - 4</b>			
Meeting attendance fees	3,553	3,571	3,553
Other expenses	571	700	0
Annual allowance for ICT expenses	0	1,050	525
	4,124	5,321	4,078
<b>Elected member - 5</b>			
President's annual allowance	0	0	2490
Meeting attendance fees	3,553	3,571	3,553
Other expenses	571	700	0
Annual allowance for ICT expenses	1,050	1,050	1,050
	5,174	5,321	7,093
	44,046	45,250	35,161

## 19. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	5,959	7,500	6,959
Deputy President's allowance	508	500	380
Meeting attendance fees	24,871	25,000	21,318
Other expenses	5,933	4,900	0
Annual allowance for ICT expenses	6,300	7,350	5,775
Travel and accommodation expenses	475	0	729
	44,046	45,250	35,161

20. 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	349,528	341,851
Post-employment benefits	45,112	43,126
Other long-term benefits	55,781	24,451
	450,421	409,428

*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.

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

**20. RELATED PARTY TRANSACTIONS (Continued)**

**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.

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	5,451	23,084
Short term employee benefits -other related parties	153,421	108,884

**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 was 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.

*iii. Entities subject to significant influence by the Shire*

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

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

**21. RATING INFORMATION**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2020/21 Actual Rateable Value \$</b>	<b>2020/21 Actual Rate Revenue \$</b>	<b>2020/21 Actual Interim Rates \$</b>	<b>2020/21 Actual Back Rates \$</b>	<b>2020/21 Actual Total Revenue \$</b>	<b>2020/21 Budget Rate Revenue \$</b>	<b>2020/21 Budget Interim Rate \$</b>	<b>2020/21 Budget Back Rate \$</b>	<b>2020/21 Budget Total Revenue \$</b>	<b>2019/20 Actual Total Revenue \$</b>
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
Residential	0.10944	41	478,296	52,345	(1,826)	0	50,519	52,345	0	0	52,345	52,345
Special Use	0.12961	3	157,820	20,455	0	0	20,455	20,455	0	0	20,455	22,844
<b>Unimproved valuations</b>												
Rural Residential	0.01374	34	2,591,000	35,600	0	0	35,600	35,600	0	0	35,600	35,600
Rural and Mining	0.00687	134	120,114,000	825,183	1,054	279	826,516	824,812	0	0	824,812	825,183
<b>Sub-Total</b>		212	123,341,116	933,583	(772)	279	933,090	933,212	0	0	933,212	935,972
<b>Minimum payment</b>	<b>\$</b>											
<b>Gross rental valuations</b>												
Residential	1,100	39	0	42,900	0	0	42,900	42,900	0	0	42,900	42,900
Special Use	1,100	2	0	2,200	(1,100)	0	1,100	2,200	0	0	2,200	2,200
<b>Unimproved valuations</b>												
Rural Residential	1,100	70	0	70,000	0	0	70,000	70,000	0	0	70,000	70,000
Rural and Mining	1,100	84	0	92,400	0	0	92,400	91,300	0	0	91,300	92,400
<b>Sub-Total</b>		195	0	207,500	(1,100)	0	206,400	206,400	0	0	206,400	207,500
		407	123,341,116	1,141,083	(1,872)	279	1,139,490	1,139,612	0	0	1,139,612	1,143,472
Discounts/concessions (Note 21(b))							(41,288)				(41,540)	(40,592)
<b>Total amount raised from general rate</b>							1,098,202				1,098,072	1,102,880
Ex-gratia rates							3,139				3,200	3,139
<b>Totals</b>							1,101,341				1,101,272	1,106,019

**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.

21. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	Discount	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	
Rates	5.00%	41,288	41,540	40,592	Payment of full rates owing including arrears, received on or before 35 days after the date of service on the rate notice.
Total discounts/concessions (Note 21(a))		41,288	41,540	40,592	

## 21. RATING INFORMATION (Continued)

### (b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	35 days from notice	0	0%	8%
<b>Option Two</b>				
First instalment	35 days from notice	0	5.5%	8%
Second instalment	4/01/2021	10	5.5%	8%
<b>Option Three</b>				
First instalment	35 days from notice	0	0%	8%
Second instalment	26/10/2020	10	5.5%	8%
Third instalment	4/01/2021	10	5.5%	8%
Fourth instalment	22/03/2021	10	5.5%	8%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	5,709	5,100	5,345
Interest on instalment plan	2,513	3,570	3,419
Charges on instalment plan	1,670	3,060	3,020
	9,892	11,730	11,784

## 22. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
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> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(a) (8,182)	(13,010)	(8,184)
Less: Non-cash grants and contributions for assets	0	(533,782)	0
Less: Movement in liabilities associated with restricted cash	20,821	21,000	250
Less: Fair value adjustments to financial assets at fair value through profit and loss	(935)	0	0
Movement in pensioner deferred rates (non-current)	769	0	0
Movement in employee benefit provisions (non-current)	(35,824)	0	26,444
Add: Loss on disposal of assets	10(a) 92,623	85,370	9,267
Add: Depreciation on non-current assets	10(b) 1,166,417	1,112,530	1,116,142
<b>Non cash amounts excluded from operating activities</b>	<b>1,235,689</b>	<b>672,108</b>	<b>1,143,919</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
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.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash backed	4 (525,967)	(736,244)	(388,004)
Less: Current assets not expected to be received at end of year			
- Land held for resale	7 0	(200,000)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14(a) 0	181,335	0
- Employee benefit provisions	60,244	60,421	39,423
<b>Total adjustments to net current assets</b>	<b>(465,723)</b>	<b>(694,488)</b>	<b>(348,581)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	983,006	1,069,025	1,534,595
Less: Total current liabilities	(501,931)	(374,537)	(767,035)
Less: Total adjustments to net current assets	(465,723)	(694,488)	(348,581)
<b>Net current assets used in the Rate Setting Statement</b>	<b>15,352</b>	<b>0</b>	<b>418,979</b>

## 23. 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
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	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
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.01%	841,093	0	839,993	1,100
<b>2020</b>					
Cash and cash equivalents	0.13%	1,434,257	0	1,433,157	1,100

#### 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*	8,400	14,332

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(a).

## 23. 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. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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. No expected loss was forecast on 1 July 2020 or 1 July 2021 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates. rate based on these factors.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,289	24,028	10,936	4,165	40,418
Loss allowance	0	0	0	0	0
<b>29 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,016	11,548	7,555	5,075	25,194
Loss allowance	0	0	0	0	0

As at 30 June 2021 and 30 June 2020 no material expected loss was determined for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	22,224	209	0	6,044	28,477
Loss allowance	0	0	0	0	0
<b>29 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,472	4,713	4,359	1,346	12,890
Loss allowance	0	0	0	0	0

## 23. 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. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(b).

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
	\$	\$	\$	\$	\$
<b><u>2021</u></b>					
Payables	169,217	0	0	169,217	203,312
Contract liabilities	245,875	0	0	245,875	217,439
	415,092	0	0	415,092	420,751
<b><u>2020</u></b>					
Payables	149,333	0	0	149,333	149,333
	149,333	0	0	149,333	149,333

# SHIRE OF WANDERING

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

### 24. 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 regulatory 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 WANDERING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**25. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b></p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Members expenses and other costs of the Shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.</p>
<p><b>GENERAL PURPOSE FUNDING</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>Collection of Rates revenue, financial assistance grants for general purpose and interest revenue.</p>
<p><b>LAW, ORDER, PUBLIC SAFETY</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p><b>HEALTH</b></p> <p>To provide services for community and environmental health.</p>	<p>Health inspection and advisory services, analytical services, pest and weed control, and assistance to provide health initiatives.</p>
<p><b>EDUCATION AND WELFARE</b></p> <p>To support services relating to youth, elderly and the disadvantaged.</p>	<p>Support school activities, aged care initiatives and disability inclusion plan.</p>
<p><b>HOUSING</b></p> <p>Provision of shire housing and privately rented accommodation.</p>	<p>Management and maintenance for shire housing privately rented while not required by staff and provision of rental accommodation to the Housing Authority for teachers accommodation.</p>
<p><b>COMMUNITY AMENITIES</b></p> <p>To provide amenities required by the community.</p>	<p>Rubbish collection services and operation of waste transfer station. Maintenance of cemeteries and public conveniences. Administration of town planning activities.</p>
<p><b>RECREATION AND CULTURE</b></p> <p>To establish and maintain infrastructure and resources to meet the recreational and cultural needs of the community.</p>	<p>Maintenance of halls, playgrounds, recreation grounds and reserves. Operation of Library and maintenance of heritage and history inventory.</p>
<p><b>TRANSPORT</b></p> <p>To provide safe and effective transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges, signage and footpaths. Cleaning and lighting of town streets. Depot maintenance.</p>
<p><b>ECONOMIC SERVICES</b></p> <p>To help promote Wandering and its economic wellbeing.</p>	<p>Tourism and area promotion including operation of caravan park. Implementation of building control and provision of a fuel facility, postal agency and Community Resource Centre.</p>
<p><b>OTHER PROPERTY AND SERVICES</b></p> <p>To monitor and control operating accounts.</p>	<p>Provisions of private work operations, plant repairs, operation costs and all administration costs.</p>

## 26. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.07	0.83	1.94
Asset consumption ratio	0.95	0.96	0.71
Asset renewal funding ratio	1.36	1.39	1.51
Asset sustainability ratio	1.12	0.29	1.04
Debt service cover ratio	N/A	0.69	0.84
Operating surplus ratio	(0.63)	(0.44)	(0.23)
Own source revenue coverage ratio	0.47	0.53	0.58

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

## 5.2. COMPLIANCE AUDIT RETURN 01/01/2021 – 31/12/2021

<b>Proponent</b>	Shire of Wandering
<b>Owner</b>	
<b>Location/Address</b>	
<b>Author of Report</b>	Ian Fitzgerald, A/CEO
<b>Date of Meeting</b>	17/02/2022
<b>Previous Reports</b>	Nil
<b>Disclosure of any Interest</b>	Nil
<b>File Reference</b>	04.041.04109:CL115
<b>Attachments</b>	Compliance Audit Return 31/12/2021

### BRIEF SUMMARY

To adopt the Compliance Audit Return in accordance with the *Local Government (Audit) Regulations 1996*.

### BACKGROUND

The Compliance Audit Return process ensures that each Local Government has processes in place that allows Council to monitor how the organisation is functioning. The Compliance Audit Return is one of the tools available to assist Council with this monitoring role.

The *Local Government (Audit) Regulations* require the Compliance Audit Return to be reviewed by the Audit Committee, then presented to Council.

After the Return has been presented to Council a certified copy of the Return along with the relevant section of the Minutes and any additional information is to be submitted to the Department by 31 March 2022.

### STATUTORY/LEGAL IMPLICATIONS

*Local Government (Audit) Regulations 1996*

*r14. Compliance audits by local governments*

*(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*

*(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*

*(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*

*(3) After the audit committee has reported to the council under sub-regulation (3A), the compliance audit return is to be —*

*(a) presented to the council at a meeting of the council; and*

*(b) adopted by the council; and*

*(c) recorded in the minutes of the meeting at which it is adopted.*

### POLICY IMPLICATIONS

Nil

### FINANCIAL IMPLICATIONS

Nil

**STRATEGIC IMPLICATIONS**

**PROVIDE STRONG LEADERSHIP**

<b>Our Goals</b>	<b>Our Strategies</b>	<b>Our Measurement</b>
<b>We plan for the future and are strategically focused</b>	Ensure accountable, ethical and best practice governance Develop and maintain our Strategic Plan, Corporate Business Plan, Asset Management Plan, Workforce Plan and Long Term Financial Plan Service Level Plans detail operational roles, responsibilities and resources Engage with local, regional, state and federal stakeholders to grow mutually beneficial relationships	Audit and Compliance Returns identify no adverse issues We meet the Integrated Planning Standards

**CONSULTATION/COMMUNICATION**

Nil

**COMMENT**

Nothing further

**VOTING REQUIREMENTS**

Absolute Majority

**OFFICER’S RECOMMENDATION – ITEM 5.3 - COMPLIANCE AUDIT RETURN 01/01/2021 – 31/12/2021**

That the Audit Committee recommends to Council that it adopts the attached Compliance Audit Return for the period 01/01/2021 – 31/12/2021.

**AUTHOR’S SIGNATURE:**



**6. CLOSURE OF MEETING**



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

## Wandering - Compliance Audit Return 2021

### Certified Copy of Return

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

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Ian Fitzgerald
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Ian Fitzgerald
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Ian Fitzgerald
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Ian Fitzgerald
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Ian Fitzgerald



Delegation of Power/Duty						
No	Reference	Question	Response	Comments	Respondent	
1	s5.16	Were all delegations to committees resolved by absolute majority?	N/A		Ian Fitzgerald	
2	s5.16	Were all delegations to committees in writing?	N/A		Ian Fitzgerald	
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Ian Fitzgerald	
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Ian Fitzgerald	
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Ian Fitzgerald	
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Ian Fitzgerald	
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes		Ian Fitzgerald	
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Ian Fitzgerald	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Ian Fitzgerald	
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	N/A		Ian Fitzgerald	
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Ian Fitzgerald	
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes		Ian Fitzgerald	
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Ian Fitzgerald	

Disclosure of Interest						
No	Reference	Question	Response	Comments	Respondent	
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Ian Fitzgerald	



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

No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A		Ian Fitzgerald
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Ian Fitzgerald
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	No		Ian Fitzgerald
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		Ian Fitzgerald
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes		Ian Fitzgerald
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes		Ian Fitzgerald
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes		Ian Fitzgerald
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Ian Fitzgerald
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Ian Fitzgerald
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Ian Fitzgerald
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Ian Fitzgerald
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Ian Fitzgerald



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

GOVERNMENT OF  
WESTERN AUSTRALIA

No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Ian Fitzgerald
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?*  *Question not applicable after 2 Feb 2021	N/A		Ian Fitzgerald
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	N/A		Ian Fitzgerald
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Ian Fitzgerald
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Ian Fitzgerald
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Ian Fitzgerald
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	N/A		Ian Fitzgerald
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	N/A		Ian Fitzgerald
		*Question not applicable after 2 Feb 2021			



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

GOVERNMENT OF  
WESTERN AUSTRALIA

No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		Ian Fitzgerald
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	No		Ian Fitzgerald
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Ian Fitzgerald
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes		Ian Fitzgerald

#### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	Yes		Ian Fitzgerald
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes		Ian Fitzgerald



<b>Elections</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Ian Fitzgerald	
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	N/A		Ian Fitzgerald	
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes		Ian Fitzgerald	



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

<b>Finance</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes		Ian Fitzgerald	
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A		Ian Fitzgerald	
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes		Ian Fitzgerald	
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes		Ian Fitzgerald	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A		Ian Fitzgerald	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A		Ian Fitzgerald	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		Ian Fitzgerald	



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

<b>Integrated Planning and Reporting</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	3/4/2019	Ian Fitzgerald	
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	20/5/2021	Ian Fitzgerald	
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Ian Fitzgerald	

<b>Local Government Employees</b>						
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>	
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	Yes		Ian Fitzgerald	
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	Yes		Ian Fitzgerald	
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	Yes		Ian Fitzgerald	
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A	No appointment made - position to be re-advertised in 2022	Ian Fitzgerald	
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A		Ian Fitzgerald	
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Ian Fitzgerald	



<b>Official Conduct</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	s5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	No	CEO is Complaints Officer - no other designated senior employee	Ian Fitzgerald
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121(2)?	Yes		Ian Fitzgerald
3	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Ian Fitzgerald
<b>Optional Questions</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	Yes	14/3/2019	Ian Fitzgerald
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	Yes	21/9/2021	Ian Fitzgerald
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	N/A		Ian Fitzgerald
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	No		Ian Fitzgerald



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

No	Reference	Question	Response	Comments	Respondent
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Ian Fitzgerald
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	No		Ian Fitzgerald
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes		Ian Fitzgerald
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Ian Fitzgerald
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Ian Fitzgerald

**Tenders for Providing Goods and Services**

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Ian Fitzgerald
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	N/A	F & G Reg 11 (2)(b)	Ian Fitzgerald
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	N/A		Ian Fitzgerald
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Ian Fitzgerald



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

No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	N/A		Ian Fitzgerald
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Ian Fitzgerald
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	N/A	F & G Reg 11 (2)(b)	Ian Fitzgerald
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A		Ian Fitzgerald
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	N/A		Ian Fitzgerald
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Ian Fitzgerald
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	N/A		Ian Fitzgerald
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A		Ian Fitzgerald
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Ian Fitzgerald
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Ian Fitzgerald
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A		Ian Fitzgerald



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

No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Ian Fitzgerald
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Ian Fitzgerald
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A		Ian Fitzgerald
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Ian Fitzgerald
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Ian Fitzgerald
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Ian Fitzgerald
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	N/A		Ian Fitzgerald

I certify this Compliance Audit Return has been adopted by council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor/President, Wandering

\_\_\_\_\_  
Signed CEO, Wandering