



UNCONFIRMED MINUTES

Special Audit and Risk Committee Meeting

Tuesday, 8 February 2022

Date: Tuesday, 8 February 2022

Time: 3.00pm

Location: Council Chambers, York Town Hall, York

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**MINUTES OF SHIRE OF YORK
SPECIAL AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, YORK TOWN HALL, YORK
ON TUESDAY, 8 FEBRUARY 2022 AT 3.00PM**

1 OPENING

1.1 Declaration of Opening

Cr Denese Smythe, Presiding Member, declared the meeting open at 3.02pm.

1.2 Disclaimer

The Presiding Member advised the following:

"The York Shire Council acknowledges the traditional owners of the land on which this meeting is held.

This meeting is being recorded on a digital audio device to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of York Local Government (Council Meetings) Local Law 2016 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.

I wish to draw attention to the Disclaimer Notice contained within the agenda document and advise members of the public that any decisions made at the meeting today, can be revoked, pursuant to the Local Government Act 1995.

Therefore members of the public should not rely on any decisions until formal notification in writing by Council has been received. Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material."

1.3 Standing Orders

Nil

1.4 Announcement of Visitors

Nil

1.5 Declarations of Interest that Might Cause a Conflict

Nil

1.6 Declaration of Financial Interests

Nil

1.7 Disclosure of Interests that May Affect Impartiality

Nil

2 ATTENDANCE

2.1 Members

Cr Denese Smythe, Presiding Member; Cr Kevin Trent; Mr Peter Carden

2.2 Staff

Chris Linnell, Chief Executive Officer; Alina Behan, Executive Manager Corporate & Community Services; Sinead McGuire, Executive Manager Infrastructure & Development Services; Dimple Kaur, Finance Manager; Vanessa Green, Council & Executive Support Officer

2.3 Apologies

Cr Denis Warnick

2.4 Leave of Absence Previously Approved

Nil

3 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

4 PRESENTATIONS

Nil

5 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

6 OFFICER'S REPORTS

6.1 2020/21 ANNUAL REPORT AND ANNUAL ELECTORS MEETING

File Number:	FI.FRP.2
Author:	Dimple Kaur, Finance Manager
Authoriser:	Alina Behan, Executive Manager Corporate & Community Services
Previously before Council:	Not applicable
Appendices:	1. Draft 2020/21 Annual Report ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Legislative

PURPOSE OF REPORT

This report presents the Annual Report to the Audit and Risk Committee for consideration and, if satisfactory, recommendation to Council for approval. The giving local public notice of the availability of the Annual Report and to advertise the date of the Annual Electors Meeting is also being requested.

BACKGROUND

In accordance with Section 5.53 of the *Local Government Act 1995* (the Act) the Shire is required to prepare an Annual Report for each financial year ending 30 June. The content of the Annual Report is prescribed by the Act and includes a summary of the Shire's annual activities, including the audited annual financial statements and the auditor's report for the financial year.

In accordance with Section 5.54 of the Act the Shire is required to provide the Annual Financial Report to the auditor by 30 September for the previous financial year. Section 7.2 of the Act requires that the accounts and annual financial report of the local government are audited by an auditor and Section 7.9 prescribes the conditions under which the audit is to be conducted. Part 4 of the *Local Government (Financial Management) Regulations 1996* prescribes what is to be included in the report.

Section 5.27 of the Act requires Council to conduct an Annual Electors Meeting not more than fifty-six (56) days after the acceptance of the Annual Report for the previous year.

COMMENTS AND DETAILS

The Audited Financial Statements, Auditor's Report and Annual Report for the 2020/21 financial year, as presented in Appendix 1, is provided to the Audit and Risk Committee for consideration and recommendation to Council.

As well as the Auditor's Report and Annual Financial Statements, the Annual Report contains information regarding the Shire's activities during the previous financial year, statistics and statutory reporting as required.

In May 2021, an entrance meeting for the 2020/21 annual financial audit was held between the Chair and Deputy Chair of the Audit and Risk Committee, Shire Officers and the Office of the Auditor General (OAG).

The OAG conducted an interim Audit in June 2021. The OAG commenced the audit with the Roads to Recovery Grant and this year there was an additional audit required for the Local Roads and Community Infrastructure Program Grant.

In September 2021, Officers finalised the accounts for the 2020/21 year and prepared the annual financial statements in accordance with legislative requirements. The OAG returned to complete the Audit from Monday 11 October 2021 to Friday 29 October 2021 inclusive. The appointment of an external consultant to finish the Annual Financial Statement for Shire of York, with the help of newly appointed Finance Manager, and staffing issues within the OAG resulted in delays. Following the field work, the OAG provided the feedback and recommendations to Management which formed the basis for new or amended procedures to be implemented, and provided a Management Letter, Audit Opinion and signed copies of the Shire's Annual Financial Statements on 16 December 2021 at the Exit Meeting.

Issues identified as Significant for the 2020/21 financial year were:

1. Contract Management and Hand-over Documentation
2. Bank Reconciliations
3. Reconciliation of Payroll to the General Ledger
4. Asset Management Plan (AMP) and Long-Term Financial Plan (LTFP)

These risks were considered by the OAG throughout the course of the audit.

The possibility of fraud relating to infrastructure contract management was investigated by the Shire prior to the audit, with no incidence of fraud being found. An independent audit was procured to determine whether those findings were correct. Information on the progress of this independent review has been provided to the OAG as part of their audit process.

The asset renewal ratio was supported by verifiable information and reliable assumptions. The asset renewal funding ratios will be further reviewed on completion of updated Asset Management Plans. In addition to the above, the OAG will be focussing on the revaluation of infrastructure assets in the next audit. The Shire will ensure the infrastructure assets data provided to the valuer is complete and accurate and can be reconciled to the fixed asset register. The Shire will also review the valuation method.

The Shire is transitioning to a new online payroll system. Measures have been put in place to ensure regular reconciliations are done in both the current and new systems. The new system will resolve the issues with the leave balance variations.

The signed copy of Annual Financial Statements was uploaded on Smart Hub before the due date of 31 December 2021.

It is proposed that the Annual Electors Meeting be held on Tuesday 15 March 2022 at 6.00pm and that this date is publicly advertised for a minimum of fourteen (14) days.

OPTIONS

The Audit and Risk Committee has the following options:

Option 1: The Audit and Risk Committee could choose to recommend to Council that it not accept the Annual Report until its February Ordinary Council Meeting. However, as the Audited Financial Statements have been received, Council is required under Section 5.54(2) of the Act to accept the Annual Report within two (2) months of receipt. The Officer's recommendation addresses this requirement.

Option 2: The Audit and Risk Committee could choose to recommend to Council that it accepts the Annual Report at its Special Council Meeting on the 15 February 2022, give public notice of its availability and the Annual Electors meeting be held on Tuesday 15 March 2022 at 6.00pm and that this date is publicly advertised for a minimum of fourteen (14) days.

Option 2 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

The Act requires the Annual Report, which includes Annual Financial Statements, to be made publicly available. The Annual Report will be available on the Shire's website and in hard copy available from the Shire Administration Office/Library.

Strategic

Strategic Community Plan 2020-2030

Goal 5: Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

F3	Significant Accounting Policies
G18	Integrated Planning and Reporting – Reporting
G19	Risk Assessment and Management
G25	Compliance
O5	Asset Management

Financial

The Annual Report was submitted to a graphic designer to collate within current budget allocations. The indicative audit fee for the 2020/21 audit was \$42,960 compared to the budget of \$45,000 and is included in the Annual Budget under GL42193. The fee is based on full cost recovery as determined by the OAG.

Legal and Statutory

Sections 5.53 to 5.55A of the Act are applicable and state:

“5.53. Annual reports

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain —*
 - (a) *a report from the mayor or president; and*
 - (b) *a report from the CEO; and*
 - [(c), (d) deleted]*
 - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
 - (f) *the financial report for the financial year; and*
 - (g) *such information as may be prescribed in relation to the payments made to employees; and*
 - (h) *the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
 - (ha) *a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and*

- (hb) *details of entries made under section 5.121 during the financial year in the register of complaints, including —*
- (i) the number of complaints recorded in the register of complaints; and*
 - (ii) how the recorded complaints were dealt with; and*
 - (iii) any other details that the regulations may require;*
- and*
- (i) such other information as may be prescribed.*

5.54. Acceptance of annual reports

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.*

** Absolute majority required.*

- (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

5.55A. Publication of annual reports

The CEO is to publish the annual report on the local government's official website within 14 days after the report has been accepted by the local government."

Section 5.27 of the Act is applicable to Annual Electors Meetings and states:

"5.27. Electors' general meetings

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors' meetings are to be those prescribed."*

Risk Related

Compliance – the requirement to accept the Shire's Annual Report and to hold an Annual Electors Meeting is a legislative requirement. Failure to do so exposes Council to significant risk. This report and appendices mitigate this risk.

Workforce

Nil

VOTING REQUIREMENTS

Absolute Majority: Yes

COMMITTEE RECOMMENDATION**Moved: Mr Peter Carden****Seconded: Cr Kevin Trent****That, with regard to the 2020/21 Annual Report and Annual Electors Meeting, the Audit and Risk Committee:**

- 1. Receives the Annual Report for the year ended 30 June 2021, as presented in Appendix 1, noting that it incorporates the Audit Completion Report and Audited Financial Statements**
- 2. Recommends to Council that it:**
 - a. Accepts the Annual Report for the year ended 30 June 2021, as presented in Appendix 1, noting that it incorporates the Audit Completion Report and Audited Financial Statements.**
 - b. Authorises the Chief Executive Officer, in consultation with the Shire President, to make any necessary minor editorial and formatting changes to the 2020/21 Annual Report prior to the publication.**
 - c. Requests the Chief Executive Officer to provide local public notice of the availability of the 2020/21 Annual Report.**
 - d. Authorises the Chief Executive Officer to convene the Annual Electors Meeting to be held on Tuesday 15 March 2022 at 6.00pm in the Lesser Hall, York Town Hall, York.**

CARRIED: 3/0



Annual Report

2020-2021

Draft



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This document is available in alternative formats upon request at the Shire Administration Office.



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Website: www.york.wa.gov.au



EMPATHY | RESPECT | COURAGE | EXCELLENCE

Acknowledgement of Country

The Shire of York acknowledge the Traditional Custodians of the land, the Ballardong people of the Noongar nation and pays respects to Elders past, present and emerging.

We recognise the unique and valuable contribution the Ballardong Noongar people have made and continue to make to our culture and in our community.

The land on which we live, meet and thrive as a community always was and always will be Noongar land.

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Shire President's Report



It is my pleasure to present the Shire of York's Annual Report for the 2020/21 financial year.

The first events held post lockdown(s) created a much-welcomed economic boost for the town and region. In particular, the weekend of 12-13 September 2020 was massive in York with many thousands of people visiting the town for the numerous different events being held, including the Motor Show, the Westcycle Canola Classic and the York Races to name a few.

Council Elections

In September 2020, Cr Jane Ferro was elected to Council following an extraordinary election. It was a pleasure to welcome Cr Ferro back to Council.

Rebranding

Along with the major review of the Strategic Community Plan, adopted by Council at its June 2020 meeting, Council deemed it appropriate to consider updating the Shire's branding to reflect the community's reviewed vision and the organisation's growing status as a contemporary, responsive and professional local government authority. The new branding showcases the elements the community put forward as the most important: Heritage, Environment and Community. A number of concepts were developed with a community survey undertaken to identify the preferred option. The new brand was launched in March 2021 and has received positive feedback.

Highlights

A major project for the year has been the remedial works undertaken at the Residency Museum to strengthen the building and chimneys against earthquakes and other natural hazards. The work is being done as part of the Earthquake Building Mitigation project with the Shire of York as a project partner with GeoScience Australia, the University of Adelaide and the Department of Fire and Emergency Services. The works have been possible through a grant of \$110,000 from the Department of Planning Lands and Heritage, match-funded by the Shire.

The Shire was also successful in obtaining a funding boost of \$40,000 to improve facilities at the York Oliver Battista Motocross Track. We are grateful for the support from the

State Government for this popular facility, which will be matched with \$40,000 from the Shire of York. The funding will be used to improve the amenities and optimize the use of space within the area, all designed to enhance the liveability of the Shire.

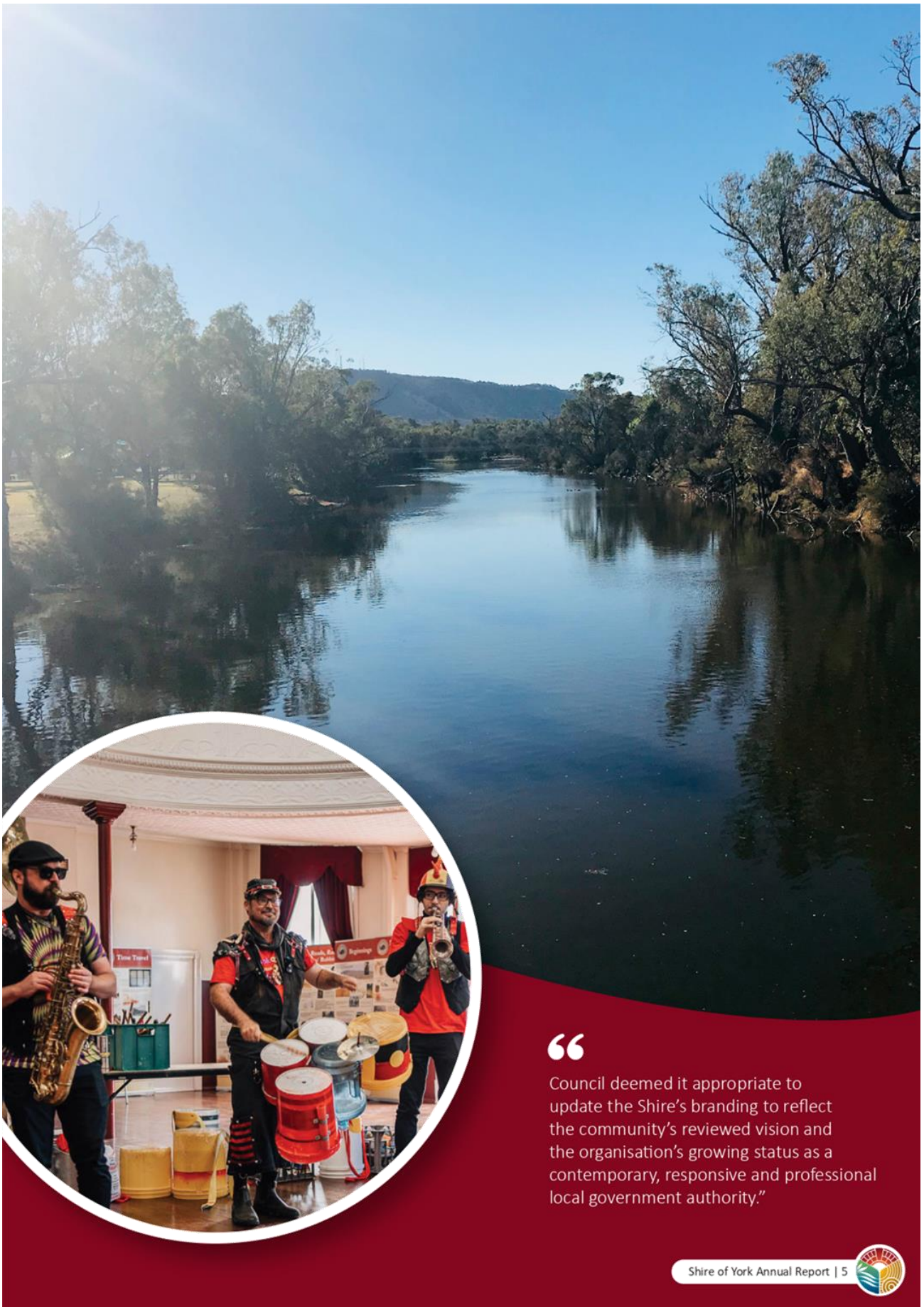
National Reconciliation Week held during May 2021 was marked by an Unveiling Ceremony at the summit of Wongborel/Mt Brown. Two new brass plaques commemorating the Ballardong Noongar and settler heritage of York were revealed to the public. I was honoured to join Local Elder Audrey Narkle-Nettle who provided the Welcome to Country and unveiled the Ballardong plaque, while I unveiled the settler plaque. Research revealed that the existing information about the settler discovery of the area was factually incorrect, so it was decided by Council to respectfully honour both Indigenous and settler heritage by having two new plaques, which marks an important step in the reconciliation process for the Shire of York and its local Ballardong Noongar residents.

Additionally, to gauge the local Aboriginal community's response and willingness to be involved and supportive of the Shire's undertaking of a Reconciliation Action Plan (RAP), a series of three consultation meetings have been held this year. Dr Marion Kickett, Director of the Centre for Aboriginal Studies at Curtin University, was engaged to facilitate the consultation process and to provide cultural awareness training. A very positive response was received from the meetings towards support for the RAP. At its May 2021 meeting, Council endorsed the formation of a RAP Working Group and approved the Terms of Reference for the Group. We look forward to seeing their work come to fruition.

Acknowledgements

As we work towards achieving the goals and priorities of the Strategic Community Plan, on behalf of Council, I would like to acknowledge our CEO and staff for their commitment and dedication throughout the year and congratulate them on their efforts. I also express my sincere gratitude to my fellow Councillors who collaborate cohesively to achieve our shared vision. As a result, we continue to have a strong, friendly and vibrant community and can be proud of the way in which we have worked together to address the year's challenges.

Cr Denese Smythe
SHIRE PRESIDENT



“

Council deemed it appropriate to update the Shire's branding to reflect the community's reviewed vision and the organisation's growing status as a contemporary, responsive and professional local government authority.”



CEO's Introduction



In a year that saw us all responding to the changing situation that is the COVID-19 pandemic, I am pleased to say that York appears to have come through, so far at least, relatively unscathed.

The town has been buzzing and thriving which is great to see.

Major Projects

One of the main focuses for staff this year was the consideration of the management at the York Recreation & Convention Centre (YRCC). While the lead up work has been many years in the making, at its December 2020 Council resolved to release a Request for Proposal focused on community and financial outcomes, seeking alternate management models for the YRCC. The submissions received were presented to Council's April 2021 meeting with the CEO being authorised to enter into negotiations with Belgravia Leisure. Following some community concern, at its June 2021 meeting Council resolved to defer endorsement of the final draft contract documentation and to undertake a Business Plan, reporting back to Council in September 2021.

Management Changes

There were a number of staff movements throughout the year. Alina Behan, commenced on 7 September 2020 as Executive Manager Corporate & Community Services after Ms Suzie Hazlehurst left the Shire to take up the role of CEO at the Shire of Toodyay. I take this opportunity to thank Suzie for her time in York and wish her all the best. Also at the Executive level, Mr Darren Wallace departed from the position of Executive Manager Infrastructure & Development Services (EMIDS) in March 2021. I would like to acknowledge Darren for his services to the Shire and wish him the best for his future and I would like to thank Fraser Brown for acting in the position during the time leading up to the appointment being filled. Ms Sinead McGuire takes up the role of EMIDS towards the end of July 2021 and we look forward to her joining our team.

Cultural Program

As set out in the Corporate Business Plan, the Shire's continuous improvement included commencing the internal culture program designed to deliver a better outcome for the community.

Several directorate specific as well as all-staff workshops have been conducted, intended to enhance our employees understanding of themselves and each other. The program focuses on the Shire's values of courage, empathy and respect as well as an overarching value of excellence.

Feedback from the workshops has been positive and it is pleasing to see staff interacting together with a shared purpose and common goal. I look forward to continuing developing the culture in the new financial year with the overall aim of improving the organisation for the benefit of the community.

Community Wellbeing Plan (Health Plan)

The Shire of York has begun developing a Community Wellbeing Plan to identify the challenges and strategies towards providing healthier lifestyle opportunities and environments for our residents.

The Plan will provide a framework to maximise community health and wellbeing, support and encourage a healthy community, assist people to live healthier lifestyles, be physically active and to feel more socially engaged.

To ensure the Plan is relevant, stakeholder engagement and community consultation will be undertaken in the new financial year, enabling the Plan to address the unique requirements of our community.

In Closing

It has been a pleasure to serve the community of York over the last twelve months and I would acknowledge the Shire President, Councillor Denese Smythe and all the Councillors for their commitment and support. I also express my very sincere appreciation to the Executive Team and the whole staff for their hard work and dedication to the Shire and our community.

Chris Linnell
CHIEF EXECUTIVE OFFICER



#australiaday
#reflectrespectcelebrate

Australia Day
Reflect. Respect. Celebrate.

WE'RE ALL PART
OF THE STORY.

“
The Shire’s continuous improvement included commencing the internal culture program designed to enhance and deliver a better outcome for the community.”

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Vision and Objectives



Vision

"A vibrant and inviting agricultural, heritage and tourist town and Shire, and a community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live."



The Place to Live

To be a place which is attractive and accessible for the young and elderly, and attracts people in the age groups in between to work and settle in the Shire.



Leader in Cultural Heritage and Environment

To be a place which is renowned for its cultural heritage and the quality of its natural environment, and for the care taken by the community of both.



Driving the York Economy Forward

To have a vibrant, diverse and prosperous local economy which is sustainable in the long term, makes sustainable use of its natural and built heritage and community assets, and delivers benefit in the form of local jobs, business opportunities and a positive image for the Shire.



Built for Resilience

To have secured an infrastructure base which is affordable, is managed to a level of risk accepted by the community, supports a sustainable environment, increases rural and town resilience and is responsive to community needs.



Strong Leadership and Governance

To be a community where there is effective and responsive leadership and governance, a sense of collective purpose and shared direction and a willingness and desire to work together for that future.

Council's Strategic Priorities



To be a close-knit community, full of life, in a welcoming and accessible place for all

PRIORITIES

- Engage children and young people in their place and future
- Increase disability access and seniors' services
- Support community-led development



To have a vibrant, diverse and prosperous local economy which creates local jobs, business opportunities and a positive image for the Shire

PRIORITIES

- Support tourism and business development



To be a place which is renowned for the quality of its natural environment, the astounding beauty of the landscape, and the care taken by the community

PRIORITIES

- Improve the ecology and enjoyment of the river



To have a built environment which supports community, economy and the environment, respects the past and creates a resilient future

PRIORITIES

- Upgrade roads and complete footpaths network
- Enhance streetscapes with a focus on trees
- Revitalise Avon Terrace and restore heritage



To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together

PRIORITIES

- Continuous improvement of community engagement
- Explore establishment of a contemporary, accessible Council Chamber
- Continuous improvement of governance



Governance



Our Council

The Shire of York Councillors are:



Cr Denese Smythe

Shire President

Expiry of Term: October 2023



Cr Denis Warnick

Deputy Shire President

Expiry of Term: October 2021



Cr Jane Ferro

Councillor

Expiry of Term: October 2021



Cr Ashley Garratt

Councillor

Expiry of Term: October 2023



Cr Pamela Heaton

Councillor

Expiry of Term: October 2023



Cr Stephen Muhleisen

Councillor

Expiry of Term: October 2023



Cr Kevin Trent OAM RFD

Councillor

Expiry of Term: October 2021

Councillor Resignation

Due to the resignation of Cr David Wallace from Council on 8 June 2020, an extraordinary election was conducted in September 2020 with Cr Jane Ferro being elected to Council. The next ordinary local government elections are scheduled for October 2021 with three (3) positions becoming vacant.

Register of Complaints about Conduct of Members

The Local Government Act 1995 s5.121 requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in an action under the Local Government Act s5.110 (6) (b) or (c). This register is held on the Shire of York's website. There were no breaches recorded for the 2020/21 year.

Committee/ Council Meeting	Members	Ordinary Meetings Held	Ordinary Meetings Present	Special Meetings Held	Special Meetings Present
Council	Cr Denese Smythe	11	11	3	3
	Cr Denis Warnick	11	11	3	3
	Cr Jane Ferro*	11	9	3	1
	Cr Ashley Garratt	11	11	3	3
	Cr Pam Heaton	11	11	3	3
	Cr Stephen Muhleisen	11	11	3	3
	Cr Kevin Trent	11	11	3	3
Audit & Risk Committee	Cr Denese Smythe	4	4	0	0
	Cr Denis Warnick	4	2	0	0
	Cr Jane Ferro*	4	3	0	0
	Cr Ashley Garratt	4	1	0	0
	Cr Pam Heaton	4	4	0	0
	Cr Stephen Muhleisen	4	4	0	0
	Cr Kevin Trent	4	4	0	0
Access & Inclusion Advisory Committee	Cr Jane Ferro	3	3	0	0
	Cr Kevin Trent	3	2	0	0
	Cr Denese Smythe**	3	0	0	0

*Note: Cr Ferro elected to Council on 18 September 2020

**Note: Deputy Delegate



Governance



Strategic and Governance Activities

Policy Review

A role of Council is to determine Local Government policies. The development and management of Council policy is an ongoing process. It is important that Council policies are kept up to date and are reviewed on a regular basis under the direction of the Chief Executive Officer. If any changes or amendments are required these are brought to Council for endorsement.

During the year staff undertook a minor policy review to update the following:

- Minor amendments to existing policies.
- Separating existing Policy Manual into two (2) separate sections. One section being Strategic Policies (Council related) and one new section, Operational policies being those policies that specifically fall under the functions of the CEO as defined in the Local Government Act 1995, Section 5.41 Function of the CEO.
- New Policy numbering to remove redundant numbering.
- Rebranding changes to reflect the new logo.

New policies introduced this year include:

Community Policies:	C6 Public Art
Governance Policies:	G26 Model Standards for CEO Recruitment, Performance & Termination
Health Policies:	H1 Occupational Safety & Health
Operational Policies:	O8 Employee Code of Conduct

Amended Policies this year include:

Community Policies:	C3 Community Funding: Grants & Sponsorship
	C4 Sponsorship of Tourism Events
	C5 Public Events in York
Elected Member Policies:	E1 Code of Conduct: Council members, Committee members & Candidates
Finance Policies:	F1 Revenue Collection
	F2 Procurement

Governance Policies:	G6 Community Access to Information G13 Community Engagement and Consultation G23 Commissioning Legal Advice
Health Policies:	Temporary Accommodation
Local Planning Policies:	P12 Temporary Alfresco Dining Areas
Policies Transferred to new Operational section:	O1 Staff Superannuation O2 Volunteer Management O3 Workforce & Human Resources O4 Alcohol & Other Drugs O5 Asset Management O6 Internal Controls O7 Heat Management
Removed (Revoked) Policies:	
Town Planning:	Restriction on Building Materials (PPI) Retrospective Planning Applications

Delegations Review

Sections 5.18 and 5.46(2) of the Local Government Act 1995 require that a Local Government keeps a register of delegations of authority made under the Act and that these are reviewed at least once every financial year. The Shire of York's Register of Delegated Authority was reviewed and adopted on the 22 December 2020.



Shire of York



Community Engagement & Consultation Register

The Shire uses the IAP2 Framework of Public Participation to define the public's role in all community engagement processes. The IAP2 Framework defines levels of participation as INFORM, CONSULT, INVOLVE, COLLABORATE, EMPOWER.

Name of Engagement	Name of Engagement	Name of Engagement
Henrietta St Footpath (PSP)	Cowan Street Drainage	Footpath works on Ulster, Glebe and Grey St
Date	Date	Date
12 Mar 21 at 5.30pm	2-Jul-21	13-Apr-21
Engagement	Engagement	Engagement
IAP2: CONSULT: Letter to invite to community consultation workshop organised by Cardno and SOY	IAP2: INFORM Letter drop to neighbouring properties	IAP2: INFORM Letter drop to neighbouring properties
Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt
4 attendees		

Name of Engagement	Name of Engagement	Name of Engagement
Residency Museum building works	Bushland Garden Install of composting toilet	Old Infant Health Centre
Date	Date	Date
27-Apr-21	Aug 2020	22 Dec 2020 - 5 February 2021
Engagement	Engagement	Engagement
IAP2: INFORM Letter drop to neighbouring properties	IAP2: INFORM Letter drop to neighbouring properties	IAP2: INFORM The Shire invited public comment on the proposal to demolish the Old Infant health Centre. Notice of demolition advertised June 2021.
Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt
		Submissions received + presented to Council at Feb 21 OCM

Name of Engagement	Name of Engagement	Name of Engagement
Reconciliation Action Plan	Tree planting grant for Moto-cross track	Avon Terrace Accessibility project
Date	Date	Date
March - April 2021	Quarter 4 2021	24/03/2021
Engagement	Engagement	Engagement
IAP2: INVOLVE Three community consultation sessions were held to gauge interest amongst the local Indigenous community in participating in a Reconciliation Action Plan with the Shire of York. The sessions were led by Dr Marion Kickett, Director of the Aboriginal Cultural Centre at Curtin University and were well attended.	IAP2: INVOLVE The Arts & Cultural Heritage Officer worked with the River Conservation Society to apply for a grant of \$2000 for tree planting at the Motocross track from the Forest Products Commission.	IAP2: CONSULT Accessibility walkabout of Avon Terrace, Henrietta Street and Avon Park. Shire staff and Access & Inclusion Advisory Committee Chair.
Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt
	Grant successful	

Name of Engagement	Name of Engagement	Name of Engagement
Golf Club Lease	Old Tennis Courts lease	Pioneer Memorial Lodge Lease
Date	Date	Date
Adopted 22 June 2021	Signed April 2021	OCM March 2021
Engagement	Engagement	Engagement
IAP2: INVOLVE Consultation took place with Golf Club committee	IAP2: INVOLVE Consultation took place with River Conservation Society committee	IAP2: CONSULT Consultation with WA Country Health Services, State Solicitors Office, Representatives of the York Health Advisory Group
Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt



Name of Engagement	Name of Engagement	Name of Engagement
YRCC Management	Shire of York Rebranding – second presentation of concepts to community.	York Bypass Draft Final Route Assessment
Date	Date	Date
Continuous	24 September to 13 October 2020	1 - 27 June 2020, 14 July 2020, 5 October 2020
Engagement	Engagement	Engagement
IAP2: INFORM/CONSULT Consultation in preparation of creation of RFP 20 October 2020 – CEO / YCSC meeting Advertising RFP Engagement plan to advise community of RFP process prepared 11 Dec 2020 Request for Proposal (RFP) advertised from 30 January 2021 on the Shire's website, in the West Australian Saturday newspaper, and using the Government's tender portal Tenderlink. Public Meeting 3 Feb 2021, 60 attendance inclusive. YRCC Staff – EMCCS meeting Friday 5 Feb 2021 Decision of Council following RFP <ul style="list-style-type: none"> Broadcast via community Matters May 2021 plus Shire website - News item and social media posts and local radio. Direct comms by email to YRCC users and groups. A4 flyer distributed to notice boards. The Executive Manager Corporate & Community Services met with YRCC staff Friday 7 May to explain the decision of Council and future employment opportunities. Belgravia Leisure presentation to the community on Wednesday 9 June 2021 at the YRCC, which commenced at 6.00pm. Approx. 120 attendance inclusive. 	IAP2: CONSULT Display stand in Shire Office foyer from 25 Sept to 19 October. <ul style="list-style-type: none"> Display stand at the Avon Park Official Opening on 10/10/20 Online webform created and hosted on Shire's website enabling easy completion with opt in/opt out policy info Paragraph in September Community Matters – Shire Update page 9 Email sent to Community groups asking them to share with members Email sent to Sporting Groups asking them to share with members Face to face canvassing of some businesses in Avon Terrace News item on Shire website Posts on Shire's Facebook page and shared to community Facebook groups inc. York Community Concerns and York Community Page Shire President mentioned the project on local radio. 79 submissions were collected via online and offline forms.	IAP2: CONSULT The draft final report was available to view for a 4 week period from 2 June 2020. An onsite meeting was convened at one of the affected landowners "Shed" on 14 July 2020 and attended by a large number of affected residents and Councillors and Shire Staff. At this meeting, it was agreed that a bus tour of the route would be organised, and Main Roads WA were to be invited to attend. The bus tour took place on 5th October 2020. There were two trips due to number restrictions on the bus. Main Roads had a representative on both trips and the verbal feedback from the tour considered in the preparation of the Nov 2020 report. Council considered the outcomes of the consultation at its November 2020 Ordinary Council Meeting where Officers advised that: <ul style="list-style-type: none"> Submissions raised concerns regarding the need for a bypass, amenity of residents (noise) and detailed design issues such as indigenous heritage, flora surveys and hydrology (underground springs). That as part of the consultation, Main Roads confirmed the project is not financially viable and is not part of its long-term plans. As such, no further detailed planning or design will be undertaken in the foreseeable future.
Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt
Follow up meetings in writing to ensure accurate and agreed record of discussion. From the discussions held at the community presentation on 9 June 2021 it was clear there was a lack of clarity around the intent and financial implications of this transaction. Council requested more and clearer comms moving forward.	79 submissions were collected via online and offline forms.	Due to the time that elapsed since the previous consultation, it was recommended that the community be given an opportunity to comment on the draft Final Report and Council consider the updated report and additional feedback in May 2020.

Name of Engagement	Name of Engagement	Name of Engagement
YRCC Regular Users License	Community Wellbeing Plan	Community Scorecard
Date	Date	Date
26/05/2021	Commenced March 2021	31 May 2021
Engagement	Engagement	Engagement
<p>IAP2: INVOLVE License agreement discussions incorporated conversations regarding YRCC management and club requirements.</p> <p>Licence Notice Published on Wednesday, 26 May 2021</p> <p>Local Government Act 1995 Section 3.58 disposing of Property The Shire invited public comment to be made in writing on or before 4.00pm, Friday 18 June 2021</p> <p>Consultation undertaken with:</p> <ul style="list-style-type: none"> • York Bowling Club • York Tennis Club • York Junior Netball Club • York Imperials Cricket Club • York Junior Football Club • York Senior Football Club • York Badminton Club • York Seniors Mobility • York Agricultural Society • Rural Dance School 	<p>IAP2: CONSULT The Shire commissioned a Health Profile report for York, to assist with the development of the Wellbeing Plan. Consultation took place with the York Health Action Group, York District High School, the York Access & Inclusion Advisory Committee, and York Aboriginal Elders.</p>	<p>IAP2: CONSULT Scorecard invitations were sent to all households and residential PO Boxes in the Shire of York using Australia Post's unaddressed mail services. Respondents could complete the scorecard in hard copy or online.</p> <p>CATALYSE® sent email invitations to the Shire's customer contacts, and the Shire provided supporting promotions through various communication channels.</p> <p>The scorecard was open from 31 May to 18 June 2021.</p>
Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt	Analysis/Comment/Lessons Learnt
		The scorecard was completed by 510 community members with various connections to the Shire of York.

Shire Property Management

Demolition of Old Infant Health Centre

The Shire demolished the Old Infant Health Centre Building for the construction of a Car Park for the Shire Administration Office at Lot 7 (5) Joaquina Street, York.

Disposal of 7 Glebe Street

Local Government Act 1995
Section 3.58 disposing of Property
The Shire leased the Old Tennis Court Building and land

at No. 7 Glebe Street York, to the York River Conservation Society Inc, to establish an Environmental Discovery Centre.

Leases

The following leases were finalised during this period:

- The Old Tennis Courts to the River Conservation Society Inc
- Pioneer Memorial Lodge (PML)
- York Golf Club Inc



Human Resources

Senior Staff

During the year, the following senior staff were employed by the Shire of York.

Executive Manager Corporate & Community Services

Alina Behan 7/9/2020

Employee Remuneration 2020/21

In the 2020/21 financial year the Shire of York had three (3) positions where employees were entitled to an annual cash salary of \$100,000 or more in the following bands:

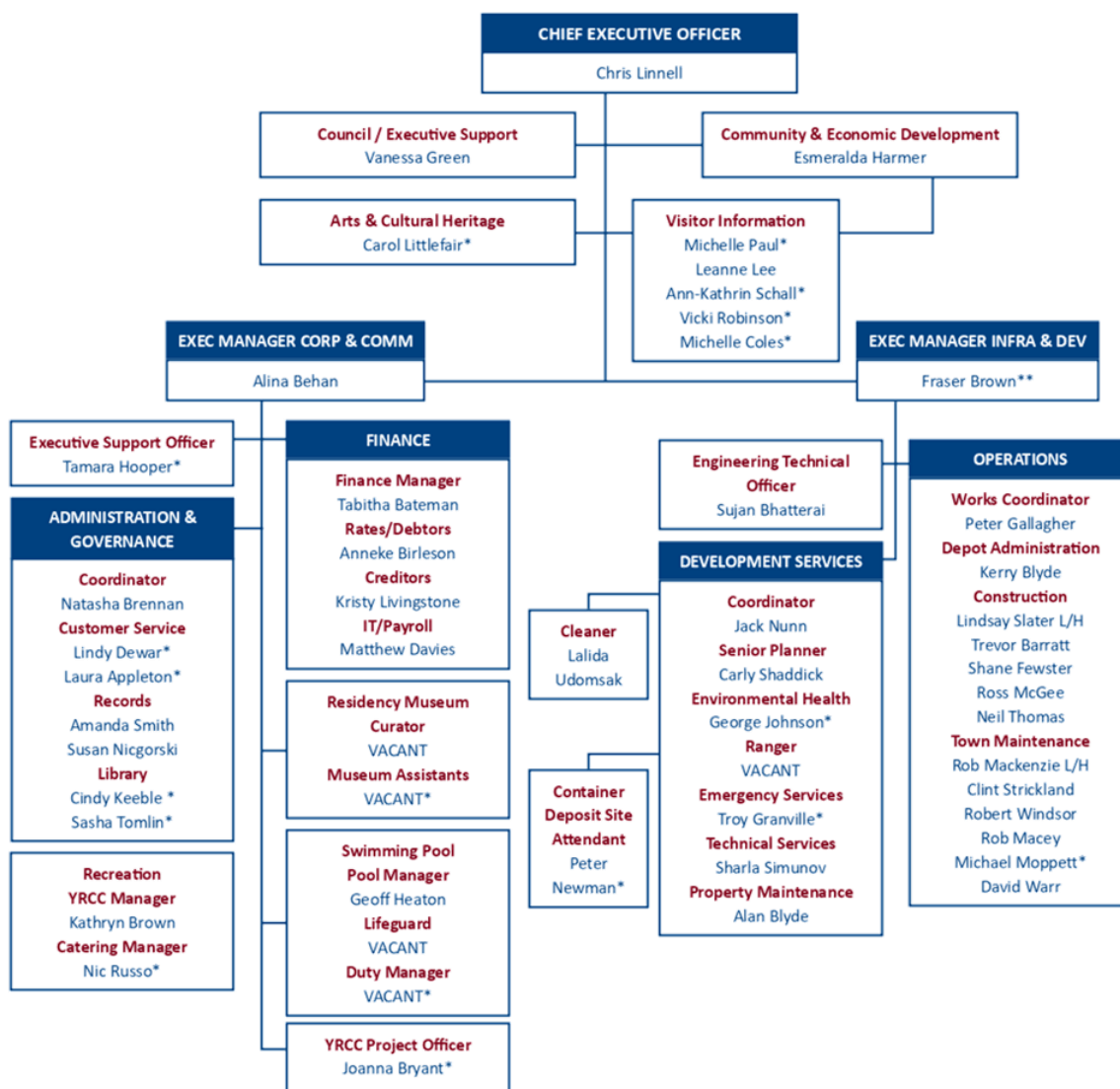
Bands	Employees
\$100,000 to \$109,999	
\$110,000 to \$119,999	
\$120,000 to \$129,999	
\$130,000 to \$139,999	
\$140,000 to \$149,999	2
\$150,000 to \$159,999	
\$160,000 to \$169,999	
\$170,000 to \$179,999	1
\$180,000 to \$189,999	

As part of the annual performance review process, officers and their supervisors identify areas where additional training is required or sought. In addition, cross-organisational training is provided to increase the capacity of the organisation. During 2020/21 this included:

- IGNITE Training for Managers/Coordinators
 - Brainbox Training for Supervisors
 - Cultural Training Program
 - Records awareness training
 - Report Writing
 - Risk Management
 - Project Management Fundamentals
 - LGIS Safe Work Methods
 - LGIS Take 5 Training
 - LGIS Isolation and Tag-Out Training
 - Procurement Training
 - COVID Training
- In addition, the Shire is committed to the health and well-being of its staff and during the year provided
- Flu Vaccinations
 - Skin Cancer Screening
 - Health Assessments
 - Employee Counselling
 - Free Gym Membership
 - Free Pool Access

Organisational Chart 2020/21

As of June 2021



* Denotes part-time / casual staff member, or limited contract

** Denotes Acting in position

The following staff left the employ of the Shire during the 20/21 year:

Susan Nicgorski – Administration Officer – Records (Contract)
Helen D'Arcy-Walker – Executive Support Officer – Council
Darren Wallace – Executive Manager Infrastructure & Development
Michael Atkinson – Plant Operator (Contract)
Stella Manning – Swimming Pool Lifeguard (Seasonal)

Ben Schreuder – Swimming Pool Lifeguard (Seasonal)
Karen Major – Swimming Pool Duty Manager
John Goward – Ranger
Dorothy Bourne – Administration Officer
Katie Benfield-Constable – Museum Curator
Mona Numann – Museum Curator (Contract)
Jackie Jenkin – Museum Assistant
Lorraine Daly – Museum Assistant

Jake Tomlinson – YRCC casual
Rebecca Hameister – Information Services Officer
Edward Dyer – Works Coordinator
The Shire employs a number of casual and seasonal staff on an on-going basis. In addition, over 40 people volunteer their services to the York Visitor Centre, York Residency Museum and the York Public Library and the Shire is grateful for their on-going contribution.



Events & Economic Development



By July 2021, most regional COVID restrictions had lifted in WA and York was well positioned as a cost affordable inter-regional destination for adventure, families and recreational experiences.

Many travel lovers sought wallet-friendly experiences closer to home. Deliberate digital marketing campaigns promoting York's natural and outdoor experiences, welcome back to York events and COVID safe experiences, saw visitor numbers increase significantly throughout the 2020/21 financial year. Visitor Centre staff reported more people giving consideration to how both one's presence and dollars impact the local community and environment, opting for more sustainable experiences that promote health and well-being of people and planet.

These early indicators and continued COVID uncertainty evidenced more people's willingness to tour closer to their home base, support local economies and explore regional and rural areas. Interest in York grew, local job opportunities increased to meet visitor demand and the majority of York's businesses prospered under the continued impacts of the pandemic across WA.

Achievements:

- Delivery of the York Dollars incentive program; providing discounts on rates and monetary vouchers to ratepayers who pay their rates in full or the first installment by the due date. The incentive issued \$45,840 in York Dollar vouchers to ratepayers to spend at local participating businesses.
- Provision of Business Reignite Grants totaling \$27,425 in funding to support fourteen local businesses to provide activity stimulation, employment opportunities for York's art sector and improve their capacity to respond to evolving COVID-19 market conditions.

- Reactivation of York's calendar of events and delivery of smaller scale 'welcome back to York' events, attracting significantly higher than usual visitor numbers.
- Council supported the following through three year funding agreements:

Organisation	Amount	Provision
Wheatbelt Arts & Events	\$15,000	The York Festival
York Society	\$6,500	Art & Craft Awards
York Community Resource Centre	\$18,000	Annual School Holiday Programs
York Agricultural Society	\$11,000	Agricultural Show
Premiere Events	\$22,500	York Motorcycle Festival
York Christmas Festival	\$12,750	York Christmas Festival & Residential Lights Competition
Total Funding Committed	\$85,750	

The Community Funding and Sponsorship of Tourism Events programs enabled the Shire to support large-scale events designed to appeal to a wider market of visitors, community-based groups and other locally relevant activities designed for community enjoyment.

Only one round of community funding of the two usually offered was opened for application during the 2020/21 financial year due to the COVID-19 pandemic. The round usually offered in April 2020 was redirected to support COVID-19 recovery initiatives such as the welcome back to York events.

Organisation	Funding	Provision
York Veteran Car Club	\$9,500	Creation of the York Motor Show website
York Bowling Club	\$4,000	Delivery of two regional sporting events
River Conservation Society	\$9,260	Purchase of tools to assist maintain reserves and bushlands
York Events on Avon	\$2,250	In-kind Shire facility hire
York Men's Shed	\$600	Purchase of equipment for Community Shed
York District High School	\$3,000	End of Year Award Presentations
Total	\$28,610	



Tourism



A mixture of annual and welcome back events, coupled with tourism promotional strategies and new branding saw significant visitor numbers return to York throughout the financial year.

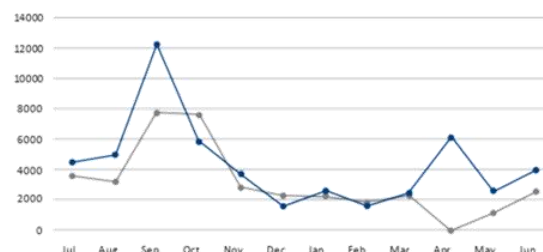
Visitor Centre Achievements:

- York representation at several state tourism events including the Caravan and Camping Expo in March and Perth Airport WA Regional Tourism Conference in Geraldton in May.
- Delivery of an annual Tourism Business Forum in March providing networking opportunities, opportunity to showcase the Shire's new branding and tourism strategies to the community and tourism business providers.
- Updated visitor servicing desks to comply with evolving COVID restrictions and meet increased visitor numbers.
- Development and delivery of content for Shire's Experience York social media pages and Visitor website.
- Introduction of targeted mailouts to tourism providers, visitors and the local community. Visitors can now subscribe and manage their preferences for event information via York Visitor Centre website.
- Delivery of guided Town Hall tours for groups and coach bookings.
- Delivery of Canola for Tourism safety messaging and work with a local business owner to open Canola for visitors.
- Delivery of Tourism Familiarisation in partnership with Chittering, Toodyay, Beverley, York, Goomalling and Northam to increase tourism product knowledge and provided a regional approach to tourism
- Increased stock level to meet visitor demand.
- Completed refresh of the Tourist Information Bay to align with the Shire's new branding.

22

- Increase in free and family-friendly events to continue to appeal to younger families such as YORKids, Nature Play Trail app and Tiny Doors of York Trail.
- Promotion of outdoor recreation experiences such as the Avon River walk trail, mountain bike and cycle trails.

York Visitor Centre Visitor Count
Financial Year 2020-2021



Overview

- Total visitor count through the York Visitor Centre has increased by 40% (15,138 visitors) in the 2020/2021 financial year vs previous financial year.
- York Visitor Centre retail sales are up by 41% (\$6,452.19) vs previous financial year.
- COVID-19 continued to impact visitor numbers – Intrastate visitors have increased significantly; interstate visitors have been sporadic and international borders remain closed. Additional short lockdowns of the Perth and Peel region, interstate and seasonal fluctuations contribute to differences in visitor numbers.

Visitor Count by Month

Month	Financial Year 2020/2021	Financial Year 2019/2020	% change to previous year
July	4564	3615	26%
August	5001	3223	55%
September	12298	7734	59%
October	5847	7609	-23%
November	3778	2841	33%
December	1596	2266	-30%
January	2550	2272	12%
February	1645	1840	-11%
March	2446	2260	8%
April	6127	0	N/A
May	2661	1148	132%
June	4006	2573	56%
Total	52,519	37,381	40%

Retail Sales by Financial Year

Financial Year	Total Retail Sales (inc. GST)	Change to previous FY	Change to previous FY in %
2018 - 2019 FY	\$20,470.55	-\$933.30	-4%
2019 - 2020 FY	\$15,672.55	-\$4,798.00	-23%
2020 - 2021 FY	\$22,124.74	\$6,452.19	41%



Community Services



The Shire through its partnerships with the York Community Resource Centre, River Conservation Society and York Society has supported youth initiatives, tree planting days, community clean up days and outdoor movies.

The following Committees of Council and working groups included community members being appointed to the Committee:

- Access and Inclusion Committee
- Honours Reference Group

The committees, in turn, consulted with the community on relevant matters including access and inclusion priorities and nominations for the Australia Day citizen awards.



Congratulations to the following winners of the 2021 Australia Day Awards:

Junior Sports Star Award: No award presented due to COVID-19 – no sport played

Senior Sports Star Award: No award presented due to COVID-19 – no sport played

Active Citizenship Award (for a Community Group or Event):
River Conservation Society York

Community Citizen of the Year–Youth (under 25): No nominations received

Community Citizen of the Year–Senior (65 years or over):
Annette McArthur

Community Citizen of the Year :
Tricia Byfield (pictured above)

Australia Day Awards

Australia Day Award winners were announced at the community breakfast and presentation ceremony at the York Recreation and Convention Centre. Celebrations continued at York Memorial Swimming Pool with free entry from 10.00am including lawn games, activities and a free BBQ. The Shire was successful in securing a \$20,000 grant from the Australia day COVID

Safe Grants Program enabling purchase of additional marquees, extra entertainment and photography fees, and additional staffing and cleaning supplies.



Community Development

Age Friendly Community Plan

The Shire's Age Friendly Community Plan aims to optimise opportunities for health, participation and security in order to enhance the quality of life as people age. The Shire planned to host the 'Living Well in the Avon Region: York Senior Residents Forum & Expo' in May 2021 however due to the uncertainty of the COVID situation this did not go ahead.

Disability Access and inclusion Plan

Local governments are required to prepare a Disability Access and Inclusion Plan (most commonly known as a DAIP) to plan and implement improvements across seven outcome areas; services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment.

Activities undertaken during 2020/21 to address the Shire's DAIP include the following:

- Demonstrating that people with disability have the same opportunities as other people to obtain and maintain employment with a public authority, the Shire employed an acting EMIDS who uses a wheelchair and an EMCSS with a recognized disability.
- Progressing actions on the Access and Inclusion audit of Shire assets including a number of improved foot paths throughout the York CBD and the access ramp to the York Memorial Swimming Pool was completely rebuilt to meet the standards highlighted in the Access & Inclusion Audit.
- Consulting with the Access & Inclusion Advisory Committee on the planned infrastructure improvements to the AVON Terrace and CBD fully designed and ready for delivery in 2021/22.

Library Services

The York Library focused on consolidation and refreshing library stock. There was a significant cull of older library stock no longer relevant to current borrowing trends and needs. The cull has made way for fresh, up to date new stock to provide more diverse choices for library patrons.

The library saw an increase in demand for online e-resources including e-book, e-audio and e- magazines provided through the State Library of Western Australian agreement.

There were inhouse exhibitions to showcase ANZAC banners and figurines and museum objects while the Museum was closed for renovations.

The York building boom and increased sales of houses in York saw 169 new members join the York library in the 20/21 financial year.

The Library sought funding for an online library catalogue to support those with access issues to the library building. Although the grant was unsuccessful, the importance of the project was recognised and funding allocated in the 21/22 budget year.

The library welcomed Julie John to the team. Julie and Cathie Stark are both valued volunteers in the library. Their service and knowledge are valued and are a much needed support for the ongoing function of the library.

*Numbers impacted by reduced opening hours during Covid 19.

		2020/21	2019/20
Items Issued	Adult Non-Fiction	2311	2211
	Adult Fiction	14152	14345
	Junior Library	4562	4475
	TOTAL	21025	21031
Membership	Adults	724	694
	Family	405	420
	Junior	49	48
	TOTAL	1176	1,162
General Statistics	Hours the library was open	1992	1744*
	Books issued per hour	10.55	12.09*
	Items requested by other libraries	295	275
	Items requested from other libraries	551	415
Local Stock On Hand	Adult Non-Fiction	3075	3669
	Adult Fiction	3575	3995
	Junior	1891	2460
	TOTAL	8541	10,124
State Library Stock	Adult Non-Fiction	1114	969
	Adult Fiction	4106	3564
	Junior	1486	1359
	TOTAL	6701	5,982



Residency Museum

Donations/Acquisitions

Despite closure due to building works, the Residency Museum received a number of significant donations during 2020/21. A very important object, the Convict Depot handbell was donated by York District Hospital and formally accepted by the Shire President in a small ceremony at the Hospital. It had been part of the Hospital's collection because when the Convict Depot (of which the Residency Museum is the last remaining part) closed in the 1870s, some Depot buildings were repurposed as Medical quarters, eventually being replaced by the Old Hospital in 1896. It in turn was replaced by the current Hospital in Trews Road in 1963 and the bell remained with the Hospital authorities until its recent donation.

Other notable donations included a significant late C19th embroidered evening gown and cape plus a child's jacket made from kangaroo skin, all linked to the local early settler Dempster family and a lead smelting pot and leadworking tool linked to an early local builder.

Visitor figures

The 2020/21 financial year saw 1,263 visitors, generating income of \$6,284 during the months of July to November inclusive. After that date the Museum was closed for building works.



Staff and Volunteers

Curator Katie Benfield-Constable returned briefly after maternity leave in January 2021 to pack up the whole Museum and put the collections in storage in preparation for the forthcoming building works. Katie's resignation to take up an exciting new post as an archaeologist was of fortunate timing as the Museum closed for much of 2021 due to building works.

Arts & Cultural Heritage

The Arts & Cultural Heritage Officer undertook the following during 2020/21:

- Trails Concept Plan
- Aboriginal cultural heritage matters
- Earthquake Building Mitigation project
- Reconciliation Action Plan Consultation

Highlights

\$20,000 grant from DLGSC for Trails Concept Plan
\$40,000 grant from DLGSC ORV Fund for Oliver Battista Motocross track improvements

Residency Museum Earthquake / Building Conservation project State Heritage Awards Finalist
Revised Bird & Wildflowers leaflet including Noongar names

Projects

Trails

On acceptance of the Trails Masterplan in June 2019, Council decided to reprioritise the ORV upgrades to High Priority. A grant application of \$40,000 was successful for upgrades to the Oliver Battista Off Road Trail Bike Park in Spencers Brook Road and has been matched by Shire funding. The York Public Motocross Track is one of only 6 off-road vehicle areas (ORVA) in the state. It has been identified as having Regional significance in the Trails Masterplan.

The Arts & Cultural Heritage Officer worked with the River Conservation Society to apply for a grant of \$2000 for tree planting at the Motocross track from the Forest Products Commission, to create a noise buffer hedge along the road and a vegetation corridor around the track to link with native vegetation beside the Avon River.

The application was successful, and a Tree Planting Day was held on 25 July, with Motocross track users, River Conservation Society members and community volunteers planting 3,000 seedlings.

A grant of \$20,000 was obtained from the Department of Local Government, Sport and Cultural Industries to progress the Trails Master Plan by the development of a Trails Concept Plan, the next stage in the process which will identify trails routes to be developed, or disused. This is being undertaken by specialist trails consultants Common Ground and is anticipated to be completed in Early 2022.



Aboriginal Cultural Heritage Matters

A Noongar Standard Heritage Agreement was entered into with the South West Aboriginal Land and Sea Council in early 2020. The Agreement area covers the open spaces Wongborel/Mt Brown, Walwalying/Mt Bakewell and along the Avon River identified in the Trails Master Plan as suitable for future trails development.

A Shire-funded Noongar Cultural Heritage Survey covering these areas has been undertaken by independent anthropologist Dr Bryan Rochelle of Snappygum Heritage Services to Department of Planning Lands and Heritage and SWALSC standards in order to identify and record culturally sensitive sites, which will be lodged with the Department of Planning Lands and Heritage for potential inclusion on the State Register of Aboriginal Heritage Places.

Three community consultation sessions were held during March-April 2021 to gauge interest amongst the local Indigenous community in participating in a Reconciliation Action Plan with the Shire of York. The sessions were led by Dr Marion Kickett, Director of the Aboriginal Cultural Centre at Curtin University and were well attended.

The Terms of Reference for the RAP Working Group were approved by Council in May and since then several Expressions of Interest in being on the RAP Working Group have been received from Indigenous and non-Indigenous local residents. The aim is to complete a Stage 1 'Reflect' RAP as defined by Reconciliation Australia.

Two new brass plaques commemorating the Ballardong Noongar and settler heritage of York replaced the plaque dating from the 1960s and were installed on the granite monument atop Wongborel/Mt Brown in an Unveiling Ceremony on Friday 28 May. The event was part of National Reconciliation Week. Local Elder Audrey Narkle-Nettle gave a Welcome to Country and unveiled the Ballardong plaque with local Elder Mr Philip Bateman. York District High School Aboriginal student representatives also took part and Shire President Denese Smythe unveiled the settler plaque.

A revised 'Birds and Wildflowers of the Shire of York' leaflet was created for the York Visitor Centre. It incorporates dual language (Noongar/English) names of all the birds and some trees/plants and was undertaken in wide consultation with Elders and members of the local Noongar community.



Earthquake Building Mitigation project

The Shire of York as a project partner with GeoScience Australia, the University of Adelaide and the Department of Planning Lands and Heritage put this research into practice through a grant of \$110k from DPLH match-funded by the Shire of York to undertake remedial works to strengthen York Residency Museum against earthquakes and other natural hazards.



York Recreation and Convention Centre

Transition of Management of the YRCC

Since 2018, the Shire of York has attempted to progress the movement of the management of the YRCC to an alternative model. It has:

- Consulted with sporting groups and the York Community Social Centre (YCSC) with the view to an incorporated body taking over the management of the hospitality function of the YRCC.
- Researched outsourced management model which included a visit to Merredin Regional Community and Leisure Centre.
- Commissioned SGL Consulting Group to prepare a scope for the Request for Tender document relating to the management of the YRCC.
- Conducted a review of other internal management models to identify improvements for Shire operations.

Progress was hampered by COVID-19 which required the closing of the facility until September 2020.

With the lifting of many of the COVID-19 restrictions, the management of the YRCC was reconsidered by Council in December 2020, and it was resolved that Council release a Request for Proposal focussed on community and financial outcomes, seeking alternate management models for the YRCC with the view to implement the preferred management model in the 2021/22 financial year.

The intent of the Request for Proposal process was to establish a partnership between the successful respondent, the Shire and the local sporting and community groups to ensure the recreational and sporting facilities at the Forrest Oval Precinct are well managed and used to provide the best outcomes for the community.

Following the Request for Proposal process, two proposals were received from YMCA and Belgravia Leisure. At the April OCM 21 Council directed the CEO to enter into negotiations with Belgravia Leisure to progress towards a service agreement and facility licence.

Development Services

Town Planning

NEW Local Planning Strategy and NEW Local Planning Scheme

The Shire of York prepared a new Local Planning Strategy and Local Planning Scheme which was adopted by Council at its Ordinary Meeting held on the 16 December 2019. The documents were approved and Gazetted on the 13 January 2021.

Local Heritage Survey, Heritage List and Heritage Areas

The Shire contracted Stephan Carrick Architects to prepare a new Local Planning Policy for Heritage Conservation and Development, with it to be adopted in the 21/22 financial year.

Planning Applications

In the 2020/2021 financial year, 75 planning applications were received, 32 more than in the previous period.

The number of subdivision applications received by the Western Australian Planning Commission (WAPC) for the Shire of York increased and in this period 10 subdivision referrals were received by Council, compared to 4 in the previous period.

The following graph depicts the number of planning and subdivision applications for the York local government area:



Health

Effluent Disposal Systems

Forty-Two effluent disposal systems were approved for installation in 2020/2021. That is an increase of 320% on the previous financial year.

Registered and Licensed Premises

The following premises were operating in the Shire of York during 2020/2021.

Offensive Trades	1
Food Businesses	65
Licensed Hotels	4
Lodging Houses	18

Additionally, there are eight Bed and Breakfast businesses that were not required to be registered under the *Health Act 1911*.

Community Wellbeing Plan (Health Plan)

The Shire of York began consultation towards developing a Community Wellbeing Plan to identify the challenges and strategies towards providing healthier lifestyle opportunities and environments for our residents.

Food Safety

The Shire of York offered a free Online Food Safety Training course to assist food businesses to meet their food safety training requirements under the Food Act 2008. This training was developed by Environmental Health Australia and is being used extensively throughout Australia.

Containers For Change

The Containers for Change facility opened in November 2020. In the first 8 months of operation, the York refund point processed an impressive 894,072 containers, keeping them out of landfill and off our beautiful streets.

This equates to \$89,407.20 back to the people of York.

Other good news since the program started is that the Economic Regulation Authority has reported that beverage companies are doing the right thing and have not unreasonably raised drink prices because of the container deposit scheme.



Swimming Pools

York Memorial Aquatic Centre End of Season Report 2020/21 Aquatic Attendance

	2016/17	2017/18	2018/19	2019/20	2020/21
November	3433	2624	3404	3066	2040
December	3764	2176	3744	5951	4546
January	4654	4379	3694	4455	3139
February	1597	2703	3462	3180	2387
March	1505	1608	2324	1747	2060
April	Closed	Closed	286	Closed	
Total	14953	13490	16914	18399	14172

General entries to the Aquatic Centre have shown a decrease on previous years, due to poor weather in November and December, late start by York Swimming Club and a very mild summer.

Several programs were conducted throughout the pool season which included:

- Community Christmas Party
- In-term and Vacation Swimming Lessons
- Australia Day Celebrations
- Mini Tetrathlon
- Swimming Club "York Open"
- Regular Swimming Club training and Club Nights
- York District High School Swimming Carnival.

Junior Lifeguard Program

Junior Lifeguard Program was a new initiative which had a good following, the program ran for a period of 6 weeks and was conducted on a Sunday afternoon for children aged 12 – 16 years.

The program attracted 8 Children who attended every week, during this time they learnt new life skills which included basic resuscitation, spinal injury management, basic first aid, and lifesaving methods.

Private Swimming Pools

The Shire of York is required to inspect all private swimming pools within its district at least once in every four-year period. Only new pool inspections & requested inspections were carried out in the year 2020-21.

Waste Collection & Disposal

MUSTER Programs

The Council again participated in the "drum MUSTER" program. This nationwide program provides for the collection and disposal of used farm chemical containers. A total of 1968 drums were collected under the program in 2020/2021, 229 more than the amount collected the previous year.

As a part of the new Avon Waste Contract, Avon Waste took over the "drum MUSTER" program early in 2021. The Transfer Station is now providing an ongoing collection of up to 50 drums at any one time to be dropped off during open hours. For larger drop offs, Avon Waste is to be contacted for an appointment time.

Council continued with its participation in the Mobile Muster program. This program was initiated to ensure that mobile phones and their accessories are recycled. 23kg of disused mobile phones were collected in 2020/21, an increase of 12kg.

Waste Statistics

A total of 1223.64 tonnes of waste was transported to the Shire of Northam landfill site for the 2020/21 financial year. This is 44.79 tonnes less waste than the 2019/20 financial year.

A total of 313.63 tonnes of recyclable material was received in 2020/21 which is 47.22 tonnes less material than 2019/20.

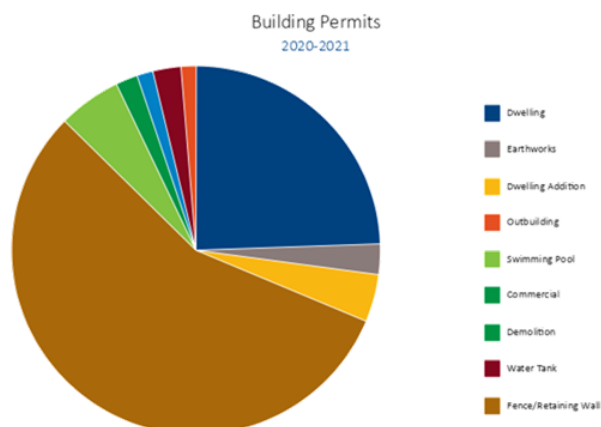
Building

Shire Officers audit building works to ensure compliance with the approved plans and to ensure that all work is carried out to the necessary standard.

Statistics

In 2020/21 the Shire processed 160 building applications, that is a 65% increase on the 2019/2020 financial year. These applications were split into the following categories:

Building Approvals 2020/2021



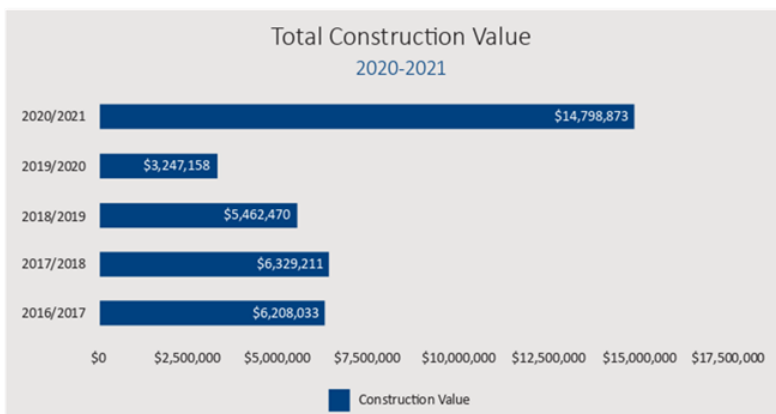
The percentage split is similar to previous years for Swimming Pools, Water Tanks, Fences, and Dwelling Additions with a 550% increase in Dwellings and a 58% increase in Outbuilding applications.

A comparison table for previous years is as follows:

	2020/21	2019/20	2018/19	2017/18	2016/17
Dwellings	39	6	17	14	18
Additions	7	15	11	8	5
Outbuildings	90	57	72	51	63
S/Pools	9	9	3	2	4
Commercial	3	2	7	10	4
Demolition	2	0	1	2	2
Water Tank	4	4	4	3	3
Fence	2	4	3	2	4
Earthworks	4	0	0	0	0
Total	160	97	118	94	103

The number of Building Permits issued in 2020/21 is 65% higher than the previous.

The approximate value of building works in the Shire was \$14.80 million in 2020/21, an increase of 355% on the \$3.25 million in 2019/20.



Ranger and Emergency Services

Fire near Great Southern Highway – January 2021

The Shire of York thanks the 150 firefighters who worked tirelessly both in the air and on the ground to protect lives and property in the fire at Daliak, St Ronans, Wilberforce and Inkpen to York's west and north.

The Department of Fire and Emergency Services confirmed 100 firefighters battled to control the fire with about 50 Volunteer Fire and Rescue Service, Bush Fire Service, Volunteer Fire and Emergency Services, Parks and Wildlife Service firefighters also on the scene.

Residents and land-owners impacted by the fire were supported through the Blaze Air program to clear, repair or replace fences. Blazeaid is a volunteer based organization that assists communities to recover after natural disasters, fires and floods. Restoring damaged fences is a priority so that farmers can get back to normal as quickly as possible.

Bush Fire Management

An advertising campaign is launched each year promoting the fire break and hazard reduction requirements and compliance dates. Zero tolerance in non-compliant fire breaks has resulted in far greater compliance.

Owner/occupiers of occupied properties within the town site which are landscaped to the extent that they do not present a fire hazard are allowed to apply for exemptions.

Animal Control

A reduced number of infringement notices relating to dog attacks were issued compared to last year and no dogs have been declared dangerous this year. Shire records indicate that 18 new cats and 88 new dogs have been registered this year.

Parking

Illegal parking continues to be closely monitored by the Ranger with particular attention to the disabled parking bays on Avon Terrace, vehicles parked within 6 meters of intersections, on footpaths or facing oncoming traffic.



Infrastructure Services

There were 13 Operational Staff based at the Depot during 2020/21 split into two main crews; Town and Parks crew and Gardens crew.

Town, Parks and Gardens

The Town & Parks and Gardens Crew has a substantial scope of works including traffic control duties, drain clearing, cleaning and tree pruning in town and rural, street sweeping, graffiti removal, weed spraying in town and rural, kerbside pickup, drum MUSTER, maintaining parks, reserves and public open spaces and installing Christmas decorations around town.

Town, Parks and Garden crews highlights:



Final landscaping of Avon Park and Tree planting with River Conservation Society and York District High School



Installation of new Shire boundary signs



Containers for Change Shed erected and refund point opened Nov 2020



Candice Bateman playground upgrade



Drainage improvements made at RV Park on Janet Millet Lane



Construction

The Construction Crew carries out road maintenance including maintenance grading and culvert cleaning. There are over 700kms of sealed and unsealed roads combined in the Shire of York. The crew operates two graders and a road patrol truck which manage road maintenance across gravel roads, sealed roads and town streets within the Shire.

The maintenance of rural roads to an acceptable standard is part of the daily routine for the Shire's construction crew.

Regular tasks include;

- Maintenance grading
- Patching of roads
- Clearing culverts and drains
- Repair/replacement of guideposts and signs
- Vegetation removal

Roads to Recovery

Specific road works undertaken through Roads to Recovery Funding in 2020/21.

- Doodenanning Road – Reconstruction 1km
- Qualen West – Rural reseal 4km
- Mannavale – Reconstruction 1.5km

Municipal Road Construction

- Talbot Road – Widening 2km
- Brook Street – Reseal .21km
- Ford Street – Reseal .89km
- Broome Street – Reseal .25km
- Alfred Street – Reseal .39km
- Bland Street – Reseal .07km
- Elizabeth Street – Reseal .21km
- Clifford Street – Reseal .16km
- Bouverie Road- Reseal .33km
- Attfield Road – Reseal .51km
- Fisher Street – Reseal .24km



Grey street - from
Macartney street to
Centennial Drive

Asset Renewal—Gravel Re-sheets

- Gwambygine East Road
- Talbot Hall Road
- Berrybrow Road
- Railway Road

Footpath Re-construction

- Ulster Road- From South Street/Forrest Street intersection to 20 Ulster Road.
- Glebe Street- From the bridge end to Janet Millett Lane
- Grey street- from Macartney street to Centennial Drive

Skate Park CCTV

In response to anti social behavior, permanent CCTV cameras were installed at the Avon Park Skate Park.

Residency Museum Conservation Work

Conservation work was undertaken to State Heritage registered building Residency Museum including the structural strengthening of chimneys, roof frame and verandahs, replacement of roof cladding and conservation to masonry and verandahs, repainting inside and out.

Sustainability

Kerbside Pickup

The kerbside pick-up was general waste and garden and green waste. This was carried out in May 2021.

Grading Fire Breaks

As part of the Shire fire prevention works the Shire grades and maintains the fire breaks on Shire owned land.



Skate Park CCTV



Construction Clearing
culverts and drains

Corporate Services

Records

The Shire of York uses a hybrid records management system to ensure all records created and received are captured and stored according to the Shire's Record Keeping Plan, which was reviewed and adopted by Council at the December Ordinary Meeting of Council 2020, resolution 111220.

All records are disposed of in accordance with the General Disposal Authority for Local Government Records. The Records Officer annually recommends disposal of records in accordance with the State Records Act 2000 guidelines which are then approved by the Administration Governance Officer, Executive Manager for Corporate and Community Services and the CEO.

Standard 2 Principle 6 requires the Shire to ensure that employees comply with the Record Keeping Plan. The following activities have been undertaken to ensure staff awareness and compliance:

1. Induction program was undertaken for six staff within two weeks of commencement.
2. One edition of the administration bulletin was produced including record keeping sections and circulated to staff.
3. One on one training and assistance has taken place on an as needs basis identified by staff/manager request.

A Records and Information Management Systems Strategic Plan has been developed in order to guide the development of records systems and practices in order to keep up to speed with changes in the way information is created, delivered and utilised.

Freedom of Information

The Shire of York has a Freedom of Information Statement prepared in accordance with the Freedom of Information Act 1992. It outlines the Shire's functions, the kind of documents held and how the documents can be assessed.

A total of four new Freedom of Information Applications were received during this reporting period, with three internal reviews carried out.

The annual review of the Information Statement was also completed with the document adopted by Council on the 22 December 2020

National Competition Policy and Public Interest Disclosure

The Shire of York has considered its obligations regarding the national competition policy and reviewed its policies to ensure anti-competitive practices are not adopted.

No complaints were received regarding anti-competitive practice.

Customer Service

Customer Service Officers are responsible for general customer enquiries and payments as well as bookings for the Shire's facilities.

The Shire continues to provide services on behalf of the Department of Transport (DoT) to enable residents to register their vehicles and to renew their drivers licence and vehicle registration. Certain Shire officers are also authorised to issue permits on behalf of the Department of Transport and a DoT examiner visits the Shire fortnightly to conduct driving examinations.

The Office hours are 8.30am–4.30pm Monday to Friday except for public holidays and the advertised shut down between Christmas and New Year.

Financial Services

Rates

Rates account for approximately 50% of the Shire of York's revenue and are determined after lengthy and careful consideration by Council and Administration based on the expected expenditure. Examples of expenditures identified in the annual budget include, but are not limited to:

- Infrastructure Services: local roads, bridges, footpaths, drainage, waste collection and management.
- Provision of Recreation Facilities: parks, swimming pool, recreation centre, ovals and sporting facilities.
- Health Services: water and food inspection, toilet facilities, noise control and animal control.
- Community Services: aged care/accommodation, community group/event sponsorship.
- Planning and Building Services
- Administration of Facilities: cemeteries, public parking.
- Cultural Facilities and Services: Library, Town Hall, tourist information service, Residency Museum.



Rates Incentives

Council's focus for the 2020/21 year was to support local stimulus and incentivize local spending, due to the COVID-19 pandemic.

It was decided to implement a combination of early payment of rates discount and a shop local programme.

Council resolved to offer a 1.5% discount on the rates component if the rates were paid in full by the due date.

Council also resolved to offer York Dollar\$ vouchers for paying in full or the first instalment, by the due date, with ratepayers receiving \$50 or \$20 respectively.

As a direct response to the COVID-19 pandemic, Council extended the hold on penalty interest from the initial 1 April 2020 through to 31 December 2020. In addition, Council charged no instalment administration fees or interest for the 2020/21 financial year.





Financials

2020-2021

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Community Vision

A vibrant and inviting agricultural, heritage and tourist town and a Shire community that is focused on and works collaboratively to improve and promote the town and the Shire of York as a destination and wonderful place to live.

Principal place of business:
1 Joaquina Street
York WA 6302



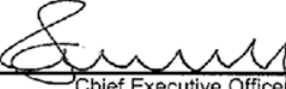
Statement by Chief Executive Officer for the year ended 30 June 2021

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of York 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 York 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 sixteenth (16) day of December 2021



Chief Executive Officer

Chris Linnell

Name of Chief Executive Officer

Statement of Comprehensive Income by Nature of Type for the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	5,956,375	5,993,127	5,878,646
Operating grants, subsidies and contributions	2(a)	1,785,935	1,016,781	2,110,209
Fees and charges	2(a)	1,490,543	1,394,574	1,391,296
Interest earnings	2(a)	74,620	67,032	183,147
Other revenue	2(a)	216,732	274,429	60,234
		9,524,205	8,745,943	9,623,532
Expenses				
Employee costs		(3,886,004)	(4,314,396)	(3,711,377)
Materials and contracts		(2,315,304)	(2,644,202)	(2,323,610)
Utility charges		(387,264)	(399,841)	(399,887)
Depreciation on non-current assets	10(b)	(2,865,589)	(2,585,950)	(2,956,342)
Interest expenses	2(b)	(92,628)	(94,453)	(103,316)
Insurance expenses		(286,049)	(219,481)	(255,506)
Other expenditure	2(a)	(637,111)	(449,696)	(478,879)
		(10,469,949)	(10,708,019)	(10,228,917)
		(945,744)	(1,962,076)	(605,385)
Non-operating grants, subsidies and contributions	2(a)	684,728	1,301,193	2,205,782
Profit on asset disposals	10(a)	5,702	0	0
(Loss) on asset disposals	10(a)	(13,466)	(88,418)	(197,629)
Fair value adjustments to to financial assets at fair value through profit or loss	5	2,586	0	1,153
		679,550	1,212,775	2,009,306
Net result for the period		(266,194)	(749,301)	1,403,921
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus - Plant & Equipment	12	0	0	(32,952)
Total other comprehensive income for the period		0	0	(32,952)
Total comprehensive income for the period		(266,194)	(749,301)	1,370,969

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



Statement of Comprehensive Income by Program for the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue	2(a)			
Governance		51,362	2,900	50,190
General purpose funding		7,584,473	6,763,120	7,600,379
Law, order, public safety		76,554	79,219	350,486
Health		17,077	2,500	19,358
Education and welfare		63,582	35,623	39,016
Community amenities		793,939	733,317	737,454
Recreation and culture		458,722	613,613	400,839
Transport		218,040	227,663	218,885
Economic services		208,277	246,588	139,107
Other property and services		52,179	41,400	67,817
		9,524,205	8,745,943	9,623,531
Expenses	2(b)			
Governance		(603,610)	(784,407)	(798,099)
General purpose funding		(432,912)	(443,201)	(308,573)
Law, order, public safety		(484,641)	(464,439)	(688,701)
Health		(257,444)	(241,049)	(283,431)
Education and welfare		(127,987)	(146,148)	(126,705)
Community amenities		(1,131,985)	(1,184,791)	(1,020,948)
Recreation and culture		(3,166,733)	(3,381,598)	(3,063,451)
Transport		(3,081,375)	(2,472,543)	(2,838,355)
Economic services		(1,030,579)	(1,427,106)	(871,448)
Other property and services		(60,055)	(68,283)	(125,889)
		(10,377,321)	(10,613,565)	(10,125,600)
Finance Costs	2(b)			
Recreation and culture		(90,274)	(91,870)	(99,544)
Transport		(2,354)	(2,584)	(3,772)
		(92,628)	(94,454)	(103,316)
		(945,744)	(1,962,076)	(605,385)
Non-operating grants, subsidies and contributions	2(a)	684,728	1,301,193	2,205,782
Profit on disposal of assets	10(a)	5,702	0	0
(Loss) on disposal of assets	10(a)	(13,466)	(88,418)	(197,629)
Fair value adjustments to to financial assets at fair value through profit or loss	12	2,586	0	1,153
		679,550	1,212,775	2,009,306
Net result for the period		(266,194)	(749,301)	1,403,921
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	(32,952)
Total other comprehensive income for the period		0	0	(32,952)
Total comprehensive income for the period		(266,194)	(749,301)	1,370,969

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

Statement of Financial Position

for the year ended 30 June 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,018,678	5,604,494
Trade and other receivables	6	943,258	2,025,225
Inventories	7	34,901	24,221
TOTAL CURRENT ASSETS		7,996,837	7,653,940
NON-CURRENT ASSETS			
Trade and other receivables	6	124,589	124,706
Other financial assets	5	73,807	71,221
Property, plant and equipment	8	32,294,386	32,453,112
Infrastructure	9	104,247,781	104,919,358
Right-of-use assets	11	970,499	800,061
TOTAL NON-CURRENT ASSETS		137,711,062	138,368,458
TOTAL ASSETS		145,707,899	146,022,398
CURRENT LIABILITIES			
Trade and other payables	13	1,705,643	1,759,940
Other Liabilities	14	556,588	333,758
Borrowings	15(a)	251,899	244,526
Employee related provisions	16	916,209	869,559
TOTAL CURRENT LIABILITIES		3,430,339	3,207,783
NON-CURRENT LIABILITIES			
Borrowings	15(a)	1,372,916	1,624,815
Employee related provisions	16	118,062	137,024
TOTAL NON-CURRENT LIABILITIES		1,490,978	1,761,839
TOTAL LIABILITIES		4,921,317	4,969,622
NET ASSETS		140,786,582	141,052,776
EQUITY			
Retained surplus		33,615,369	33,517,034
Reserves - cash backed	4	2,658,821	3,023,350
Revaluation surplus	12	104,512,392	104,512,392
TOTAL EQUITY		140,786,582	141,052,776

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



Statement of Changes in Equity

for the year ended 30 June 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		32,045,802	3,090,661	104,545,344	139,681,807
Comprehensive income					
Net result for the period		1,403,921	0	0	1,403,921
Other comprehensive income	12	0	0	(32,952)	(32,952)
Total comprehensive income		1,403,921	0	(32,952)	1,370,969
Transfers from reserves	4	342,349	(342,349)	0	0
Transfers to reserves	4	(275,038)	275,038	0	0
Balance as at 30 June 2020		33,517,034	3,023,350	104,512,392	141,052,776
Comprehensive income					
Net result for the period		(266,194)	0	0	(266,194)
Total comprehensive income		(266,194)	0	0	(266,194)
Transfers from reserves	4	546,274	(546,274)	0	0
Transfers to reserves	4	(181,745)	181,745	0	0
Balance as at 30 June 2021		33,615,369	2,658,821	104,512,392	140,786,582

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

Statement of Cash Flows

for the year ended 30 June 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	6,025,089	5,493,127	5,884,749
Operating grants, subsidies and contributions	2,514,713	2,128,910	1,883,210
Fees and charges	1,490,543	1,394,574	1,391,296
Interest received	74,620	67,032	183,147
Goods and services tax received	0	116,796	0
Other revenue	216,732	91,200	60,234
	10,321,697	9,291,639	9,402,636
Payments			
Employee costs	(3,858,316)	(4,314,396)	(3,706,972)
Materials and contracts	(2,384,011)	(2,844,202)	(1,567,894)
Utility charges	(387,264)	(399,841)	(399,887)
Interest expenses	(92,628)	(94,453)	(103,316)
Insurance paid	(286,049)	(219,481)	(255,506)
Other expenditure	(563,234)	(449,696)	(478,879)
Goods and services tax paid	(10,413)	0	0
	(7,581,915)	(8,322,069)	(6,512,454)
Net cash provided by operating activities	17 2,739,782	969,570	2,890,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a) (793,454)	(1,742,000)	(379,438)
Payments for construction of infrastructure	9(a) (1,328,494)	(2,823,216)	(3,712,887)
Payments for right of use assets	11 (192,656)	0	(31,861)
Non-operating grants, subsidies and contributions	1,132,416	1,301,193	1,742,623
Proceeds from sale of property, plant & equipment	10(a) 101,116	252,000	67,545
Net cash provided by (used in) investment activities	(1,081,072)	(3,012,023)	(2,314,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	15(b) (244,526)	(244,526)	(233,976)
Net cash provided by (used in) financing activities	(244,526)	(244,526)	(233,976)
Net increase (decrease) in cash held	1,414,184	(2,286,979)	342,189
Cash at beginning of year	5,604,494	5,604,494	5,262,305
Cash and cash equivalents at the end of the year	17 7,018,678	3,317,515	5,604,494

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



Rate Setting Statement

for the year ended 30 June 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	2,192,324	2,216,507	2,294,904
		2,192,324	2,216,507	2,294,904
Revenue from operating activities (excluding rates)				
Governance		51,362	2,900	50,190
General purpose funding		1,628,098	769,993	1,721,737
Law, order, public safety		76,554	79,219	350,486
Health		17,077	2,500	19,358
Education and welfare		63,582	35,623	39,016
Community amenities		793,939	733,316	737,454
Recreation and culture		458,722	613,613	400,839
Transport		223,537	227,663	218,885
Economic services		210,863	246,588	139,107
Other property and services		52,384	41,400	68,967
		3,576,118	2,752,815	3,746,039
Expenditure from operating activities				
Governance		(606,267)	(806,775)	(805,973)
General purpose funding		(432,912)	(443,201)	(308,573)
Law, order, public safety		(484,641)	(464,439)	(873,596)
Health		(257,444)	(241,049)	(288,291)
Education and welfare		(127,987)	(146,148)	(126,705)
Community amenities		(1,131,985)	(1,184,791)	(1,020,948)
Recreation and culture		(3,257,007)	(3,473,468)	(3,162,995)
Transport		(3,083,729)	(2,527,927)	(2,842,127)
Economic services		(1,037,843)	(1,431,606)	(871,448)
Other property and services		(63,601)	(77,033)	(125,889)
		(10,483,416)	(10,796,437)	(10,426,545)
Non-cash amounts excluded from operating activities	27(a)	2,881,453	2,674,368	3,189,453
Amount attributable to operating activities		(1,833,521)	(3,152,747)	(1,196,149)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	684,728	1,301,193	2,205,782
Proceeds from disposal of assets	10(a)	101,116	252,000	67,545
Purchase of property, plant and equipment	8(a)	(793,454)	(1,742,000)	(852,087)
Purchase and construction of infrastructure	9(a)	(1,328,494)	(2,823,216)	(3,712,887)
Purchase of right of use assets	11	(192,656)	0	(31,861)
		(1,528,760)	(3,012,023)	(2,323,508)
Amount attributable to investing activities		(1,528,760)	(3,012,023)	(2,323,508)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(244,526)	(244,526)	(233,976)
Transfers to reserves (restricted assets)	4	(181,745)	(246,831)	(275,038)
Transfers from reserves (restricted assets)	4	546,274	663,000	342,349
Amount attributable to financing activities		120,003	171,643	(166,665)
Surplus/(deficit) before imposition of general rates		(3,242,278)	(5,993,127)	(3,686,322)
Total amount raised from general rates	26(a)	5,956,375	5,993,127	5,878,646
Surplus/(deficit) after imposition of general rates	27(b)	2,714,097	0	2,192,324

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

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Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

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 affect 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.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	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
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
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



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	21,000	0	50,152
General purpose funding	1,501,419	665,461	1,501,240
Law, order, public safety	46,904	54,457	329,008
Education and welfare	0	0	3,380
Community amenities	0	0	2,150
Recreation and culture	23,729	0	14,831
Transport	162,383	161,363	163,467
Economic services	30,500	135,500	2,525
Other property and services	0	0	43,456
	1,785,935	1,016,781	2,110,209
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	0	472,649
Recreation and culture	65,062	175,239	722,026
Transport	619,666	1,125,954	1,011,107
	684,728	1,301,193	2,205,782
Total grants, subsidies and contributions	2,470,663	2,317,974	4,315,991
Fees and charges			
Governance	609	400	38
General purpose funding	32,117	15,000	37,347
Law, order, public safety	21,741	17,210	17,478
Health	17,077	2,500	19,358
Education and welfare	36,946	32,001	35,636
Community amenities	745,544	729,806	734,720
Recreation and culture	433,685	463,273	385,981
Transport	0	0	640
Economic services	176,206	109,984	135,737
Other property and services	26,618	24,400	24,361
	1,490,543	1,394,574	1,391,296

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.

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	1,785,935	1,016,781	2,110,209
Fees and charges	1,490,543	1,394,574	1,391,296
Other revenue	161,012	91,200	60,234
Non-operating grants, subsidies and contributions	684,728	1,301,193	2,205,782
	4,122,218	3,803,748	5,767,521
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	20,000	0	0
Revenue from contracts with customers recognised during the year	3,417,490	2,502,555	3,561,739
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	684,728	1,301,193	2,205,782
	4,122,218	3,803,748	5,767,521
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	24,750	0	509,216
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	(556,588)	0	(333,758)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021.

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

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.



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	5,956,375	5,993,127	5,878,646
Statutory permits and licences	41,782	28,000	13,023
Fines	15,560	10,700	14,699
	6,013,717	6,031,827	5,906,368
Other revenue			
Reimbursements and recoveries	55,720	183,229	0
Other	161,012	91,200	60,234
	216,732	274,429	60,234
Interest earnings			
Interest on reserve funds	20,026	21,832	37,118
Rates instalment and penalty interest (refer Note 26(e))	47,887	27,200	114,402
Other interest earnings	6,707	18,000	31,627
	74,620	67,032	183,147

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.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses		Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration					
- Audit of the Annual Financial Report			40,840	41,000	41,000
- Other services			2,120	4,000	1,500
			42,960	45,000	42,500
Interest expenses (finance costs)					
Borrowings		15(b)	92,628	94,454	103,316
			92,628	94,454	103,316
Other expenditure					
Impairment loss on trade and other receivables from contracts with customers			73,661	0	58,898
Sundry expenses			563,450	449,696	419,981
			637,111	449,696	478,879



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		3,443,214	3,064,566
Term deposits		3,575,464	2,539,928
Total cash and cash equivalents		7,018,678	5,604,494

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		3,614,053	3,736,011
		3,614,053	3,736,011

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	2,658,821	3,023,350
Contract liabilities from contracts with customers	14	556,588	333,758
Bonds and deposits held	13	398,644	378,903
Total restricted assets		3,614,053	3,736,011

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.

Notes To and Forming Part of
The Financial Report
for the year ended 30 June 2021

4. RESERVES - CASH BACKED														
	2021		2021		2021		2021		2021		2020		2020	
	Actual	Transfer to	Actual	Transfer (from)	Actual	Transfer (from)	Actual	Transfer to	Budget	Closing	Opening	Actual	Transfer (from)	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave	524,991	29,530	0	0	524,991	28,791	0	553,782	0	490,181	34,810	0	524,991	0
(b) Plant	698,410	5,598	0	0	698,410	5,043	0	473,453	0	684,393	14,017	0	698,410	0
(c) Town Planning	0	0	0	0	0	0	0	0	0	7,275	137	(7,412)	0	0
(d) Avon River Maintenance	15,230	130	0	15,360	15,230	110	0	15,340	0	14,932	298	0	15,230	0
(e) Industrial Land	132,259	1,132	0	133,431	132,299	955	0	133,254	0	129,710	2,589	0	132,299	0
(f) Refuse Site	190,101	1,437	0	175,192	190,101	1,373	(150,000)	41,474	0	186,381	3,720	0	190,101	0
(g) Centennial Gardens	166,223	14,156	0	180,379	166,224	1,200	(25,000)	142,424	0	153,892	12,331	0	166,223	0
(h) Public Open Space	0	0	0	0	0	0	0	0	0	440	8	(448)	0	0
(i) Community Bus	0	0	0	0	0	0	0	0	0	85,201	1,608	(86,809)	0	0
(j) Pioneer Memorial Lodge	90,430	17,634	0	108,064	90,430	653	(35,000)	56,083	0	88,660	1,770	0	90,430	0
(k) Carparking	18,386	157	0	18,543	18,386	133	0	18,519	0	18,026	360	0	18,386	0
(l) Building	440,346	3,586	(110,000)	333,932	440,346	3,180	(110,000)	333,526	0	367,933	72,413	0	440,346	0
(m) Disaster	148,450	1,122	(90,547)	59,025	148,450	101,072	(113,000)	136,522	0	33,983	114,467	0	148,450	0
(n) Archives	0	0	0	0	0	0	0	0	0	6,885	130	(7,015)	0	0
(o) Water Supply	0	0	0	0	0	0	0	0	0	6,778	0	(6,778)	0	0
(p) Tied Grant Funds	19,557	0	0	19,557	19,557	141	0	19,698	0	227,144	0	(207,587)	19,557	0
(q) Cemetery	0	0	0	0	0	0	0	0	0	5,109	96	(5,205)	0	0
(r) RSL Memorial	12,439	106	0	12,545	12,439	90	0	12,529	0	13,270	264	(1,095)	12,439	0
(s) Greenhills Townsite Development	11,080	95	0	11,175	11,080	80	0	11,160	0	30,493	587	(20,000)	11,080	0
(t) Roads	372,018	3,181	0	375,199	372,018	2,686	0	374,704	0	364,738	780	0	372,018	0
(u) Land & Infrastructure	156,131	1,335	0	157,466	156,131	1,127	0	157,258	0	154,076	3,055	0	156,131	0
(v) Forest Oval Lights	5,232	904	0	6,136	5,232	38	0	5,270	0	841	891	0	5,232	0
(w) Bowls Synthetic Surface	19,474	889	0	20,363	19,474	141	0	19,615	0	15,707	3,767	0	19,474	0
(x) Tennis Synthetic Surface	2,553	590	0	3,143	2,553	18	0	2,571	0	2,113	440	0	2,553	0
(y) Recreation	0	100,163	0	100,163	0	100,000	0	100,000	0	3,090	661	(342,349)	3,023,350	0
	3,023,350	181,745	(546,274)	2,658,821	3,023,351	246,831	(663,000)	2,607,182	0	3,090	661	(342,349)	3,023,350	0

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



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

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:

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Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave	Ongoing	To fund annual and long service leave requirements.
(b) Plant	Ongoing	To be used to fund plant purchases or major capital repairs.
(c) Town Planning	Ongoing	To develop and review the York Town Planning schemes and amendments.
(d) Avon River Maintenance	Ongoing	To maintain and protect the Avon River and its environs.
(e) Industrial Land	Ongoing	For the continued development and expansion of an industrial subdivision within the Shire.
(f) Refuse Site	Ongoing	To be used for ongoing maintenance and development of Council's waste management facilities.
(g) Centennial Gardens	Ongoing	To be used for further expansion and capital repairs of the existing units.
(h) Public Open Space	Ongoing	For the expansion and development of passive recreation areas within the Shire.
(i) Community Bus	Ongoing	To finance the takeover of the Community Bus (funded by the operational surplus of the Community Bus).
(j) Pioneer Memorial Lodge	Ongoing	To finance capital improvements and extensions to the seniors village (funded by the operational surplus of the Lodge).
(k) Carparking	Ongoing	To fund the management and control of parking facilities in accordance with Councils Parking Plan.
(l) Building	Ongoing	For the construction and major capital improvements to all Council buildings.
(m) Disaster	Ongoing	A contingency reserve to help fund recovery from any natural disaster.
(n) Archives	Ongoing	To provide a secure building for the safe storage of Council's Archival Records.
(o) Water Supply	Ongoing	To hold funds raised through the water supply charge until the loan repayment is due.
(p) Tied Grant Funds	Ongoing	To segregate grant funds provided for specific projects until those projects are carried out.
(q) Cemetery	Ongoing	To provide for the ongoing development of the existing York Cemetery or the development of a new site at a location to be determined.
(r) RSL Memorial	Ongoing	To provide for the upgrading of the RSL Memorial
(s) Greenhills Townsite Development	Ongoing	To provide funds to enhance the amenity and economic potential of the Greenhills Townsite with such funds to be expended in consultation with the Greenhills Progress Association.
(t) Roads	Ongoing	To provide for future road resealing requirements.
(u) Land & Infrastructure	Ongoing	For the purpose of funding the purchase of land and or buildings or the construction of buildings.
(v) Forrest Oval Lights	Ongoing	To provide for the replacement and upgrading of the Oval Lights.
(w) Bowls Synthetic Surface	Ongoing	To provide for the future replacement of Bowls synthetic surface.
(x) Tennis Synthetic Surface	Ongoing	To provide for the future replacement of Tennis synthetic surface.
(y) Recreation	Ongoing	To be used to fund capital improvements and ongoing development of recreational facilities, including sporting facilities, halls and trails.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust

2021	2020
\$	\$
73,807	71,221
73,807	71,221

During the year \$2,586 (\$1,153 in 2020) was recognised as fair value gains on equity investments at fair value through profit or loss.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at 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 28.



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	1,025,412	1,090,279
Sundry receivables	78,836	468,987
Allowance for impairment of receivables from contracts with GST receivable	(290,999)	(217,122)
Accrued income	50,642	40,229
Other Debtors	9,347	575,043
LSL owed by other Local Governments	48,311	43,530
	21,709	24,279
	943,258	2,025,225

Non-current

Deferred Pensioner Rates	124,589	124,706
	124,589	124,706

2021	2020
\$	\$
1,025,412	1,090,279
78,836	468,987
(290,999)	(217,122)
50,642	40,229
9,347	575,043
48,311	43,530
21,709	24,279
943,258	2,025,225
124,589	124,706
124,589	124,706

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 28.

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.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

7. INVENTORIES

Current

Stock on hand - Works and Services
Stock on hand - York Recreation and Convention Centre

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	7,553	4,307
	27,348	19,914
	34,901	24,221
	24,221	33,513
	(187,645)	(104,943)
	198,325	95,651
	34,901	24,221

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.



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 - Freehold Land	Buildings - Non- Specialised	Total Land and Buildings	Furniture and Equipment	Plant and Equipment	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	5,580,550	25,549,940	31,130,490	281,811	2,257,375	33,669,676
ROU Assets at 1 July 2019 (see Note 11)	0	(788,815)	(788,815)	0	0	(788,815)
Additions	0	217,172	217,172	12,693	622,222	852,087
(Disposals)	0	0	0	0	(265,174)	(265,174)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	(32,952)	(32,952)
Depreciation (expense)	0	(577,234)	(577,234)	(85,089)	(308,137)	(970,460)
Transfers	0	0	0	0	(11,250)	(11,250)
Balance at 30 June 2020	5,580,550	24,401,063	29,981,613	209,415	2,262,084	32,453,112
Comprises:						
Gross balance amount at 30 June 2020	5,580,550	25,556,990	31,137,540	934,814	2,262,188	34,334,542
Accumulated depreciation at 30 June 2020	0	(1,155,927)	(1,155,927)	(725,399)	(104)	(1,881,430)
Balance at 30 June 2020	5,580,550	24,401,063	29,981,613	209,415	2,262,084	32,453,112
Additions	0	209,846	209,846	92,898	490,710	793,454
(Disposals)	0	(7,264)	(7,264)	0	(101,616)	(108,880)
Depreciation (expense)	0	(581,694)	(581,694)	(56,902)	(204,704)	(843,300)
Balance at 30 June 2021	5,580,550	24,021,951	29,602,501	245,411	2,446,474	32,294,386
Comprises:						
Gross balance amount at 30 June 2021	5,580,550	25,759,037	31,339,587	1,027,712	2,645,622	35,012,921
Accumulated depreciation at 30 June 2021	0	(1,737,086)	(1,737,086)	(782,301)	(199,148)	(2,718,535)
Balance at 30 June 2021	5,580,550	24,021,951	29,602,501	245,411	2,446,474	32,294,386

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land - freehold land		2	Market approach using recent observable market data for similar assets	Independent	June 2018	Price per square metre
Buildings - non-specialised		3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment		3	Cost approach using depreciated replacement cost	Management	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and equipment*		2	Market approach using recent observable market data for similar assets	Independent	June 2020	Market price based on make, size, year of manufacture and condition

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

*The requirement to revalue plant and equipment has been removed in the Local Government (Financial Management) Amendment Regulations that were published in the Government Gazette on 6 November 2020. The Shire is required to use the cost model and there is no requirement to reverse the revaluation already undertaken by the Shire in 2019/20. In moving to the cost model, the Shire will continue to depreciate on the existing revalued amount.



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 Drainage	Infrastructure - Bridges	Infrastructure - Footpaths	Infrastructure - Other Structures	Infrastructure - Parks & Reserves	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	69,217,515	16,574,854	11,085,486	1,454,552	2,264,331	2,563,749	103,160,487
Additions	2,191,518	103,561	10,368	153,554	160,198	1,093,688	3,712,887
Depreciation (expense)	(1,030,208)	(444,745)	(140,526)	(37,797)	(228,899)	(83,091)	(1,965,266)
Transfers					11,250		11,250
Balance at 30 June 2020	70,378,825	16,233,670	10,955,328	1,570,309	2,206,880	3,574,346	104,919,358
Comprises:							
Gross balance at 30 June 2020	104,139,500	38,064,568	11,236,281	1,861,073	3,549,889	3,728,684	162,579,995
Accumulated depreciation at 30 June 2020	(33,760,675)	(21,830,898)	(280,953)	(290,764)	(1,343,009)	(154,338)	(57,660,637)
Balance at 30 June 2020	70,378,825	16,233,670	10,955,328	1,570,309	2,206,880	3,574,346	104,919,358
Additions	1,038,285	0	38,619	120,766	58,898	71,926	1,328,494
Depreciation (expense)	(1,043,884)	(445,355)	(140,694)	(40,293)	(228,223)	(101,622)	(2,000,071)
Balance at 30 June 2021	70,373,226	15,788,315	10,853,253	1,650,782	2,037,555	3,544,650	104,247,781
Comprises:							
Gross balance at 30 June 2021	105,177,785	38,064,568	11,274,901	1,981,839	3,608,786	3,800,510	163,908,489
Accumulated depreciation at 30 June 2021	(34,804,559)	(22,276,253)	(421,648)	(331,057)	(1,571,231)	(255,960)	(59,660,708)
Balance at 30 June 2021	70,373,226	15,788,315	10,853,253	1,650,782	2,037,555	3,544,650	104,247,781

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Bridges	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Other Structures	3	Cost approach using depreciated replacement cost	Management valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Parks and Reserves	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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



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 Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - Non-Specialised	7,264	0	0	(7,264)	0	0	0	0	0	0
Plant and Equipment	101,616	101,116	5,702	(6,202)	340,418	252,000	(88,418)	265,174	67,545	(197,629)
	108,880	101,116	5,702	(13,466)	340,418	252,000	(88,418)	265,174	67,545	(197,629)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
12198 - Mazda Sedan	21,748	19,091	0	(2,657)
Transport				
12050 - Mower	8,502	14,000	5,498	0
Other property and services				
12196 - Mazda Sedan	28,090	24,545	0	(3,545)
12218 - Ford Ranger	43,276	43,480	204	0
	101,616	101,116	5,702	(6,202)
Buildings				
Economic services				
10699 - 5 Joaquina St	7,264	0	0	(7,264)
	7,264	0	0	(7,264)
	108,880	101,116	5,702	(13,466)

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

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.

Recognition and measurement

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, building, infrastructure or 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

Fair value of land, buildings, infrastructure and investment properties is determined at least once every five years in accordance with the regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. This includes buildings and infrastructure which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire. 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Land under roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Shire.

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 assets, including land under roads, are treated as ROU assets measured 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 balance sheet.

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 ROU assets at zero cost.

Refer to Note 11 that details the significant accounting policies applying to leases (including ROU assets).



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	581,694	598,256	577,234
Furniture and Equipment	56,902	92,334	85,089
Plant and Equipment	204,704	197,644	308,137
Infrastructure Roads	1,043,884	881,503	1,030,208
Infrastructure Drainage	445,355	458,252	444,745
infrastructure - Bridges	140,694	124,221	140,526
Infrastructure - Footpaths	40,293	30,039	37,797
Infrastructure - Other Structures	228,223	203,701	228,899
Infrastructure - Parks & Reserves	101,622	0	83,091
Right of Use Assets - Buildings	22,218	0	20,616
	2,865,589	2,585,950	2,956,342

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 100 years
Furniture and equipment	8 to 10 years
Plant and equipment	5 to 15 years
Intangible assets	5 years
Infrastructure - Roads formation	not depreciated
pavement	70 to 110 years
seal	20 to 25 years
Infrastructure - Footpaths	25 to 50 years
Infrastructure - Drainage	70 to 100 years
Infrastructure - Other	8 to 100 years
Infrastructure - Bridges	40 to 80 years
Right of use (Buildings)	40 to 100 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:

- 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
- 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.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

11. Right-of-Use Assets

	Right of Use Assets - Buildings \$	Right-of-use assets Total
Balance at 1 July 2019		
Recognition of ROU assets on initial application of AASB 16	788,816	788,816
Additions	31,861	31,861
Depreciation (expense)	(20,616)	(20,616)
Balance at 30 June 2020	800,061	800,061
Additions	192,656	192,656
Depreciation (expense)	(22,218)	(22,218)
Balance at 30 June 2021	970,499	970,499

SIGNIFICANT ACCOUNTING POLICIES

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

12. REVALUATION SURPLUS

66

	2021 Opening Balance	2021 Closing Balance	Total Movement on Revaluation	2020 Opening Balance	2020 Closing Balance	Total Movement on Revaluation
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	4,001,800	4,001,800	0	4,001,800	4,001,800	0
Revaluation surplus - Buildings	17,808,574	17,808,574	0	17,808,574	17,808,574	0
Revaluation surplus - Furniture and equipment	61,757	61,757	0	61,757	61,757	0
Revaluation surplus - Plant and equipment	772,011	772,011	0	804,963	772,011	(32,952)
Revaluation surplus - Infrastructure - Roads	51,881,661	51,881,661	0	51,881,661	51,881,661	0
Revaluation surplus - Infrastructure - Drainage	16,700,778	16,700,778	0	16,700,778	16,700,778	0
Revaluation surplus - Infrastructure - Bridges	9,305,554	9,305,553	(1)	9,305,554	9,305,554	0
Revaluation surplus - Infrastructure - Footpaths	863,267	863,268	1	863,267	863,267	0
Revaluation surplus - Infrastructure - Parks and Reserves	2,583,357	2,583,357	0	2,583,357	2,583,357	0
Revaluation surplus - Infrastructure - Other	533,633	533,633	0	533,633	533,633	0
	104,512,392	104,512,392	0	104,545,344	104,512,392	(32,952)

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

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Cash held for Distribution (Previously Trust)	
Accrued Interest on Long Term Borrowings	

2021	2020
\$	\$
1,193,745	1,269,688
99,690	95,960
398,644	378,903
13,564	15,389
1,705,643	1,759,940

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.



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

14. OTHER LIABILITIES

Current

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

2021	2020
\$	\$
556,588	333,758

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
\$	\$
0	556,588

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.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

15 INFORMATION ON BORROWINGS

	2021	2020
Borrowings	\$	\$
Current	251,890	244,526
Non-current	1,372,916	1,624,815
	1,624,815	1,869,341

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021				30 June 2021				30 June 2021				30 June 2020				30 June 2020			
				Actual	Principal	Interest	outstanding	Budget	Principal	Interest	outstanding	Actual	Principal	Interest	outstanding	Actual	Principal	Interest	outstanding	Actual	Principal	Interest	outstanding
				1 July 2020				1 July 2020				1 July 2020				1 July 2020				1 July 2020			
Recreation and culture																							
Loan 62 - Forrest Oval	62	WATC	6.30%	925,746	(60,546)	(57,170)	865,200	925,746	(60,546)	(57,170)	865,200	925,746	(60,546)	(57,170)	865,200	925,746	(60,546)	(57,170)	865,200	925,746	(60,546)	(57,170)	865,200
Loan 63 - Forrest Oval	63	WATC	5.15%	174,414	(22,196)	(8,435)	152,218	174,414	(22,196)	(8,435)	152,218	174,414	(22,196)	(8,435)	152,218	174,414	(22,196)	(8,435)	152,218	174,414	(22,196)	(8,435)	152,218
Loan 64 - Forrest Oval	64	WATC	5.15%	272,060	(34,823)	(13,093)	237,437	272,060	(34,823)	(13,093)	237,437	272,060	(34,823)	(13,093)	237,437	272,060	(34,823)	(13,093)	237,437	272,060	(34,823)	(13,093)	237,437
Loan 65 - Archive Facility	65	WATC	4.88%	24,662	(13,836)	(902)	10,826	24,662	(13,836)	(902)	10,826	24,662	(13,836)	(902)	10,826	24,662	(13,836)	(902)	10,826	24,662	(13,836)	(902)	10,826
Loan 67 - Old Convent School	67	WATC	3.29%	368,796	(62,226)	(10,674)	306,570	368,796	(62,226)	(10,674)	306,570	368,796	(62,226)	(10,674)	306,570	368,796	(62,226)	(10,674)	306,570	368,796	(62,226)	(10,674)	306,570
Transport																							
Plant	66	WATC	2.84%	103,660	(51,099)	(2,354)	52,561	103,660	(51,099)	(2,354)	52,561	103,660	(51,099)	(2,354)	52,561	103,660	(51,099)	(2,354)	52,561	103,660	(51,099)	(2,354)	52,561
				1,869,341	(244,526)	(92,628)	1,624,815	1,869,341	(244,526)	(92,628)	1,624,815	1,869,341	(244,526)	(92,628)	1,624,815	1,869,341	(244,526)	(92,628)	1,624,815	1,869,341	(244,526)	(92,628)	1,624,815

* WA Treasury Corporation



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

15 INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(752)	(407)
Total amount of credit unused	209,248	209,593
Loan facilities		
Loan facilities - current	251,899	244,526
Loan facilities - non-current	1,372,916	1,624,815
Total facilities in use at balance date	1,624,815	1,869,341
Unused loan facilities at balance date	0	0

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 28.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

16. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Sick Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020				
Current	460,097	78,691	330,771	869,559
Non-current	0	31,475	105,549	137,024
	460,097	110,166	436,320	1,006,583
Additional provision	47,462	2,468	(22,242)	27,688
Balance at 30 June 2021	507,559	112,634	414,078	1,034,271
Comprises				
Current	507,559	71,956	336,694	916,209
Non-current	0	40,678	77,384	118,062
	507,559	112,634	414,078	1,034,271

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2021 \$	2020 \$
Less than 12 months after the reporting date	313,567	265,831
More than 12 months from reporting date	698,995	716,473
Expected reimbursements from other WA local governments	21,709	24,279
	1,034,271	1,006,583

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.



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

17. 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	7,018,678	3,317,515	5,604,494
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(266,194)	(749,301)	1,403,921
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	0	(1,153)
Depreciation on non-current assets	2,865,589	2,585,950	2,956,342
(Profit)/loss on sale of asset	7,764	88,418	197,629
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,082,085	416,796	(449,944)
Decrease in other assets	0	0	9,292
Increase in inventories	(10,681)	0	0
Increase/(decrease) in payables	(54,297)	(200,000)	666,635
Increase in employee provisions	27,688	128,900	108,384
Increase in other liabilities	222,830	0	204,858
Non-operating grants, subsidies and contributions	(1,132,416)	(1,301,193)	(2,205,782)
Net cash from operating activities	2,739,782	969,570	2,890,182

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	3,052,172	2,928,248
General purpose funding	6,728,478	1,285,000
Law, order, public safety	785,010	397,503
Education and welfare	2,316,873	2,374,362
Housing	333,932	0
Community amenities	640,559	567,465
Recreation and culture	26,584,377	26,897,483
Transport	99,850,307	99,526,126
Economic services	466,920	103,322
Other property and services	3,429,500	2,632,572
Unallocated	1,519,771	9,310,317
	145,707,899	146,022,398



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

19. CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent Liabilities

Litigation in progress

The Shire is not involved in any litigation proceedings.

Contaminated Sites

The Shire of York has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. At the date of this report the value and timing of remediation has not been ascertained

1. 36 Avon Terrace, York 6302 comprising Lots, 2, 3, 4, 5, and 6 Avon Terrace
2. 15 Redmile Road, York 6302 comprising Lot 13 Redmile Road

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

20. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
- capital expenditure projects	67,600	50,029
- plant & equipment purchases	20,959	0
	88,559	50,029
Payable:		
- not later than one year	88,559	50,029

At the end of the prior reporting period, the Shire had the above capital commitments contracted but not provided for in the financial statements.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

	2021	2020
	\$	\$
Payable:		
- not later than one year	0	1,120
- later than one year but not later than five years	0	0
- later than five years	0	0
	0	1,120



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
\$			
Councillor Denese Smythe, President			
President's annual allowance	16,916	16,916	16,871
Meeting attendance fees	20,986	20,986	18,714
ICT expenses	2,017	1,954	1,968
	39,919	39,856	37,553
Councillor Denis Warnick, Deputy President			
Deputy President's annual allowance	4,229	4,229	4,217
Meeting attendance fees	13,562	13,562	13,562
ICT expenses	2,017	1,954	1,968
	19,808	19,745	19,747
Councillor Pam Heaton			
Meeting attendance fees	13,562	13,562	13,562
Travel and accommodation expenses	2,017	1,954	1,968
	15,579	15,516	15,530
Councillor Ashley Garratt			
Meeting attendance fees	13,562	13,562	9,449
ICT expenses	2,017	1,954	1,349
	15,579	15,516	10,798
Councillor Stephen Muhleisen			
Meeting attendance fees	13,562	13,562	9,449
ICT expenses	2,017	1,954	1,349
Travel and accommodation expenses			150
	15,579	15,516	10,948
Councillor Kevin Trent			
Meeting attendance fees	13,562	13,562	13,562
ICT expenses	2,017	1,954	1,968
Travel and accommodation expenses	218	1,500	208
	15,797	17,016	15,738
Councillor Heather Saint			
Meeting attendance fees	0	0	4,113
ICT expenses	0	0	588
	0	0	4,701
Councillor Jane Ferro			
Meeting attendance fees	10,478	13,562	4,113
ICT expenses	1,556	1,550	587
Travel and accommodation expenses	0		225
	12,034	15,112	4,925
Ex Councillor David Wallace			
Meeting attendance fees	0		14,998
ICT expenses	96	407	1,935
	96	407	16,933
	134,391	138,684	136,874

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

21. 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	16,916	16,916	16,871
Deputy President's allowance	4,229	4,229	4,217
Meeting attendance fees	99,274	102,359	101,524
ICT expenses	13,754	13,680	13,680
Travel and accommodation expenses	218	1,500	582
	134,391	138,684	136,874



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

22. 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	708,030	922,646
Post-employment benefits	78,814	115,410
Other long-term benefits	7,891	94,359
Termination benefits	34,413	0
	829,148	1,132,415

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.

Termination benefits

These amounts represent termination benefits paid to KMP.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

22. 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.

The following transactions occurred with related parties:

	2021 Actual \$	2020 Actual \$
Sale of goods and services	5,200	0
Purchase of goods and services	2,346	8,195

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.



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The Shire was not a party to any associate or joint arrangements during the financial year ended 30 June 2021.

24. MAJOR LAND TRANSACTIONS

The Shire was not party to any major trading undertakings during the current financial year ended 30 June 2021.

25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire was not participate in any major trading undertakings during the current financial year ended 30 June 2021.

Notes To and Forming Part of
The Financial Report
for the year ended 30 June 2021

26. RATING INFORMATION													
(a) Rates													
RATE TYPE		Differential general rate / general rate											
	Rate In \$	Number of Properties	2020/21 Actual Rateable Value	2020/21 Actual Revenue	2020/21 Actual Interim Rates	2020/21 Actual Back Rates	2020/21 Actual Total Revenue	2020/21 Budget Rate	2020/21 Budget Interim Rate	2020/21 Budget Back Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue	
Gross rental valuations	0.123882	1,470	22,877,793	2,834,147	0	0	2,834,147	2,831,081	0	0	2,831,081	2,813,370	
GRV General Rate													
Unimproved valuations	0.009416	339	230,002,001	2,165,699	0	0	2,165,699	2,165,906	0	0	2,165,906	2,057,998	
UV General					11,876	3,202	15,078	10,000	10,000	100	10,100	1,278	
Interim Rates and Back Rates					11,876	3,202	5,014,924	4,986,987	10,000	100	5,007,087	4,872,646	
Sub-Total	Minimum \$	1,809	252,879,794	4,999,846									
Minimum payment													
Gross rental valuations	1,080	496	1,511,961	535,680	0	0	535,680	535,680	0	0	535,680	545,400	
GRV General Rate													
Unimproved valuations	1,390	325	31,557,210	451,750	0	0	451,750	450,360	0	0	450,360	460,600	
UV General		821	33,069,171	987,430	0	0	987,430	986,040	0	0	986,040	1,006,000	
Sub-Total		2,630	285,948,965	5,987,276	11,876	3,202	6,002,354	5,983,027	10,000	100	5,993,127	5,878,646	
Discounts (Note 26 (d))							45,979						
Total amount raised from general rate													
												5,993,127	
												(160,523)	(8,871)
Rates Incentives/ Concessions and Write-offs (Note 26(d))													
												104,433	

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.



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

26. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not raise specified area rates for the year ended 30 June 2021.

(c) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

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

Rates Discounts

Rate or Fee Discount Granted	Discount	Discount	2021 Actual	2021 Budget	2020 Actual
	%	\$	\$	\$	\$
General Rate - Gross Rental Value and Unimproved Value	1.50%		45,979	44,873	0
			45,979	44,873	0

Circumstances in which Discount is Granted

Rates payment incentive applicable to those who pay rates in full by the due date. Not applicable to the instalment option.

Rates Incentives, Concessions & Write-offs

Incentives, Concessions and Write-offs	Type	Discount		2021 Actual	2021 Budget	2020 Actual
		%	\$	\$	\$	\$
York Dollars Vouchers	Incentive	n/a	50/20	44,568	65,650	0
General Rates	Write-Off	n/a	n/a	58,918	50,000	311
Penalty Interest	Write-Off	n/a	n/a	800	0	8,560
Financial Hardship	Concession	n/a	n/a	147	0	0
				104,433	115,650	8,871

Circumstances in which Incentive is Granted

The York Dollars incentive program was applicable to those rates payer who paid their rates by the due date. A voucher for \$50 could be claimed by rate payers who paid in full by the due date or a \$20 voucher could be claimed by those who paid the 1st instalment by the due date. The incentive reported above reflects the redemption of the York Dollars vouchers by local businesses.

Total discounts/concessions (Note 26(a))				150,412	160,523	8,871
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Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

26. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	* Unpaid Rates Interest Rate %
Option one				
Payment in Full	14/09/2020	0	0.0%	8.0%
Option two				
Instalment 1	14/09/2020	0	0.0%	8.0%
Instalment 2	18/11/2020	0	0.0%	8.0%
Instalment 3	19/01/2021	0	0.0%	8.0%
Instalment 4	25/03/2021	0	0.0%	8.0%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	0	0	18,410
Instalment plan interest earned	0	0	23,845
Unpaid rates and service charge interest earned	46,565	25,000	87,934
Pensioner Deferred Interest	1,322	2,200	2,623
	47,887	27,200	132,812

*Interest on unpaid rates applied from 1 January 2021, prior to this, during the financial year it was 0



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

27. RATE SETTING STATEMENT INFORMATION

Note	2020/21 (30 June 2021)	2020/21 Budget (30 June 2021)	2020/21 (1 July 2020)	2019/20 (30 June 2020)
	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(a)	(5,702)	0	0
Less: Movement in liabilities associated with restricted cash		29,530	34,810	34,810
Movement in investment property (non-current)	12	(2,586)	(1,153)	(1,153)
Movement in pensioner deferred rates (non-current)		118	(8,617)	(8,617)
Movement in employee benefit provisions (non-current)		(18,962)	10,442	10,442
Add: Loss on disposal of assets	10(a)	13,466	197,629	197,629
Add: Depreciation on non-current assets	10(b)	2,865,589	2,585,950	2,956,342
Non cash amounts excluded from operating activities		2,881,453	3,189,453	3,189,453
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(2,658,821)	(2,607,183)	(3,023,350)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		251,899	244,526	244,526
- Employee benefit provisions funded by Reserve	15(a)	554,521	553,782	524,991
Add: Movement in provisions between current and non-current		0	0	0
Total adjustments to net current assets		(1,852,401)	(2,253,833)	(2,253,833)
Net current assets used in the Rate Setting Statement				
Total current assets		7,996,837	7,653,940	7,653,940
Less: Total current liabilities		(3,430,339)	(2,876,505)	(3,207,783)
Less: Total adjustments to net current assets		(1,852,401)	(2,253,833)	(2,253,833)
Net current assets used in the Rate Setting Statement		2,714,097	2,523,602	2,192,324

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

28. 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
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.24%	7,018,678	3,575,464	3,443,214	0
2020					
Cash and cash equivalents	0.68%	5,604,494	2,539,928	283,148	2,781,418

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*	70,186	56,045

* 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 15(b).



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

28. 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 such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	12.40%	23.58%	33.10%	49.93%	
Gross carrying amount	359,052	229,617	157,003	279,740	1,025,412
Loss allowance	44,540	54,137	51,972	139,685	290,334
30 June 2020					
Rates receivable					
Expected credit loss	16.67%	18.56%	23.74%	20.95%	
Gross carrying amount	278,819	239,798	167,033	404,629	1,090,279
Loss allowance	46,492	44,517	39,658	84,776	215,443

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Gross carrying amount	0.96%	0.41%	0.81%	1.70%	
Expected credit loss	29,394	29,682	8,400	11,360	78,836
Expected credit loss	283	121	68	193	665
30 June 2020					
Trade and other receivables					
Gross carrying amount	0.07%	0.08%	0.50%	2.11%	
Expected credit loss	242,922	2,387	200,255	23,423	468,987
Expected credit loss	179	2	1,003	495	1,679

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both 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 15(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	1,705,643	0	0	1,705,643	1,705,643
Borrowings	335,282	1,222,080	471,716	2,029,078	1,624,815
Contract liabilities	556,588	0	0	556,588	556,588
	2,597,513	1,222,080	471,716	4,291,309	3,887,046
2020					
Payables	1,759,940	0	0	1,759,940	1,759,940
Borrowings	338,979	1,382,019	648,691	2,369,689	1,869,341
Contract liabilities	333,758	0	0	333,758	333,758
	2,432,677	1,382,019	648,691	4,463,387	3,963,039



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There are no events occurring after the end of the financial year which have significantly affected or may significantly affect the operations of the Shire.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

30. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Cash in Lieu - Public Open Space	58,422	0	0	58,422
	58,422	0	0	58,422



Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

31. 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.

Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

32 ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to council for the provision of governance of the district. Other costs relate the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision of local laws, fire prevention including the provision of volunteer fire brigades, animal control and the support of local emergency and public safety organisations.
HEALTH To provide an operational framework for the environment and community health.	Food quality control, immunisation, environmental health and support to the medical practice and practitioners.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Building maintenance of Pioneer Memorial Lodge (leased Aged Care facility) and Centennial Units which are a joint venture with Homeswest providing self contained units to over 55's. Support to youth based initiatives.
HOUSING To provide and maintain staff housing.	Provision of staff housing.
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, management of waste facilities, noise control, administration of the Town Planning Scheme, maintenance of cemeteries and storm water drainage maintenance.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the well-being of the community.	Maintenance of halls, aquatic centre, recreation centre and various reserves. Operation of the library and support to and maintenance of the Residency Museum.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and depot maintenance.
ECONOMIC SERVICES To help promote the shire and its economic well-being.	Area promotion, support to tourism, building control, the community bus, and standpipes.
OTHER PROPERTY AND SERVICES To monitor and control operating accounts.	Public works overhead allocations, plant operation cost allocations and Stock.



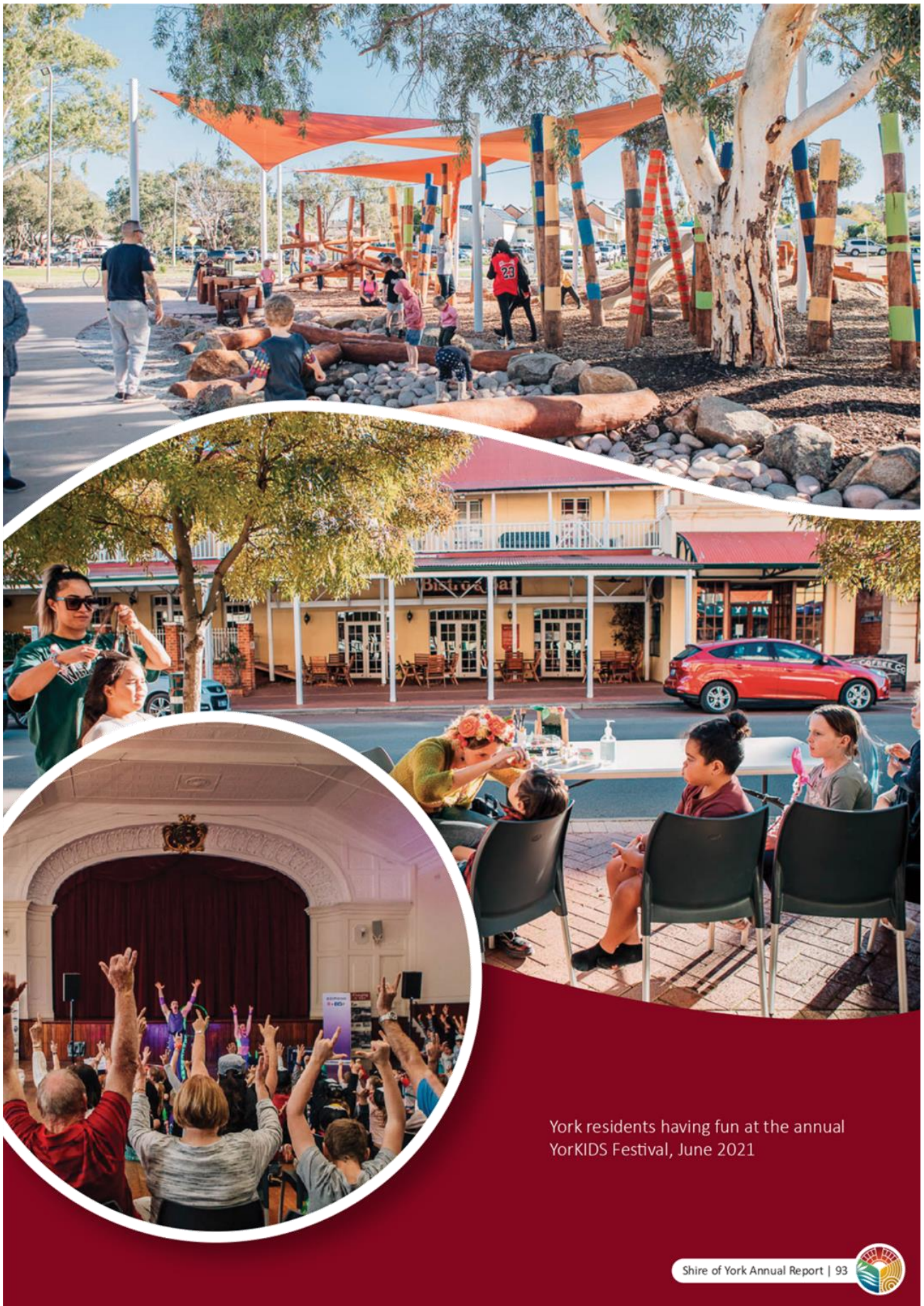
Notes To and Forming Part of The Financial Report for the year ended 30 June 2021

33 FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.52	1.46	2.14
Asset consumption ratio	0.69	0.70	0.70
Asset renewal funding ratio	n/a	1.08	1.03
Asset sustainability ratio	0.65	0.87	0.71
Debt service cover ratio	5.73	6.69	6.91
Operating surplus ratio	(0.12)	(0.11)	(0.09)
Own source revenue coverage ratio	0.74	0.74	0.75

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

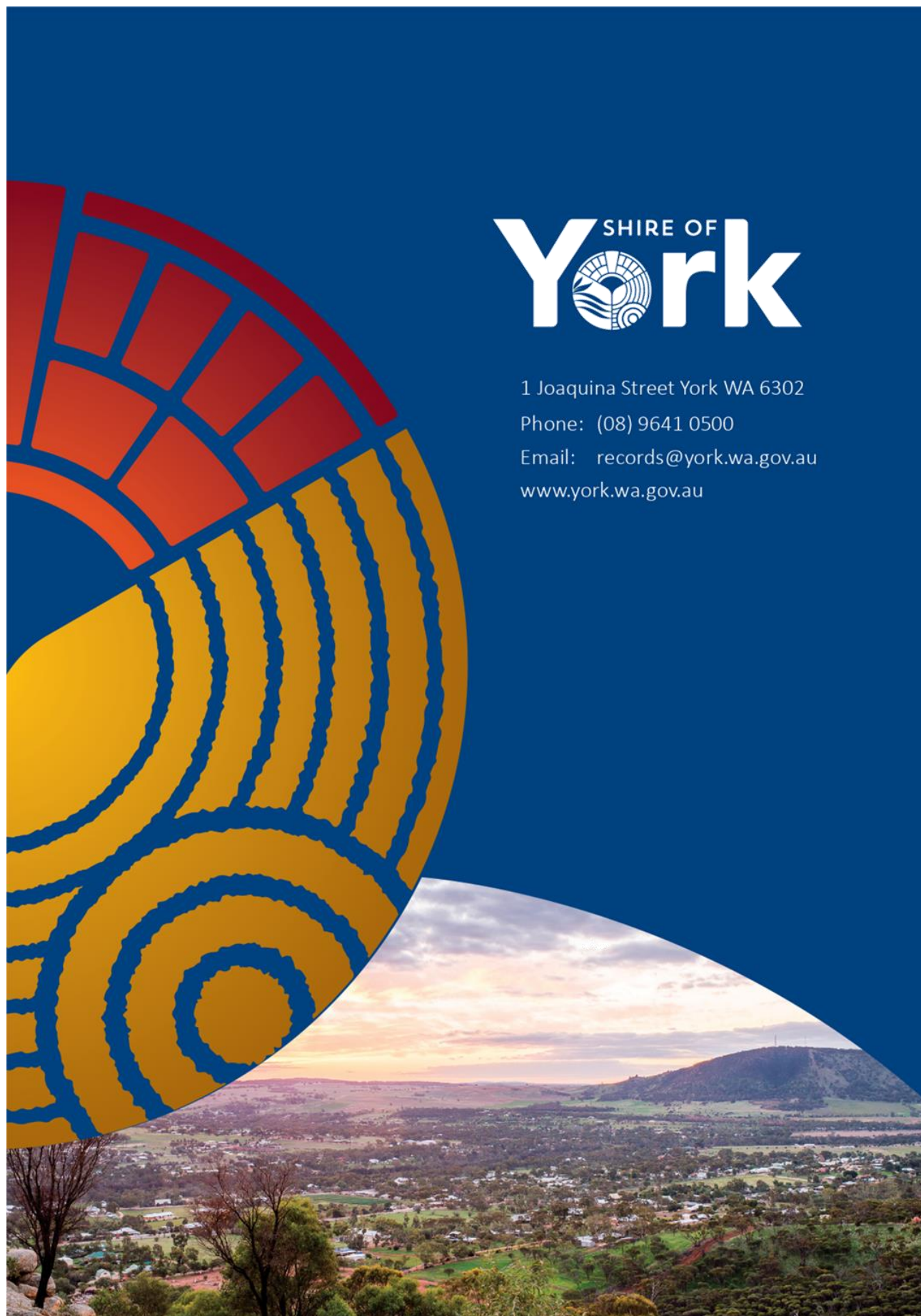


York residents having fun at the annual YorkKIDS Festival, June 2021









6.2 CONSIDERATION OF FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

File Number:	FI.FRP.4
Author:	Vanessa Green, Council & Executive Support Officer
Authoriser:	Alina Behan, Executive Manager Corporate & Community Services
Previously before Council:	Not Applicable
Appendices:	1. Final Audit Management Letter and Findings ↓ 2. Significant Audit Findings Report ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Legislative

PURPOSE OF REPORT

This report presents the results and findings of the Audits for the year ending 30 June 2021 to the Audit and Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption.

BACKGROUND

The Office of the Auditor General (OAG) conducted its Audits for the Shire of York from Monday 31 May 2021 to Friday 11 June 2021 and from Monday 11 October 2021 to Friday 29 October 2021 inclusive. Both Audits were conducted on-site.

The Report on the results of the Audits has been received and is presented in Appendix 1 for the Audit and Risk Committee's Information.

COMMENTS AND DETAILS

The Report identifies four Findings which are considered Significant, being:

1. Contract Management and Hand-over Documentation
2. Bank Reconciliations
3. Reconciliation of Payroll to the General Ledger
4. Asset Management Plan (AMP) and Long-Term Financial Plan (LTFP)

A Significant Finding is defined as:

"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."

The Report details the Finding against each deficiency, indicates the Implications the deficiency may have on the organisation, and makes Recommendations on how the organisation can best rectify the deficiency. Management were made aware of the identified deficiencies and provided the opportunity to comment and provide context to the deficiency. A copy of the report prepared stating what action the Shire of York has taken or intends to take with respect to the Significant Findings is presented in Appendix 2 Significant Audit Findings Report. The Report will be signed and dated once considered and approved by Council.

The Management Letter also details other Findings which are considered Moderate and Minor and the actions taken/intended to be taken to address those.

While the Significant matters are fully detailed in both Appendix 1 and 2, they have been summarised in the table below:

Finding	Recommendation	Management Comment
<p>Although the Shire does maintain some documentation it is not sufficient to demonstrate and evidence the on-going management of contract progress and supplier performance from contract award through to completion for its infrastructure projects.</p> <p>We also noted no formal documentation to indicate any checks being performed to verify the completion of agreed scope of works and quality of the capital projects either delivered by external contractors or performed in house could be evidenced prior to assets being handed over to the Shire.</p>	<p>A contract management plan should be prepared for each capital project which includes, but not limited to, the following details:</p> <ol style="list-style-type: none"> 1. Scope and key deliverables 2. Key milestones 3. Variation process 4. Conflict resolution 5. Issue log 6. Contract closure and transition process of assets to the Shire 	<p>The establishment of a Contract Management process including the items identified above has been set as a priority task for the Executive Leadership Team, with the new Executive Manager Infrastructure and Development Services (EMIDS) being the responsible officer. Performance monitoring items will be applied to both internal and external delivery of infrastructure projects and other relevant contracts. This will be supported by the Shire's Fraud and Corruption Framework currently being developed with the support of Local Government Insurance Services (LGIS) which will also cover contractor management.</p> <p>While the Shire does have some contract management documents as standard it is acknowledged that there are gaps in the end to end process that need to be filled.</p>
<p>Bank reconciliations are an essential control in managing the accuracy and completeness of the Shire's accounting records and financial statements. Bank reconciliations are also a key aspect of internal controls over cash resources.</p> <p>During our review of year end bank reconciliations for the month of June 2021, the following exceptions were noted:</p> <ol style="list-style-type: none"> 1. In the first version of the bank reconciliations, the municipal fund balance did not agree to the general ledger. Management subsequently 	<p>The Shire should ensure the monthly bank reconciliation is appropriately prepared and independently reviewed. The reviewer should also ensure reconciling items are fully supported with documentation.</p>	<p>Processes have been amended so that staff monitor the cash books daily along with the bank statement.</p> <p>A manual spreadsheet for bank reconciliation is updated by the Finance Officer and any unknown transactions are reported straight to the Finance Manager to identify actions. For example: with unidentifiable bank transfers, the bank is contacted within the same week and any returned payments are processed in the same month to allow reconciliations.</p> <p>This process allows quicker identification and resolution of any errors.</p>

<p>corrected the error upon audit request.</p> <p>2. In the final version of the bank reconciliations, we noted differences of \$435 between the bank statements and term deposit balances per reconciliation. This was due to management erroneously including interest for future periods within the bank balance at year end.</p> <p>3. The final version of bank reconciliations bore no signature of preparer or reviewer as evidence of review and approval.</p> <p>4. Some bank account names were incorrectly stated in the bank reconciliations</p> <p>5. The supporting documentation for the bank reconciliations was not readily available and only provided upon request.</p>		
<p>Payroll reconciliations have not been performed during the period of audit to reconcile the payroll report to the general ledger.</p>	<p>The payroll reconciliations should be performed at each pay run and at year-end and be subject to supervisory review to ensure payroll amounts have been accurately reflected in the general ledger.</p>	<p>The fortnightly payroll details and year to date summary are provided by IT Vision once they have completed the payroll calculations each fortnight. This is then compared to the General Ledger (GL) reconciliation report to balance with Synergy balances.</p> <p>The Payroll and IT Officer will develop an excel spreadsheet before February 2022 to balance the GL with payroll reports on a monthly basis until payroll services are transferred in-house. When the payroll system migrates to Altus a new process will be developed to ensure</p>

		reconciliation of each pay run to the GL.
The Shire's current AMP was prepared in 2019. As a result, the LTFP is also not sufficiently updated.	The Shire should update the AMP and LTFP as soon as possible so that the asset renewal funding ratio can be calculated based on verifiable information and reasonable assumptions and included in the financial report.	<p>The Shire has set aside funding in the 2021/22 financial year for the updating of the Transport AMP and the Property AMP, and the development of an Open Spaces AMP. Once concluded this will inform the update of the LTFP.</p> <p>The AMPs are the responsibility of the EMIDS. The updating of the LTFP is the responsibility of the Executive Manager Corporate and Community Services.</p>

Staff may provide additional comment on the Findings at the Meeting.

OPTIONS

The Audit and Risk Committee have the following options:

- Option 1:** The Audit and Risk Committee could choose to recommend to Council that it receives the Auditor's Audit Management Report and requests the Chief Executive Officer to submit a copy of the Significant Findings Report to the Minister for Local Government and publish a copy of the Shire's website.
- Option 2:** The Audit and Risk Committee could choose to recommend to Council that it receives the Auditor's Audit Management Report, identify additional actions for Officers to undertake to address the Significant Findings for inclusion in the Significant Findings Report, requests the Chief Executive Officer to submit a copy of the Significant Findings Report to the Minister for Local Government and publish a copy of the Shire's website.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Office of the Auditor General

Executive Leadership Team

Strategic

Strategic Community Plan 2020-2030

Goal 5: Strong Leadership and Governance

To have effective and responsive leadership and governance, where a sense of collective purpose and shared direction combine to work together.

Policy Related

G17 Integrated Planning and Reporting - Planning

G19 Risk Assessment and Management

Financial

Costs for conducting the audit are included in the adopted Budget or can be managed during the quarterly Finance and Costings Review.

Legal and Statutory

Section 7.12A of the *Local Government Act 1995* is applicable and states:

“7.12A. Duties of local government with respect to audits

- (1) *A local government is to do everything in its power to —*
 - (a) *assist the auditor of the local government to conduct an audit and carry out the auditor’s other duties under this Act in respect of the local government; and*
 - (b) *ensure that audits are conducted successfully and expeditiously.*
- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government must —*
 - (aa) *examine an audit report received by the local government; and*
 - (a) *determine if any matters raised by the audit report, require action to be taken by the local government; and*
 - (b) *ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government must —*
 - (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
 - (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.”*

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government and the role of the Audit and Risk Committee in considering the results of those audits.

Risk Related

The requirement to notify the Minister for Local Government of significant audit findings is a legislative obligation. Section 7.12A (4) of the *Local Government Act 1995* requires that a report is prepared by the local government addressing the findings. This report must be submitted to the Minister within three months of receipt of the audit report. Failure to do so exposes the Shire officers and Councillors to both legislative and reputational risk. This report and its attachments mitigate this risk. Failure to undertake the actions documented in the report could result in significant financial risk for the Shire.

Workforce

The work required to resolve the significant audit actions has been hampered due to significant staff shortages during the 2021/22 financial year. Once positions are filled and the Shire returns to full operational capacity progress against the Findings will accelerate. Should positions not be filled further outsourcing may be required which may have both timing and budgetary implications.

VOTING REQUIREMENTS

Absolute Majority: No

COMMITTEE RECOMMENDATION**Moved: Mr Peter Carden****Seconded: Cr Kevin Trent**

That, with regard to the Consideration of Findings Identified During the Interim and Final Audit, the Audit and Risk Committee:

- 1. Receives the Auditor's Audit Management Report, as presented in Appendix 1, from the Office of the Auditor General for the 2020/21 financial year.**
- 2. Notes the Management Comment and Actions taken to address the Findings contained in the Auditor's Audit Management Report.**
- 3. Recommends to Council that it:**
 - a. Receives the Auditor's Audit Management Report, as presented in Appendix 1, from the Office of the Auditor General for the 2020/21 financial year.**
 - b. Notes the Management Comment and Actions taken to address the Findings contained in the Auditor's Audit Management Report.**
 - c. Requests the Chief Executive Officer to submit a copy of the report stating what action the Shire of York has taken or intends to take with respect to the Significant Findings, as presented in Appendix 2, to the Minister for Local Government prior to 15 March 2022.**
 - d. Requests the Chief Executive Officer to publish a copy of the report stating what action the Shire of York has taken or intends to take with respect to the Significant Findings, as presented in Appendix 2, on the Shire's website within fourteen (14) days of the report being provided to the Minister for Local Government.**

CARRIED: 3/0

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
Findings identified in the current audit			
1. Contract Management and Hand-over Documentation	✓		
2. Bank Reconciliations	✓		
3. Reconciliation of Payroll to The General Ledger	✓		
4. Asset Management Plan and Long-Term Financial Plan	✓		
5. Documentation on Tender Evaluation			✓
6. Approval of Invoice		✓	
7. Accuracy of Leave Hour Balances		✓	
8. Related Party Transactions		✓	
Matters outstanding from prior year			
9. Evidence of Review of Fixed Asset Reconciliations		✓	
10. And Banking of Cash			✓
11. Agreement with Third Party Service Provider		✓	
12. Plant Recovery Cost Base Rate and Indirect/Overhead Cost Allocation Rate			✓

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.

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

1. Contract Management and Hand-Over Documentation

Finding

Although the Shire does maintain some documentation it is not sufficient to demonstrate and evidence the on-going management of contract progress and supplier performance from contract award through to completion for its infrastructure projects.

We also noted no formal documentation to indicate any checks being performed to verify the completion of agreed scope of works and quality of the capital projects either delivered by external contractors or performed in house could be evidenced prior to assets being handed over to the Shire.

Rating: Significant**Implication**

There is an increased risk that the Shire may commit expenditure for works that have not been performed or delivered as agreed via the contract. Without monitoring performance of work through to completion, there is a further risk of over-spending or failure to meet contract objectives which may result in sub-standard capital works not being detected promptly.

Recommendation

A contract management plan should be prepared for each capital project which includes, but not limited to, the following details:

- scope and key deliverables
- key milestones
- variation process
- conflict resolution
- issue log
- contract closure and transition process of assets to the Shire.

Management Comment

The establishment of a Contract Management process including the items identified above has been set as a priority task for the Executive Leadership Team, with the new Executive Manager Infrastructure and Development Services (EMIDS) being the responsible officer. Performance monitoring items will be applied to both internal and external delivery of infrastructure projects and other relevant contracts. This will be supported by the Shire's Fraud and Corruption Framework currently being developed with the support of Local Government Insurance Services (LGIS) which will also cover contractor management.

While the Shire does have some contract, management documents as standard it is acknowledged that there are gaps in the end to end process that need to be filled.

Responsible Person: Executive Manager Infrastructure and Development Services
Completion Date: February 2022

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

2. Bank Reconciliations

Finding

Bank reconciliations are an essential control in managing the accuracy and completeness of the Shire's accounting records and financial statements. Bank reconciliations are also a key aspect of internal controls over cash resources.

During our review of year end bank reconciliations for the month of June 2021, the following exceptions were noted:

- In the first version of the bank reconciliations, the municipal fund balance did not agree to the general ledger. Management subsequently corrected the error upon audit request.
- In the final version of the bank reconciliations, we noted differences of \$435 between the bank statements and term deposit balances per reconciliation. This was due to management erroneously including interest for future periods within the bank balance at year end.
- The final version of bank reconciliations bore no signature of preparer or reviewer as evidence of review and approval.
- Some bank account names were incorrectly stated in the bank reconciliations
- The supporting documentation for the bank reconciliations was not readily available and only provided upon request.

Rating: Significant**Implication**

The absence of an effective bank reconciliation process increases the risk of errors, omissions or fraud remaining undetected. In turn, this could lead to misstatements in financial reporting and the Shire not reporting its true cash position.

Recommendation

The Shire should ensure the monthly bank reconciliation is appropriately prepared and independently reviewed. The reviewer should also ensure reconciling items are fully supported with documentation.

Management Comment

Processes have been amended so that staff monitor the cash books daily along with the bank statement. A manual spreadsheet for bank reconciliation is updated by the finance officer and any unknown transaction are reported straight to the Finance Manager to identify actions. For example: with unidentifiable bank transfers, the bank is contacted within the same week and any returned payments are processed in the same month to allow reconciliations. This process allows quicker identification and resolution of any errors.

Responsible Person: Executive Manager, Corporate and Community Services
Completion Date: December 2021

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

3. Reconciliation of Payroll to the General Ledger

Finding

Payroll reconciliations have not been performed during the period of audit to reconcile the payroll report to the general ledger.

Rating: Significant**Implication**

Without payroll reconciliations being undertaken, errors may go undetected. This could have various consequences, including misreporting to Council and in the annual financial report.

Recommendation

The payroll reconciliations should be performed at each pay run and at year-end and subject to supervisory review to ensure payroll amounts have been accurately reflected in the general ledger.

Management Comment

The fortnightly payroll details and year to date summary are provided by IT Vision once they have completed the payroll calculations each fortnight. This is then compared to the General Ledger (GL) reconciliation report to balance with Synergy balances. The Payroll and IT officer will develop an excel spreadsheet before February 2022 to balance the GL with payroll reports on monthly basis until payroll services are transferred in-house. When the payroll system migrates to Altus a new process will be developed to ensure reconciliation of each pay run to the general ledger.

Responsible Person:

Executive Manager, Corporate and Community Services

Completion Date:

June 2022

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

4. Asset Management Plan and Long-Term Financial Plan

Finding

The Shire's current Asset Management Plan was prepared in 2019. As a result, the Long-Term Financial Plan is also not sufficiently updated.

Rating: Significant**Implication**

This may impact the strategic planning process and is likely to result in misstatement of the asset renewal funding ratio in the financial report.

Recommendation

The Shire should update the Asset Management Plan and long-term financial plan as soon as possible so that the asset renewal funding ratio can be calculated based on verifiable information and reasonable assumptions and included in the financial report.

Management Comment

The Shire has set aside funding in the 2021/22 financial year for the updating of the Transport Asset Management Plan and the Property Asset Management Plan, and the development of an Open Spaces Asset Management Plan. Once concluded this will inform the update of the Long-Term Financial Plan. The Asset Management Plans are the responsibility of the Executive Manager Infrastructure and Development Services. The updating of the Long-Term Financial Plan is the responsibility of the Executive Manager Corporate and Community Services.

Responsible Person:**Asset Management Plans:**

Executive Manager Infrastructure and Development Services, Long Term Financial Plan Executive Manager Corporate and Community Services

Completion Date:**Asset Management Plans:**

February 2022

Long Term Financial Plan:

May 2022

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

5. Documentation on Tender Evaluation

Finding

During our testing of the Shire's tendering process, we noted the combined evaluation scoring for 1 tender was not based on equal weighting for each of the 3 panel members due to a formula error. This error resulted in one panel member's score being counted twice, while that of the other member was not factored in.

We have re-calculated the combined evaluation scores using correct formula and note that the outcome would not have changed.

Rating: Minor**Implication**

Incorrect calculation of evaluation scores would result in a biased evaluation in the tendering process.

Recommendation

The Shire should update the formulas in the combined evaluation template and ensure proper review is performed before finalisation of all tender evaluations.

Management Comment

A procedure will be developed for the completion of tender evaluations to ensure consistency of reviews. If possible, a template will be developed that removes the user's ability to alter the formula that calculates the final scores.

Responsible Person:

Executive Manager Infrastructure and Development Services

Completion Date:

January 2022

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

6. Approval of Invoice

Finding

The Shire's Finance Policy F1.2 Procurement requires supplier's invoice above \$2,000 to be approved by the Executive Managers.

We noted 6 instances where invoices with amounts above \$2,000 were approved by officers without the appropriate delegation of authority. However, proper segregation between ordering, receipting and certification for payments were in place in all instances.

Rating: Moderate**Implication**

Non-compliance with the Shire's own procurement policy and increased risk of unauthorised payments.

Recommendation

The Shire should review its procurement process and policies to determine if the procurement policies are still fit for purpose and ensure the actual practice is in line with its procurement policy and delegation of authority limits

Management Comment

The introduction of the Altus Procurement computerised purchasing system in July 2021 ensures delegations are adhered to and approval to proceed to purchasing are conducted by the Executive Managers or Chief Executive Officer (CEO) in line with the Purchasing Policy.

Finance officers are being more vigilant with the approval of invoices insisting on countersigning by Executive Managers or the CEO if the responsible officer has signed for both receipt of goods and the approval for payment.

Responsible Person: Executive Manager Corporate and Community Services

Completion Date: Completed

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

7. Accuracy of Leave Hour Balances

Finding

We noted the following discrepancies during our review of the Shire's leave provision.

- We noted 7 instances where the leave taken balances recorded in the Leave Taken Report generated from Synergy did not agree back to the underlying timesheets.

We understand the external service provider, IT Vision, input the leave taken hours in Synergy based on timesheets provided by the Shire on a fortnightly basis. IT Vision then generates the Prior to Payroll Report which records leave taken, and normal hours worked per fortnight. This report is checked by IT & Payroll Coordinator and reviewed by Finance Manager.

The above discrepancy noted by us indicates there is a deficiency in the level of detail in which the review took place, which failed to ensure the accuracy of leave data input into Synergy.

- We also noted the closing leave hour balances used in the Shire's manual provision model for long service leave and personal leave provision do not agree to our expected balances based on prior year's closing balance plus this year's entitlement and leave taken. In addition, the closing long service leave hour balances per provision model do not agree to Synergy record.

We have quantified the discrepancies and concluded the financial impact is immaterial

**Rating: Moderate
Implication**

Risk of inaccurate leave entitlements recorded and then reported within the Shire's financial statements. Further there is the potential for employee disputes over payout on termination.

Recommendation

We recommend that management conduct a thorough review to identify the cause and correct the leave record errors identified. Leave audits should be performed prior to transitioning to the Altus payroll system to ensure the Shire is confident in the accuracy of its leave records and provision. Further reporting in Altus should be investigated to ensure any future discrepancies are promptly identified.

Management Comment

IT Vision was commissioned to conduct an audit of leave balances prior to the transfer of payroll to the new Altus system. A number of discrepancies were identified, and Altus engaged to make these changes. In addition to this we are also undertaking a manual review in-house to ensure the migration is error free. We have been advised by our migration contractor IT Vision that the roll out of the new system has been delayed until 2022 due to staff shortages

Responsible Person: Executive Manager – Corporate and Community Services
Completion Date: June 2022

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

8. Related Party Transactions

Finding

We noted the related party transaction disclosure in the financial statements is not complete. The Shire did not include certain transactions with entities over which a close family member of the key management personnel or council member has significant influence according to AASB 124 Related Party Disclosures.

Based on our assessment the undisclosed amount is immaterial.

Rating: Moderate**Implication**

There is a risk that disclosure of related party transactions is omitted.

Recommendation

It is recommended that management implement an internal process to identify related parties and track related party transactions and ensure that all material related party transactions are disclosed in compliance with AASB 124 Related Party Disclosures.

Management Comment

A process already exists to identify and record related party transactions. The transaction identified by the OAG relates to a Council member and their personal disclosure. While guidance is given to Council, the disclosure remains the responsibility of the individual Council member and they accept personal responsibility for non-disclosure.

Responsible Person: Chief Executive Officer

Completion Date: June 2022

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

Matters outstanding from prior year

9. Evidence of Review of Fixed Asset Reconciliations

Finding 2020/21

Our review of fixed assets reconciliations noted the following:

- The November 2020 reconciliations for land, plant and equipment, furniture and equipment and buildings were only completed and reviewed in March/April 2021.
- There is no evidence that the infrastructure reconciliation for November 2020 has been completed and reviewed.

Finding 2019/20

Review of fixed assets reconciliations found: -

- The October 2019 reconciliations for land, plant & equipment, furniture & equipment and buildings was only completed and reviewed in February 2020.
- There is no evidence that the infrastructure reconciliation for October 2019 has been completed and reviewed.

Finding 2018/19

Audit noted no evidence that the fixed assets reconciliation has been reviewed since the 1 July 2018.

Rating: Moderate

Implication

Reconciliation is a key control for ensuring that data is completely and accurately reflected in the general ledger from which financial statements are derived. Without the timely completion and review of these reconciliations, errors or omissions may remain undetected, leading to misstatements in the financial statements.

Recommendation

The Shire should perform the fixed asset reconciliation regularly as part of key reconciliations performed by the Shire. This reconciliation should be reviewed by a senior officer independent of preparation and evidenced accordingly.

Management Comment

2020/21

An increase of allocated hours within the Finance team has enabled monthly reconciliations of fixed assets to be conducted on a monthly basis. These have already been completed for July and August this financial year.

2019/20

Duly noted. While processes around asset reconciliations have improved on the previous year, officers acknowledge the absence of timely asset reconciliations and reviews for the months of October to December.

While reviewing capital expenditure monthly is considered an important task, it is management's opinion that reconciling the asset register monthly would not be an efficient use of resources and is not deemed necessary. However, officers acknowledge the somewhat ad-hoc nature around balancing the asset register and agree that implementing regular reviews no less than quarterly would mitigate risk in this area.

Responsible Person: Executive Manager – Corporate and Community Services

Completion Date: July 2021

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

10. Receipting and Banking of Cash

Finding 2020/21

We understand the Shire's practice for banking of cash receipts is to bank at least every 7 days or a maximum cash balance of \$7,500. However, this has not been officially documented in a formal policy.

During our testing, we noted 1 sample of cash receipted in York Recreation and Convention Centre (YRCC) was only banked after 8 days of trading.

Finding 2019/20

Testing of the receipting and banking of cash found the daily banking summary was signed by only one officer up until August 2019. Audit acknowledges that the Shire has implemented dual signatories evidencing independent review of cash collected and banked as part of addressing the prior year finding since that time.

Audit found cash has in instances not been banked on a timely manner, with the longest interval representing 24 days of trading.

Finding 2018/19

We noted the following receipting procedures for the below locations under the Shire's control:

- The daily banking summary is completed by two employees, within the Shire office at the end of the day. However, there is only one signature on the banking summary sheets. There is no evidence of independent review by a second employee prior to moneys being banked.
- Cash has not been banked daily. We noted instances where cash collected up to 14 days of trading was banked together.

Rating: Minor**Implication**

By not having an independent review of daily banking summary sheets before monies are banked and cash not being banked in a timely manner, there is an increased risk of theft, fraud and or error occurring and going undetected.

Recommendation

- The Shire should ensure cash receipted is banked in a timely manner.

Management Comment

2020/21

A Corporate Services Procedure entitled 'Daily takings and cash handling at YRCC' was developed in 2018. This procedure requires cash takings to be banked at least weekly, or as soon as possible after large community or sporting events. Other outstations are required to bring their cash/cheque takings into the Shire Administration for daily receipting.

The practice of banking cash receipts to the Bendigo Bank (York Branch) at least every seven (7) days was adhered to in all but one instance in the YRCC which fell in the Christmas/New Year period. Takings from Friday 18 December were not banked until 8 January 2021. This was impacted by the Christmas closure of the facility and staff leave during that time 24 December 2020 – 6 January 2021.

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

At its Ordinary Meeting of Council 27 April 2021, Council resolved Resolution 080421 to progress towards the outsourcing of management of the YRCC which will negate this issue into the future. It is anticipated that further direction around this will be received in September 2021. Should the management of the YRCC be retained the procedure will be updated to give clarity around closure periods.

2019/20

The daily balancing and cash counting is performed by two employees at the end of the day. The forms were updated last year to include the requirement for two signatures prior to banking to support this. The interim letter relating to the 2018/19 FY indicates the forms were updated 3 August 2019. The samples considered during testing refer to dates in July 2019 i.e. prior to the forms being updated. It appears, the process was implemented and continues to be applied daily.

The longest interval between banking identified as a 24-day trading period was a one-off instance. It is acknowledged that processes around banking carries significant risk. The Shire will ensure amounts are banked taking into consideration both the amount and timeliness of banking to address the associated risk. Frequency of banking will vary where it is not practicable to bank daily provided that the period does not exceed 7 working days and the amount to be banked does not exceed \$7,500.

2018/19

Noted – The daily balancing is performed by two employees at the end of the day. The forms have been updated to include the requirement for two signatures prior to banking to support this.

Further, new processes were developed and implemented in January 2019 in an effort to streamline and simplify the banking and minimise double handling. Officers have since reviewed and updated the procedure further to incorporate timely banking of takings.

Responsible Person:

Executive Manager – Corporate and Community Services

Completion Date:

October 2021

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

11. Agreement with Third Party Service Provider

Finding 2020/21

We noted there is still no formal agreement between the Shire and the third-party service provider for the provision of payroll services.

Finding 2019/20

We noted there is still no formal agreement between the Shire and the third-party service provider for the provision of payroll services.

We did sight a letter from the service provider acknowledging the continuation of service under the current standing purchase order and conditions outlining that either party can elect to cancel the arrangement with 60 days' notice. We note that services were procured through this party as a sole source provider. Documentation on the purchase order does not detail endeavours made by the Shire to find other supplier sources in accordance with the Shire's purchasing policy.

Finding 2018/19

We noted that the Shire and the third-party service provider did not sign a formal agreement for the provision of payroll services quoted by the provider in 2014.

Current services are being provided based on the original quote provided by the service provider. The initial purchase order expired in October 2018; the current arrangements are continuing via monthly invoicing using a standing purchase order.

**Rating: Moderate
Implication**

Without a service contract there is a risk that the minimum service requirements required by the Shire will not be provided. Further in the absence of a valid contract, disagreements between the Shire and the supplier could occur about the performance of each party's obligations. This may result in the Shire's payroll processes being insufficient to meet its financial and regulatory requirement adequately. Alternatively, the Shire may end up paying for services it does not require.

Further, without adequate documentation the Shire may not be able to support its application of procuring through a sole source supplier resulting in non-compliance of the Shire's purchasing policy. There is an additional risk that the Shire may not be receiving value for money for goods and services received.

Recommendation

The Shire review its requirement for payroll services and finalise a service contract that is fit for purpose and reflects actual practice between the Shire and the provider.

All purchases should follow the requirements of the Shire's purchasing policy, unless exempt under the policy. Adequate documentation should be maintained, this will help to ensure goods and services have been appropriately sourced and that the Shire receives maximum value for its money.

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

Management Comment

2020/21

Through a competitive procurement process the Shire has purchased the Altus Payroll module and is working towards transitioning to internal management of payroll services. Two trial payment runs will be conducted in November 2021 with the first internal pay being completed mid-December 2021.

A quote was obtained from our current payroll provider to provide an interim service up until the changeover. Other contractors would have been able to fulfil this contract, but it would have required new permissions to be established to the Shire's network and file sharing system, as well as potential teething problems associated with establishing a new service. It was considered more effective to continue with the current provider for the short period during the testing period, parallel pay runs and changeover to internal management.

2019/20

Officer's investigated the option of entering into a longer-term contract with the Supplier, ITVision. ITVision are the sole supplier of the Shire's current software program SynergySoft and are therefore considered best fit to supply payroll services at this time. For this reason, quotes were not sought from alternative suppliers. It was further considered that to allow access to another supplier to the Shire's software and server exposed the Shire to additional IT risk.

ITVision are paid in arrears for services provided. As a back-up, the Shire of York are in a position to run payroll if required. ITVision are reluctant to enter into a long-term contract for payroll services due to the pending implementation of Altus – a new software platform for local governments developed by ITVision. Late 2019, officers discussed transitioning from the managed payroll arrangement to Altus Payroll which would be managed in-house. The cost to implement this was around \$54,000 and annually thereafter, \$9,000. This was to be considered with next year's budget, however, developing the 2020/21 budget in a COVID-19 environment resulted in limited new spends being included.

Officers are proposing to continue with the current month to month arrangement until the transition to Altus can be funded and effected in the future.

2018/19

The Shire is currently reviewing the conditions of the expired payroll services contract and seeking quotes from suitable suppliers. It is expected that a new agreement will be entered into by 20 December 2019.

Responsible Person:

Executive Manager – Corporate and Community Services

Completion Date:

December 2021

ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE INTERIM AND FINAL AUDIT

12. Plant Recovery Cost Base Rate and Indirect/Overhead Cost Allocation Rate

Finding 2020/21

From our testing we noted the following rates used by the Shire to capitalise costs to infrastructure projects have not been reviewed in recent years. We understand the last review was performed in 2006.

- plant recovery cost base rates used for capitalising plant costs to projects.
- the rate used for indirect and overhead cost allocation to projects by the Shire which has been determined as 140%.

From our testing we concluded the impact on the project costing to be immaterial.

Finding 2019/20

From our testing we noted:

- for 3 samples, the base rate used for the plant recovery cost in the Greenhills South Road project was higher than the current base rate in the plant usage report
- the rate used for indirect and overhead cost allocation to projects by the Shire has been determined as 140%. This percentage was calculated from allocating 16% administrative cost to public works and remaining cost of public works overhead. These allocation percentages have not been reviewed in recent years.

From our testing we concluded the impact on the project costing to be immaterial.

Rating: Minor**Implication**

The use of outdated base rate for plant recovery costs and the application of indirect/overhead cost recovery rate increases the risk of the project/fixed assets costs being misstated.

Recommendation

Management to review the base rate for plant recovery costs and the indirect/overhead cost recovery rate to determine their currency.

Management Comment

2020/21

A review of plant recovery costs is currently underway and anticipated to be complete by October 2021.

2019/20

Noted – Management recognises the significant time that has passed since the last review and commits to undertaking a review of the Shire's overhead rates. It is anticipated a review of the Shire's plant rates and overheads will be undertaken prior to development of the 2021/22 annual budget. The review is expected to be undertaken concurrently with the review of the Plant Replacement Program which has been included on the Shire's Risk Register for action.

Responsible Person:

Executive Manager – Corporate and Community Services

Completion Date:

January 2022

SIGNIFICANT AUDIT FINDINGS REPORT



This report is produced in accordance with Section 5.17A(4)(a) of the *Local Government Act 1995* and details the actions the Shire of York has taken and intends to take with respect to the Significant Findings identified in the Audit Report for the 2020/21 financial year.

The table below summarises the Findings, the Auditor's Recommendations, the Shire of York's comment at the time of the Audit.

Finding	Auditor's Comment	Recommendation	Management Comment
1	<p>Although the Shire does maintain some documentation it is not sufficient to demonstrate and evidence the on-going management of contract progress and supplier performance from contract award through to completion for its infrastructure projects.</p> <p>We also noted no formal documentation to indicate any checks being performed to verify the completion of agreed scope of works and quality of the capital projects either delivered by external contractors or performed in house could be evidenced prior to assets being handed over to the Shire.</p>	<p>A contract management plan should be prepared for each capital project which includes, but not limited to, the following details:</p> <ol style="list-style-type: none"> 1. Scope and key deliverables 2. Key milestones 3. Variation process 4. Conflict resolution 5. Issue log 6. Contract closure and transition process of assets to the Shire 	<p>The establishment of a Contract Management process including the items identified above has been set as a priority task for the Executive Leadership Team, with the new Executive Manager Infrastructure and Development Services (EMIDS) being the responsible officer. Performance monitoring items will be applied to both internal and external delivery of infrastructure projects and other relevant contracts. This will be supported by the Shire's Fraud and Corruption Framework currently being developed with the support of Local Government Insurance Services (LGIS) which will also cover contractor management.</p> <p>While the Shire does have some contract management documents as standard it is acknowledged that there are gaps in the end to end process that need to be filled.</p>
2	Bank reconciliations are an essential control in managing the accuracy and completeness of the Shire's accounting records and financial	The Shire should ensure the monthly bank reconciliation is appropriately prepared and independently	Processes have been amended so that staff monitor the cash books

SIGNIFICANT AUDIT FINDINGS REPORT



	<p>statements. Bank reconciliations are also a key aspect of internal controls over cash resources.</p> <p>During our review of year end bank reconciliations for the month of June 2021, the following exceptions were noted:</p> <ol style="list-style-type: none"> 1. In the first version of the bank reconciliations, the municipal fund balance did not agree to the general ledger. Management subsequently corrected the error upon audit request. 2. In the final version of the bank reconciliations, we noted differences of \$435 between the bank statements and term deposit balances per reconciliation. This was due to management erroneously including interest for future periods within the bank balance at year end. 3. The final version of bank reconciliations bore no signature of preparer or reviewer as evidence of review and approval. 4. Some bank account names were incorrectly stated in the bank reconciliations 5. The supporting documentation for the bank reconciliations was not readily available and only provided upon request. 	<p>reviewed. The reviewer should also ensure reconciling items are fully supported with documentation.</p>	<p>daily along with the bank statement.</p> <p>A manual spreadsheet for bank reconciliation is updated by the Finance Officer and any unknown transactions are reported straight to the Finance Manager to identify actions. For example: with unidentifiable bank transfers, the bank is contacted within the same week and any returned payments are processed in the same month to allow reconciliations.</p> <p>This process allows quicker identification and resolution of any errors.</p>
3	<p>Payroll reconciliations have not been performed during the period of audit to reconcile the payroll report to the general ledger.</p>	<p>The payroll reconciliations should be performed at each pay run and at year-end and be subject to supervisory review to ensure payroll amounts have been accurately</p>	<p>The fortnightly payroll details and year to date summary are provided by IT Vision once they have completed the payroll calculations each fortnight. This is then</p>

SIGNIFICANT AUDIT FINDINGS REPORT



		reflected in the general ledger.	<p>compared to the General Ledger (GL) reconciliation report to balance with Synergy balances.</p> <p>The Payroll and IT Officer will develop an excel spreadsheet before February 2022 to balance the GL with payroll reports on a monthly basis until payroll services are transferred in-house. When the payroll system migrates to Altus a new process will be developed to ensure reconciliation of each pay run to the GL.</p>
4	The Shire's current AMP was prepared in 2019. As a result, the LTFP is also not sufficiently updated.	The Shire should update the AMP and LTFP as soon as possible so that the asset renewal funding ratio can be calculated based on verifiable information and reasonable assumptions and included in the financial report.	<p>The Shire has set aside funding in the 2021/22 financial year for the updating of the Transport AMP and the Property AMP, and the development of an Open Spaces AMP. Once concluded this will inform the update of the LTFP.</p> <p>The AMPs are the responsibility of the EMIDS. The updating of the LTFP is the responsibility of the Executive Manager Corporate and Community Services.</p>

If not already addressed in the above table, the following details the actions the Shire of York intends to take to address the Findings and provides the timeframe in which it is expected those actions to be implemented.

Finding	Action(s)	Owner	Timeframe
1	Officers have conducted a gap analysis to inform the document requirements. An overarching spreadsheet which includes scope, key milestones and deliverables has been completed. Subsequent	EMIDS	To be completed March 2022

SIGNIFICANT AUDIT FINDINGS REPORT



	documentation is still to be developed. The suit of contract management documents is anticipated to be completed late February/early March ready for new staff inductions.		
2	As listed above the adjustment to processes have already occurred and this action is complete.	EMCCS	Completed Dec 2021
3	A spreadsheet has been prepared to balance the GL with payroll reports after every pay. The first trial of this is scheduled for 18 February 2022. This process will be adjusted following the implementation of Altus Payroll in April 2022.	EMCCS	Completed Feb 2022 but to be reviewed again in May 2022
4	<p>Work has commenced on the preparation of the Asset Management Plans that will enable an update of the Long Term Financial Plan:</p> <ul style="list-style-type: none"> a. A Request for Proposal has been developed to appoint a consultant to undertake the condition assessment and revaluation of our road assets and complete the associated Asset Management Plans. As part of this process a consultant will also be sought to complete a condition assessment of Shire buildings. Completion April b. Officers have been booked on the IPWEA Asset Management Foundations Certificate course where they will be required to prepare Asset Management Plans as part of their course work. It is our intention for them to deliver the Asset Management Plans for both Public Open Space and Building assets. Completion April <p>The review of the Long-Term Financial Plan will commence on the completion of the Asset Management Plans.</p>	<p>EMIDS</p> <p>EMCCS</p>	<p>AMPs to be completed April 2022</p> <p>LTFP to be completed July 2022</p>

In accordance with Sections 7.12A(4)(b) and 7.12A(5) of the *Local Government Act 1995* a copy of this report is provided to the Minister for Local Government and published on the Shire's website.

Further information in relation to the report is available by contacting Alina Behan, Executive Manager Corporate & Community Services, on 08 9641 0500 or records@york.wa.gov.au.

Chis Linnell
CHIEF EXECUTIVE OFFICER

Dated:

7 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

8 QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

9 BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

10 CLOSURE

The Presiding Member thanked everyone for their attendance and closed the meeting at 3.10pm.