



**City of  
Kalgoorlie  
Boulder**

# **MINUTES**

**of the**

**FINANCE AND AUDIT COMMITTEE MEETING**

**Held at 11:00AM**

**on**

**28 AUGUST, 2019**

**in the**

**Councillor's Conference Room**

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**Finance and Audit Committee Members**

Deputy Mayor Allan Pandal  
(Chairman)  
Mayor John Bowler  
Cr Gary Brown  
Cr Suzie Williams  
Cr Glenn Wilson  
Cr Pam O'Donnell  
Cr Laurie Ayres (Deputy)

**1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chairman declared the meeting open at 11:08am welcoming those present.

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

**IN ATTENDANCE:**

Deputy Mayor Allan Pandal	Chairman
Mayor John Bowler	
Cr Glenn Wilson	
Cr Pam O'Donnell	

**MEMBERS OF STAFF:**

Mr John Walker	Chief Executive Officer
Mr Stuart Devenish	General Manager Infrastructure and Environment
Ms Xandra Curnock	A/Chief Financial Officer
Ms Michelle Todd	Manager Governance and Legal Services

**VISITORS:**

Nil

**PRESS:**

Nil

**APOLOGIES – ELECTED MEMBERS:**

Cr Gary Brown

**APOLOGIES – MEMBERS OF STAFF:**

Nil

**LEAVE OF ABSENCE:**

Nil

**3 PETITIONS/DEPUTATIONS/PRESENTATIONS**

Nil

**4 DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST**

**4.1 INTEREST AFFECTING IMPARTIALITY CITY OF KALGOORLIE-BOULDER CODE OF CONDUCT**

Nil

**4.2 FINANCIAL INTEREST LOCAL GOVERNMENT ACT SECTION 5.60A**

Nil

**4.3 PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B**

Nil

**5 CONFIRMATION OF MINUTES**

**COMMITTEE RECOMMENDATION**

**MOVED BY: CR PAM O'DONNELL**

**SECONDED BY: CR GLENN WILSON**

**[Minutes of Finance and Audit Committee Meeting held on 15 May 2019](#)**

**That the minutes of the Finance and Audit Committee meeting held on 15 May 2019 be confirmed as a true record of that meeting.**

**CARRIED  
(4/0)**

## **6 REPORTS OF OFFICERS**

### **6.1 CHIEF EXECUTIVE OFFICER**

#### **6.1.1 STRATEGIC AND OPERATIONAL RISK REGISTER**

**Responsible Officer:** John Walker  
Chief Executive Officer

**Author:** Michelle Todd  
Manager Governance and Legal Services

**Disclosure of Interest:** Nil

#### **VOTING REQUIREMENTS**

Simple

#### **OFFICER/COMMITTEE RECOMMENDATION**

**MOVED BY:** MAYOR JOHN BOWLER  
**SECONDED BY:** CR GLENN WILSON

**That the Committee recommend Council:**

- 1. Receive the August 2019 Operational Risk Register;**
- 2. Resolve to receive annual updates for the Operational Risk Register from the Finance and Audit Committee; and**
- 3. Adopt the August 2019 Strategic Risk Register.**

**CARRIED  
(4/0)**

#### **EXECUTIVE SUMMARY**

Risk Management is a core component of good governance and an integral part of contemporary management practices. The Council and Management are required to keep a Risk Register which identifies inherent risk ratings across a range of areas, makes a control assessment by reviewing current control practices, determines a residual risk rating and sets forward actions that will improve the management of the risk.

The City has two risk registers, the Strategic Risk Register, which operates at Council level, and the Operational Risk Register, which operates at Management Level.

At the Ordinary Council Meeting on 27 May 2019 Council resolved for the updated Operational Risk Register to be presented to the August Finance and Audit Committee.

Council have resolved to receive the Strategic Risk Register on a quarterly basis to be presented to the Finance and Audit Committee, to facilitate regular reviews.

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The Operational Risk Register is primarily management focused and is reviewed by management regularly. It is not a requirement Council endorse the Operational Risk Register, however Council has previously endorsed to receive updates for the Operational Risk Register. It is proposed these reviews by Council continue on an annual basis.

The Operational Risk Register was last reviewed and endorsed by Council on 21 February 2018.

### **COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

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## **REPORT**

The Council and Management are required to keep a Risk Register which identifies inherent risk ratings across a range of areas, makes a control assessment by reviewing current control practices, determines a residual risk rating and sets forward actions that will improve the management of the risk.

The Strategic Risk Register was considered and endorsed by Council on 11 March 2019. It is current practice for the Strategic Risk Register to be reviewed by Council on a quarterly basis, being considered by the Finance and Audit Committee before being presented to Council.

The Strategic Risk Register for August 2019 does not contain any substantive changes since it was last presented to the Committee there are no recommendations to the Committee for consideration by Council for any proposed changes to the register in this report.

At the Ordinary Council Meeting on 27 May 2019 Council resolved for the updated Operational Risk Register to be presented to the August Finance and Audit Committee.

The Management team commenced a full review of the Operational Risk Register early this year, as reported to Council on 11 March 2019. The review comprised of input from managers and relevant key personnel to improve the organisations operational risk management processes. The Operational Risk Register has been reviewed and changed substantially to reflect the identified current operational risks, the processes currently in place to mitigate those risks, and the future practices the City will seek to implement to further mitigate those risks.

The Operational Risk Register is primarily management focused and although not required, is recommended to be reviewed by Council annually.

The City will continue to review and improve the Operational Risk Register on a regular basis, and report to Council annually.

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**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report. It is not a legislative requirement for the Operational Risk Register to be provided to Council and is done so in the interests of maintaining an informed Council.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**ATTACHMENTS**

**STRATEGIC RISK REGISTER AUGUST 2019** 

**OPERATIONAL RISK REGISTER AUGUST 2019** 



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## 6.1.2 OFFICE OF AUDITOR GENERAL - PERFORMANCE AUDIT ON WASTE MANAGEMENT

**Responsible Officer:** John Walker  
Chief Executive Officer

**Author:** John Walker  
Chief Executive Officer

**Disclosure of Interest:** Nil

### VOTING REQUIREMENTS

Simple

### OFFICER RECOMMENDATION

That the Committee:

1. Note the information provided concerning the audit to be conducted by the Office of the Auditor General on Waste Management; and
2. Consider the future conduct of the Councils Internal Audit Program.

### COMMITTEE RECOMMENDATION

**MOVED BY:** CR PAM O'DONNELL

**SECONDED BY:** CR GLENN WILSON

That the Committee recommend Council:

1. Note the information provided concerning the audit to be conducted by the Office of the Auditor General on Waste Management; and
2. Maintain the future conduct of the Councils Internal Audit Program.

**CARRIED  
(4/0)**

### EXECUTIVE SUMMARY

The Office of the Auditor General (“**OAG**”) has advised that the City has been selected to undergo an audit examining Local Government Waste Management. The audit will commence in early September and be subject to a report to Parliament in March 2020. This is the second OAG audit we have had this year. Whilst performance audits are supported, they are onerous and involve complying at times that suit the OAG rather than the City.

In addition to the OAG audits, we have also had audits by State Government on Water and on our rubbish tip. We have also conducted 3 internal audits under our contract with Paxon and have the Annual External audit being conducted by the OAG through Grant Thornton.

I believe we are being over audited and that the Committee should rethink our intended audit program with Paxon. This was agreed on prior to the OAG becoming involved in local government audits.

**COMMUNITY STRATEGIC PLAN LINKS**

This report links to the Strategic Community Plan through the Community's Guiding Principles to ensure a financially stable local government.

**BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

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**REPORT**

Local Government is now the subject of External Audit and Performance Audit by the Office of the Auditor General. Earlier in the year we were included in an audit for procurement and we have now been advised that we will be included in a group being audited for Waste Management.

Prior to the OAG undertaking Performance Audits the Council resolved to implement a program of internal audit and has contracted Paxon Group to conduct up to 4 such audits per year. This year 3 were conducted. In addition State Departments will regularly conduct audits from time to time. This year we have been audited by the Economic Regulation Authority on our water licence and the State Government at our tipping site.

The number of Audits requires substantial effort from our staff and, without dismissing the importance of them, distracts them from their primary roles.

I believe we have too many audits and suggest the Council reduce the number of internal audits from our own program and withdraw from that program, letting the OAG conduct them as appropriate.

The Waste Audit is looking at waste management plans, waste & regulatory data, data from our contractor Cleanaway, internal waste audits, contracts for waste, any community surveys or feedback on waste services, copies of community education materials and rates and fees charged.

The report will be submitted to the Finance and Audit Committee when received.

**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

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### 6.1.3 RECORD KEEPING PLAN

**Responsible Officer:** John Walker  
Chief Executive Officer

**Author:** John Walker  
Chief Executive Officer

**Disclosure of Interest:** Nil

#### VOTING REQUIREMENTS

Simple

#### OFFICER/COMMITTEE RECOMMENDATION

**MOVED BY:** CR GLENN WILSON  
**SECONDED BY:** MAYOR JOHN BOWLER

That the Committee recommend to Council that the City's Record Keeping Plan be endorsed.

**CARRIED  
(4/0)**

#### EXECUTIVE SUMMARY

One of the key statutory responsibilities of the CEO is to “assist the City in its obligation to comply with the State Records Act 2000 by ensuring all corporate documents/records are filed and recorded in the electronic records management system and other relevant systems”.

This is a subject that is rarely raised however the recent report into the dismissal of the Shire of Perenjori by the Minister highlighted the need for Councils to ensure that there is a Record Keeping Plan and that it is adhered to.

The Councils Plan is some 400 plus pages long and is available should any member wish to review. I have not reproduced it in full however I have included the 11 page review report for your reference.

The report has been submitted to the State Records Office of WA and they have responded in part as follows:

*“May I commend you on putting such a comprehensive and well explained set of documents together. It is obvious that a lot of work has been done to consider and document your record keeping practices. I would like to get the RKP to the next State Records Commission meeting in December for approval”.*

The response contained 3 minor queries in relation to the scanning and disposing of records which have now been answered.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding

Principles to demonstrate a transparent and inclusive local government.

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

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### **REPORT**

As attached.

### **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **ATTACHMENTS**

Record Keeping Plan Review Report 

#### 6.1.4 ECONOMIC REGULATION AUTHORITY'S (ERA) AUDIT

<b>Responsible Officer:</b>	<b>John Walker Chief Executive Officer</b>
<b>Author:</b>	<b>Stuart Devenish General Manager Infrastructure &amp; Environment</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER/COMMITTEE RECOMMENDATION

**MOVED BY: CR GLENN WILSON**  
**SECONDED BY: MAYOR JOHN BOWLER**

**That the Committee recommend to Council that the report be noted.**

**CARRIED  
(4/0)**

#### EXECUTIVE SUMMARY

The purpose of the report is to inform the Committee of the findings of the latest Economic Regulation Authority's (ERA) audit of the City of Kalgoorlie-Boulder's water licence WL04 version 6. The licence permits the City to provide sewerage services and non-potable water supply services to the City of Kalgoorlie-Boulder.

Every 24 months the licensee is required to conduct both an operational audit and an asset management system review. These are conducted by an independent expert appointed by the ERA in its sole discretion.

The outcome of the process was the ERA considers the City has achieved an adequate level of compliance with its licence and has an effective asset management system, except for asset planning and the recycled water system.

Licence compliance issues have been substantially resolved. The development of a comprehensive asset management system for both sewerage and non-potable (recycled water) systems is considered a priority to complete. The Post Audit and Post Implementation Plan developed by the City has the development of the asset management system being completed by March 2020.

This major body of work has commenced as a part of the wastewater and recycled water 2019-20 capital works programme.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles:

- Ensure a sustainable asset and infrastructure base

- Adopt environmental best practice that is sustainable
- Utilise water efficiently and maximise reuse potential

### **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

### **REPORT**

The City of Kalgoorlie-Boulder operates the sewerage and the non-potable water supply systems under the Economic Regulation Authority's water licence WL04 version 6.

Every 24 months the licensee is required to conduct both an operational audit and an asset management system review. These are conducted by an independent expert appointed by the ERA in its sole discretion. The findings of this audit and review are presented to the City as a Performance Audit and Asset Management Review audit report. This report was issued to the City on the 12 June 2019.

In response the City prepared a Post Audit and Post Review Implementation Plan that details the corrective action to be taken, the responsible units within the City and the completion date for the action for each of the auditor's recommendations. This plan was submitted to the ERA on the 25 June 2019 and accepted by the ERA on the 9 July 2019.

The outcome of the process was the ERA considers the City has achieved an adequate level of compliance with its licence and has an effective asset management system, except for asset planning and the recycled water system.

The operational audit has 20 recommendations, seven of which address non-compliances and controls deficiencies. The 13 remaining recommendations are improvement opportunities for the City. All recommendations relating to a hardship policy, rates notice and notification of customers have already been implemented.

For the asset management system review the auditor made 10 recommendations, five of which address the deficiencies in asset planning. The five remaining recommendations are improvement opportunities in asset acquisition, asset operations, asset maintenance, risk management and financial planning.

The ERA's overall assessment of the audit findings are the City continues to report non-compliances against our customer service obligations under the Water Services Code. However, the City's overall compliance with its licence has improved since the 2016 audit. The City reported fewer non-compliances and resolved most of the outstanding recommendations from previous audits.

While the City's compliance with its licence has improved, there is scope for further improvement. There remained four unresolved recommendations from the 2014 and 2016 audits, and the complaints handling procedure needs to be updated. These were substantially completed shortly after the audit with the adoption of the Financial Hardship policy.

The review found the City has still not implemented an adequate asset management system for its recycled (non-potable) water assets, an issue carried forward from three previous reviews. While the review evidence suggests that the recycled water system is performing effectively, the lack of an asset management plan puts at risk the long-term performance and viability of the system.

The review also identified deficiencies with the operation of the City's wastewater treatment plant. The City recognises the plant requires substantial renewal and upgrade works. These works are part of the City's planned capital works program over the next five years, which includes both its sewerage and recycled water assets.

The ERA considers addressing the inadequacies of its asset management plan to be a priority for the City, as it will address many of the recommendations in the post-review implementation plan from the 2018 review and the unresolved recommendations from previous reviews.

The ERA will closely monitor the City's progress with implementing the actions in the post-review implementation plan, which the ERA expects the City to complete on time by March 2020.

The development of the asset management plan is underway and is being undertaken with a combination of in house staff and a specialist consultant. This work is being undertaken as a part of the 2019-20 wastewater capital works programme.

### **STATUTORY IMPLICATIONS**

Compliance with the Economic Regulation Authority's water licence WL04 version 6T.

### **POLICY IMPLICATIONS**


As a part of the work associated with the Post Audit and Post Review Implementation Plan it is expected all existing policies in the wastewater and recycled water areas will be reviewed and rewritten as required.

### **COMMUNITY ENGAGEMENT CONSULTATION**

A copy of the audit and review report and the post audit and post review implementation plan has been loaded onto the ERA website.

### **ATTACHMENTS**

Post Audit and Post Review Implementation Plan 

Letter to licensee - 2018 audit and review 

Notice - 2018 audit and review - WL004 

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## 6.2 CHIEF FINANCIAL OFFICER

### 6.2.1 INVESTMENT PORTFOLIO SUMMARY 2018/19

**Responsible Officer:** Xandra Curnock  
Acting Chief Financial Officer

**Author:** Ishani Subaharan  
Corporate Accountant

**Disclosure of Interest:** Nil

#### VOTING REQUIREMENTS

Absolute

#### OFFICER RECOMMENDATION

The year to date results of the City's Investment Portfolio for the financial year ending 30 June 2019 be received and adopted.

#### COMMITTEE RECOMMENDATION

**MOVED BY:** CR PAM O'DONNELL  
**SECONDED BY:** CR GLENN WILSON

**That the Committee recommend Council:**

**Note the year to date results of the City's Investment Portfolio for the financial year ending 30 June 2019.**

**CARRIED BY ABSOLUTE MAJORITY  
(4/0)**

#### EXECUTIVE SUMMARY

The purpose of this report is to present the Committee with investment reporting for the full financial year to 30 June 2019.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

#### BUDGET IMPLICATIONS

There are budget implications resulting from the recommendations of this report – forecast interest income is higher than budgeted by \$243,658.

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## REPORT

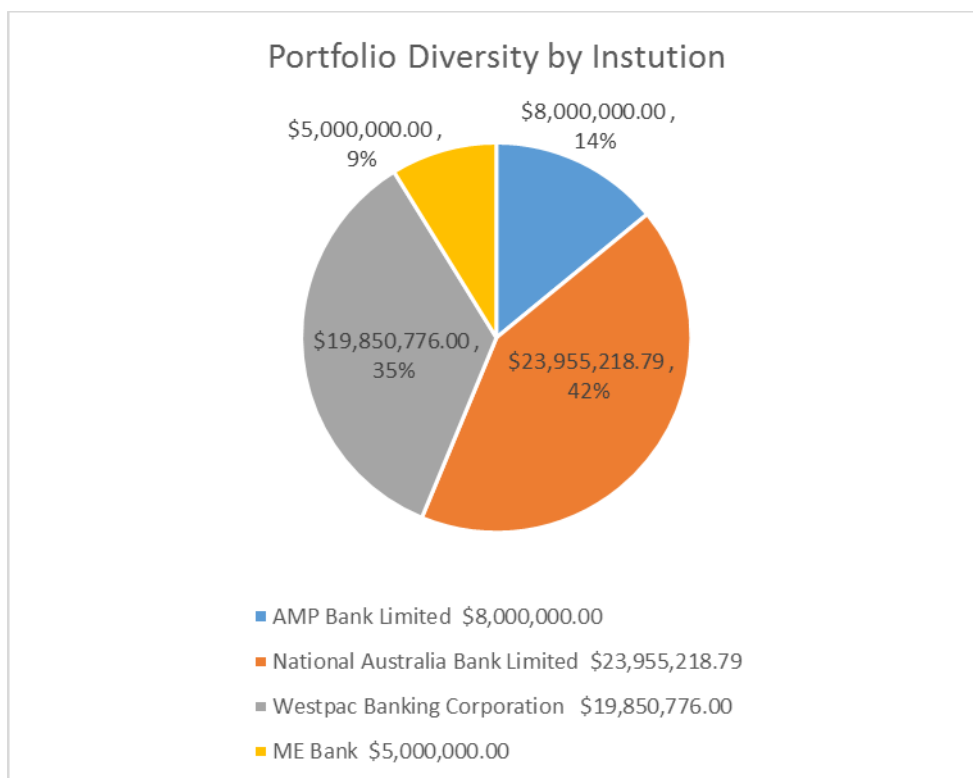
The City of Kalgoorlie-Boulder places investments in accordance with the requirements of Section 6.14 of the *Local Government Act 1995* and Section 19C of the *Local Government (Financial Management Regulations 1996)*.



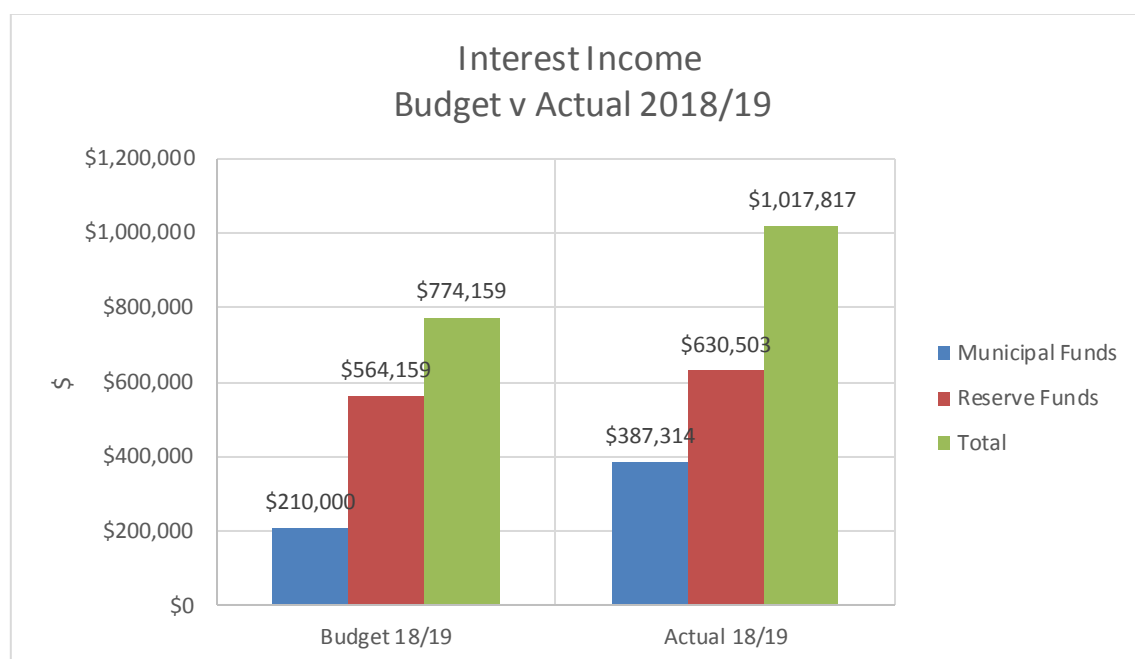
City officers have adhered to the City’s Investment Policy and legislative requirements to ensure that all investments are carried out with the utmost integrity and in support of the City’s strategic goals.

During the financial year to 30th June 2019, cash funds have been invested in term deposits through ADI’s (Authorised Deposit-Taking Institutions) in accordance with the City’s Investment Policy CORP-F-001.

The City invested \$14.7M of Municipal Funds and \$42M of Reserve Funds in term deposits at various terms during the full financial year 2018/19.



The total interest income earned from Municipal and Reserve funds for the full financial year 2018/19 was \$1,017,817 whereas the budgeted interest income was \$774,159 which resulted in an increase of \$243,658 in interest income with a variance of 31.47%.



	Budget 18/19	Actual 18/19	Variance	Variance %
Municipal Funds – interest income	\$210,000	\$387,314	\$177,314	84.44%
Reserve Funds – interest income	\$564,159	\$630,503	\$66,344	11.76%
<b>Total</b>	<b>\$774,159</b>	<b>\$1,017,817</b>	<b>\$243,658</b>	<b>31.47%</b>

The interest income from Reserve Funds for 2018/19 was \$630,503 which is 11.76% over the budget of \$564,159. The increase in income of \$66,344 is a result of securing an average rate of 2.71% for the investment in mid-year.

Financial Institution	Credit Rating	Principal	Interest Rate	Term to Maturity (Days)	Interest	% of Portfolio
Westpac Banking Corporation	A1+	\$9,000,000.00	2.57%	67	\$43,091.51	21.37%
National Australia Bank	A1+	\$3,969,728.79	2.56%	85	\$24,222.96	9.43%
National Australia Bank Limited	A1+	\$3,285,490.00	2.65%	97	\$23,455.25	7.80%
Westpac Banking Corporation	A1+	\$3,285,490.00	2.69%	99	\$24,286.52	7.80%
National Australia Bank Limited	A1+	\$5,000,000.00	2.71%	266	\$99,900.42	11.87%
National Australia Bank Limited	A1+	\$5,000,000.00	2.71%	266	\$99,900.42	11.87%
Westpac Banking	A1+	\$3,782,643.00	2.69%	268	\$74,711.86	8.98%

Corporation						
Westpac Banking Corporation	A1+	\$3,782,643.00	2.69%	268	\$74,711.86	8.98%
National Australia Bank Limited	A1+	\$5,000,000.00	2.73%	151	\$56,469.86	11.87%
Total investments – Reserve Funds		\$42,105,994.79			\$520,750.66	100.00%

The increase in interest earnings in Municipal Funds of \$177,314 with a variance of 84.44% can be best explained as a result of increased investments in term deposit investments of \$14.7M, at an average market rate of 2.69%p.a.

Financial Institution	Credit Rating	Principal	Interest Rate	Term to Maturity (Days)	Interest on Maturity	% of Portfolio
AMP Bank Limited	A1	\$3,000,000.00	2.60%	45	\$38,679.45	20.41%
ME Bank	A2	\$5,000,000.00	2.70%	90	\$33,287.67	34.01%
National Australia Bank Limited	A1+	\$1,700,000.00	2.66%	90	\$11,150.14	11.56%
AMP Bank Limited	A1	\$5,000,000.00	2.80%	268	\$102,794.52	34.01%
<b>Total</b>		<b>\$14,700,000.00</b>			<b>\$185,911.78</b>	<b>100.00%</b>

#### STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

#### POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

#### COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

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## 6.2.2 SUMMARY OF FRINGE BENEFIT TAX RETURN 2018/19

**Responsible Officer:** Xandra Curnock  
Acting Chief Financial Officer

**Author:** Ishani Subaharan  
Corporate Accountant

**Disclosure of Interest:** Nil

### VOTING REQUIREMENTS

Simple

### OFFICER/COMMITTEE RECOMMENDATION

**MOVED BY:** MAYOR JOHN BOWLER  
**SECONDED BY:** CR PAM O'DONNELL

**That the Committee recommend Council:**

**Receives and adopts the Fringe Benefit Tax Return (FBT) for the period from 01 April 2018 to 31 March 2019.**

**CARRIED  
(4/0)**

### EXECUTIVE SUMMARY

The purpose of this report is to present the Committee with FBT reporting for the FBT year to 31 March 2019.

### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

### BUDGET IMPLICATIONS

There are no budget implications resulting from the recommendations of this report.

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## REPORT

The City consulted third party Moore Stephens to prepare and lodge the FBT return for the 2018/19 period.

FBT liability for the year ended 31 March 2019 was \$264,832.78. Total FBT benefits provided for the year was \$280,429 of which the majority was for Car fringe benefits of \$174,912 and Residual benefits of \$14,122, as the City provided 80 cars and 16 dual purpose vehicles for the employees as a benefit other than salary.

Expense benefits of \$78,188 were incurred during the year on relocation expenses and remote area housing. Meal entertainment incurred was \$10,208 for the FBT year.

In comparison with prior year FBT return, the City managed to reduce the FBT liability by \$110,298. The Car fringe benefit reduced as a matter of most cars being

parked at depot overnight, given the increase in number of vacant positions. The reduction in expense benefits of \$44,257 compared to the FBT year 2018 is the result of the City adopting the discounted gym membership benefit provided after tax from the employee pay from 01 July 2018. Residual benefits declined for the reason many dual purpose vehicles being parked overnight at depot as a result of vacant positions.

Meal entertainment expense qualified for 50/50 split method that lead to a reduction in expense of \$12,078. No income tax exempt body entertainment was provided in the 2018/19 FBT year.

	FBT Year 2019	FBT Year 2018	Variance
Car - Fringe Benefit	\$174,912	\$209,032	-\$34,120
Expense payments	\$78,188	\$122,445	-\$44,257
Residual benefits	\$14,122	\$32,191	-\$18,069
Meal Entertainment	\$10,208	\$22,286	-\$12,078
Income tax exempt body Entertainment	\$0	\$1,774	-\$1,774
<b>Total</b>	<b>\$277,430</b>	<b>\$387,728</b>	<b>-\$110,298</b>

TFN:

Fringe benefits tax (FBT) return 2018

RN: 100017819EB

**23 Details of fringe benefits provided**

Type of benefits provided (1 April 2017 to 31 March 2018)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) - (b) - (c)
Cars using the statutory formula	<b>A</b> 40	\$234,820	\$25,788		\$209,032
Cars using the operating cost method	<b>B</b> 0	\$0	\$0		\$0
Loans granted	<b>C</b> 0	\$0		\$0	\$0
Debt waiver	<b>D</b>	\$0			\$0
Expense payments	<b>E</b>	\$196,836	\$0	\$74,391	\$122,445
Housing - units of accommodation provided	<b>F</b> 0	\$0	\$0		\$0
Employees receiving living-away-from-home allowance (show total paid including exempt components)	<b>G</b> 0	\$0		\$0	\$0
Grant	<b>J</b>	\$0	\$0	\$0	\$0
Property	<b>K</b>	\$0	\$0	\$0	\$0
Income tax exempt body - entertainment	<b>L</b>	\$1,774			\$1,774
Other benefits (residual)	<b>M</b>	\$33,601	\$1,410	\$0	\$32,191
Car parking	<b>N</b>	\$0	\$0		\$0
Meal entertainment	<b>P</b>	\$22,286			\$22,286

TFN:

Fringe benefits tax (FBT) return 2019

RN: 100017819EB

**23 Details of fringe benefits provided**

Type of benefits provided (1 April 2018 to 31 March 2019)	Number	WHOLE DOLLARS ONLY			
		Gross taxable value (a)	Employee contribution (b)	Value of reductions (c)	Taxable value of benefits (a) - (b) - (c)
Cars using the statutory formula	<b>A</b> 39	\$205,917	\$31,833		\$174,084
Cars using the operating cost method	<b>B</b> 2	\$890	\$62		\$828
Loans granted	<b>C</b> 0	\$0		\$0	\$0
Debt waiver	<b>D</b>	\$0			\$0
Expense payments	<b>E</b>	\$155,376	\$0	\$77,188	\$78,188
Housing – units of accommodation provided	<b>F</b> 0	\$0	\$0		\$0
Employees receiving living-away-from-home allowance (show total paid including exempt components)	<b>G</b> 0	\$0		\$0	\$0
Board	<b>J</b>	\$0	\$0	\$0	\$0
Property	<b>K</b>	\$0	\$0	\$0	\$0
Income tax exempt body – entertainment	<b>L</b>	\$0			\$0
Other benefits (residual)	<b>M</b>	\$14,614	\$492	\$0	\$14,122
Car parking	<b>N</b>	\$0	\$0		\$0
Meal entertainment	<b>P</b>	\$10,208			\$10,208

**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**ATTACHMENTS**

FRINGE BENEFIT TAX RETURN 2018/19 

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### 6.2.3 PROGRESS OF 2018/19 YEAR END AND EXTERNAL AUDIT

**Responsible Officer:** Xandra Curnock  
Acting Chief Financial Officer

**Author:** Xandra Curnock  
Acting Chief Financial Officer

**Disclosure of Interest:** Nil

#### VOTING REQUIREMENTS

Simple

#### OFFICER/COMMITTEE RECOMMENDATION

**MOVED BY:** MAYOR JOHN BOWLER  
**SECONDED BY:** CR PAM O'DONNELL

**That the Committee recommend Council:**

**Acknowledge progress of the 2019 year end tasks and deadlines required.**

**CARRIED  
(4/0)**

#### EXECUTIVE SUMMARY

The purpose of this report is to update the Committee on progress of the completion of FY 2019 year end tasks and external financial audit being conducted by Grant Thornton.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

#### BUDGET IMPLICATIONS

There are no budget implications resulting from the recommendations of this report.

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### REPORT

The 2019 year end tasks are almost complete. Reserve transfers, identifying additional accruals, prepayments and account allocation corrections are to be completed prior to finalising June 2019 numbers. The draft financial statements will be submitted to Grant Thornton before 30 September 2019 in accordance with Local Government Act Section 6.4(3).

Office of the Audit General (OAG) appointed External Auditors, Grant Thornton, have completed their planning works in July 2019, and will be on site at the CKB admin office from 7 October 2019. They aim to complete their audit fieldwork in 2 weeks.

Following their review, amendments to the 2019 year end financials may be

required. Final Financial Statements will be presented to the Committee in next Finance and Audit meeting, for adoption and signing.

### **STATUTORY IMPLICATIONS**

There are statutory implications in relation to this report:

1. Local Government Act Section 6.4(3) – Accounts submitted to Auditors by 30 September following each financial year; and
2. Local Government Act Section 5.54(1) – Acceptance of the Annual Report by Council by 31 December after that Financial Year.

### **POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.



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## 6.2.4 ALTUS COLLABORATION UPDATE – AUGUST 2019

**Responsible Officer:** Xandra Curnock  
Acting Chief Financial Officer

**Author:** Toni Keown  
Altus Project and Accounting Officer

**Disclosure of Interest:** Nil

### VOTING REQUIREMENTS

Simple

### OFFICER/COMMITTEE RECOMMENDATION

**MOVED BY:** MAYOR JOHN BOWLER  
**SECONDED BY:** CR GLENN WILSON

**That the Committee recommend Council:**

**Acknowledge progress of the Altus Collaboration Project.**

**CARRIED  
(4/0)**

### EXECUTIVE SUMMARY

The purpose of this report is to update the Committee on progress of the Altus Collaboration Project.

### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the Community's Guiding Principles to demonstrate a transparent and inclusive local government.

### BUDGET IMPLICATIONS

There are no budget implications resulting from the recommendations of this report.

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## REPORT

The Altus Collaboration consortia is in its third year, with the recent withdrawal of the City of Greater Geraldton the remaining council members are the City of Kalamunda and the City of Kalgoorlie.

The purpose of the consortia remains to deliver on the development of the Altus software package, giving the Councils the rare opportunity to contribute to a project that will not only provide benefit but will have lasting effect across local government.

The Altus Software aims to replace the outdated SynergySoft application, in use by the City and many Local Governments around the country.

### **Altus Inspections**

The Inspections module was delayed significantly from the initial road map, and was pushed to production in May 2019

The City is in the final stages on acceptance testing, and expects to be using this module within the next few months.

### **Altus Core Financials**

Altus Core Financials is a suite of modules within the financial system.

The general ledger component has been completed, however it isn't a standalone package so will not be in use until the remaining components are ready.

The Accounts Receivable, Accounts Payable, Bank Reconciliation and Project Accounting are all in development with testing being undertaken.

The core financial project was intended for release mid-2019, overall the development project is six months behind the initial timelines.

### **Altus Payroll**

The City was to be the lead council with the development of the payroll module. Both IT Vision and the City, independently, selected Definitiv to deliver time and attendance and payroll services.

With the choice of implementing a standalone product the visioning and development work changes to focus only on the integration of Altus/Synergy and Definitiv. The City remains to be the lead when the development commences within the Altus component.

The City's implementation occurred to coincide with the start of the new financial year, and early indications are that the system will deliver a much more streamlined experience for staff, supervisors and the payroll team.

### **Altus Contacts**

This module is under development, the City has taken the steps required to ensure our data is ready when this module is complete.

### **Altus Customer Services**

Visioning is under way for this module, with the Councils intending to have a module that provides much more streamlined experience for customers, including the creation of a self-service module.

**Altus Property**

The City of Kalgoorlie-Boulder is set to be the lead Council on the development of the property module. It is yet to be determined how much involvement will be required from the consortia partners for this module.

Reflecting on the importance of this module to service delivery for the three Cities, the CEO's will play an integral role within the initial vision workshops.

This module has not yet been started.

**Implementation**

While the City has been heavily involved in the development of these modules, a review and implementation plan will need to be developed prior to switching from the existing SynergySoft application. The challenge will be in pre-empting any significant work required around further database cleansing.

**STATUTORY IMPLICATIONS**

There are no statutory implications in relation to this report:

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**7 CONFIDENTIAL ITEMS**

**8 CLOSURE**

There being no further business, the Chairman, Deputy Mayor Allan Pandal, thanked those present for their attendance and declared the meeting closed at 12:38pm.