



Minutes

Audit and Risk Committee Meeting held at 9.00 AM on Wednesday 13 September 2023 in the Bennett Room, Pleasant Creek Historic Precinct, Stawell.

1 Present

Mr Peter Knights (Chair)
Ms Lynn Jensz
Cr Murray Emerson

Also in attendance

Mr Vaughan Williams, Director Corporate and Community Services
Mr Graham Haylock, Manager Financial Services
Mr Peter Phelan, Coordinator Financial Services
Ms Stretch Smith, Manager Business Transformation (Item 9.3)
Mr Bradley Ead, AFS & Associates (Item 7.1)

2 Apologies

Cr Kevin Erwin, Mr Tony Roberts and Mr Brent McAlister.

3 Disclosures of a Conflict of Interest at a Council Auspiced Meeting

Nil

4 Confirmation of Minutes from the Previous Meeting

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Resolution:

That the minutes from the Audit and Risk Committee meeting dated 14 June 2023 be confirmed.

Moved: Ms Lynn Jenz

Seconded: Cr Murray Emerson Carried

Attachment

1. 20230614 Audit and Risk Committee Meeting Minutes

5 Notification of Fraud Events

Nil to report

6 Matters Arising from the Minutes

Nil

7 Internal Audit

7.1 Procurement Internal Audit

Mr Bradley Ead presented a report prepared by AFS & Associates on Council's Procurement Framework. It was stated that the current framework had good segregation of duties and was compliant with the Procurement Policy. Mr Ead outlined the areas where improvements could be made. The list included: always using Purchase Orders, a robust goods receipt process, documenting key controls, greater focus on emergency procurement procedures, retention of documents and data of failed tenders and the aggregation of expenditure with Vendors for better analysis.

The committee discussed the importance of policies on Emergency Procurement including defining what an emergency is, how long an emergency would last and an ability to review procurement outcomes after the incident is over. Mr Ead was thanked by the committee for completing the report.

Resolution:

That the Procurement Internal Audit report be received and noted.

Moved: Cr Murray Emerson

Seconded: Ms. Lynn Jensz Carried

Attachment

1. Status Update
2. Internal Audit Report 2023-01 – Procurement
3. Industry Update

8 Financial Reporting

8.1 Quarterly Finance Report

Mr Graham Haylock presented the June Quarterly report. Items discussed included the Council's cash levels and the progress of operating and capital projects. It was highlighted that cash reserves were higher than expected due to the receipt an early payment of the Financial Assistance Grants. Mr Haylock also provided information to the committee on the collection work on Rates debtors and discussed sundry debtors.

Resolution:

That the June Quarterly Report be received and noted.

Attachment

1. Finance Report June 2023

9 Risk Management

9.1 Risk Committee Update

Mr Vaughan Williams provided an update on Risk Management activities Council is undertaking. Discussion included issues with the St Arnaud Pool, the review into the cemetery trust, a lifesaving audit, the procurement audit discussed at 7.1, an OHS audit where the final report will be presented to the committee upon completion, a working from home internal audit, Disaster recovery actions and IBAC reports. It was also suggested that the minutes of the Risk Committee meetings be attached to the Audit and Risk Committee Agenda.

10 General Business

10.1 Appointment of Audit and Risk Committee Chair

The Committee recommended that Mr. Peter Knights be appointed chairperson of the Audit and Risk Committee.

Resolution:

That Mr. Peter Knights be appointed as the chairperson of the Audit and Risk Committee for the 2023/24 financial year.

Moved: Ms. Lynn Jensz

Seconded: Cr Murray Emerson Carried

10.2 Performance against Audit and Risk Committee Charter

Mr. Graham Haylock discussed the presented report with the committee. A suggestion was made of whether the Strategic Risk register be presented to the Audit Committee.

Attachment

1. Audit and Risk Committee Survey Results 2023

10.3 Victorian Protective Data Security Standards (VPDSS) Update

Ms Stretch Smith provided an update to the Committee of the Victorian Projective Data Security Standards. An overview of the Action plan was provided outlining the 12 standards that were built around several different elements. There have been slight delays in completing some of the plans due to changeover to members of the IT team. The projects effected were rescheduled for the new financial year. Ms Smith also stated that a cyber audit is in process and reported on some key performance indicators. She also updated the committee on the ongoing cyber security actions including an 'email phishing' activity that IT conducted.

Resolution:

That the report be received and noted.

Moved: Cr Murray Emerson

Seconded: Ms. Lynn Jensz Carried

11 Next Meeting

A special online meeting on 11 October 2023 will be conducted to consider the Financial Statements and receive a report from RSD Audit. The next regular meeting is scheduled to be held 6 December 2023.

12 Close

The meeting closed at 10.50am.

31 August 2023

Ref No.: 2082669_1

Private and Confidential

Peter Knights

Audit and Risk Committee Chairperson

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Dear Peter

Internal Audit Report – Procurement

As requested, we have now completed our internal audit of Northern Grampians Shire Councils Procurement Framework, controls and processes.

I am pleased to present the attached Internal Audit Report 2023-01 Procurement.

We thank you for the opportunity to work with you and look forward to having an opportunity to work with you again in the future.

Yours sincerely



Brad Ead

AFS & Associates Pty Ltd



Partners in success
Chartered Accountants

Northern Grampians Shire Council

Internal Audit Report
2023-01 Procurement

May 2023

Confidential

Prepared for:
Northern Grampians
Shire Council
Prepared by:
Brad Ead

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1. Objective

The objective of the internal audit was to review the adequacy and efficiency of controls, processes and frameworks relating to procurement Northern Grampians Shire Council (NGSC).

2. Scope

Refer to **Appendix 1** for the detailed scope and associated internal audit procedures of the review.

3. Executive summary

Procurement at NGSC is supported by online systems embedding policy and procedural requirements as well as delegation levels. The use of online systems has also aided conflicts of interests to be declared at even low value procurement activities.

NGSC have also demonstrated and apply controls for supplier master file updates. A small list of employees have access to updating supplier details within Authority (the finance system). Updates to supplier details and processing of payment is segregated and reviewed on a monthly basis by the Coordinator of Finance.

The Procurement Policy was last updated in August 2022 and provides guidance to staff members around spend thresholds, application of internal controls and is in alignment to the *Local Government Act 2020 (section 108)*(the Act).

The Procurement Policy could be further improved by clarifying:

- the requirement to raise purchase orders
- approval processes for variations in purchase order amounts
- the requirement and responsibility for receipting goods
- emergency or critical incident procurement processes
- expected processes where tenders fail to attract suitable candidates.

Key control checks could be further strengthened and standardised through the formalisation of an Accounts Payable (AP) Policy. Staff members hold a reasonable understanding of checks however this understanding may be lost should staff members depart.

Monitoring and reporting over procurement activity is limited. Oversight could be strengthened to support better understanding of the procurement function, achieve value for money and identify trends in key risk indicators.

4. Summary of findings

4.1 Areas of strength

Observation	
Managed 	Supplier master file Segregation of duties exists between actioning changes to the supplier master file and payments made to creditors. Maintenance of the supplier master file, including adding new suppliers or making changes are actioned by the Accounts Receivable Team. Reviews of changes are completed: ▪ as they occur by the AP Officer ▪ on a monthly basis by the Coordinator of Financial Services. Access to make changes is restricted to the Accounts Receivable Team. Segregation and oversight reduces the risk of bank accounts being changed and payments potentially being paid to fraudulent suppliers.
Managed 	Conflict of interest Conflict of interest expectations are well understood. The Conflict of Interest Procedure is available to all staff on the intranet. Conflict of interest declarations are also embedded into the Element Org (the procurement system), where all procurement activities are conducted. Formal declarations are provided by tender evaluation panel members as this reduces the risk of procurements being awarded without due objectivity and transparency. This was confirmed through testing over procurement activities.
Managed 	Systems supporting inbuilt controls Element Org allows purchase orders, invoices and goods receipted to be linked. Element Org and Authority support and facilitate a number of internal controls including inbuilt: ▪ delegations of approval ▪ guidance around requests for tender and quotes as per the Procurement Policy ▪ conflicts of interest declarations are embedded into Element Org ensuring they are noted for each procurement activity. Embedded processes strengthen staff understanding and safeguards delegations being bypassed. Control gaps have been further identified in finding 5 .
Managed 	Delegations within systems We confirmed delegations within systems aligned to the Instrument of Delegation. IT facilitate updates when: ▪ staff enter the organisation ▪ staff depart the organisation ▪ staff fulfil temporary positions. Testing over procurement activities confirmed purchases were completed with appropriate approvals.

Observation	
Managed 	The Procurement Policy is aligned to requirements within the <i>Local Government Act 2020 (section 108)</i> The Procurement Policy outlines: ▪ spend thresholds and associated procedures ▪ application of internal controls, through use of systems and segregation of duties ▪ reference to the Code of Conduct ▪ reference to the Gifts, Benefits and Hospitality Policy ▪ applying appropriate standards of probity. This Policy was adopted by the Council in August 2022, in line with the Act.
Managed 	Preferred supplier panel NGSC have an established preferred supplier panel for which the Contracts Officer has responsibility. The register is available on SharePoint to all staff. The register includes: ▪ preferred suppliers for specific goods and services ▪ key contacts ▪ public liability cover expiry ▪ professional indemnity expiry ▪ service specific licensing. Preferred suppliers are only added to panels through an open tender process as required per the Procurement Policy. Contractors are subject to review after three years of appointment. Supplier panels make the process of engaging a supplier for services, works, or construction services more efficient for both the Agency and suppliers.

4.2 Identified risks and ratings

Observation		Finding No
Moderate 	Application of Policy The Procurement Policy could be clarified to better outline expected processes. Gaps identified in Policy has resulted in leading practice controls not being consistently applied. Where expectations are not clearly set, processes may not be followed.	Refer to finding 1
Moderate 	Accounts Payable Policy There is lack of guidance around reconciling and checking procurement activities. NGSC have no AP Policy or Procedure. Some working documents are in existence to guide processes for the creditor payment run, however this does not cover key AP processes.	Refer to finding 2
Moderate 	Emergency procurement The Procurement Policy does not provide detailed information around emergency/critical procurement including links to relevant emergency plans.	Refer to finding 3
Minor 	Reporting and monitoring over procurement activities NGSC provide monthly reporting over procurement however this does not include reporting over key risk indicators including: ▪ aggregate spend against suppliers ▪ exception testing ▪ open purchase orders.	Refer to finding 4
Minor 	System functionality Systems controls are not in place to achieve appropriate segregation of duties for raising and approving purchase orders.	Refer to finding 5
Minor 	Receipt of tenders The Procurement Policy does not address the situation where a tender process fails to attract any tender applicants. The Act provides specific requirements where no tenders are received.	Refer to finding 6

5. Detailed findings

Moderate	1. Application of Policy		
Observation The Procurement Policy could be clarified to better outline expected processes. Review of the Procurement Policy identified several gaps and areas where expected processes should be clarified, including: - where purchase orders are expected to be raised - approval processes for variations in purchase order amounts - the need to receipt goods, in particular against existing contracts - guidance to identify high risk procurement activity - reconciliations against contracted terms against progress claims/invoices received - limiting or prohibiting purchase orders to be completed in hard copy. Testing over 30 procurement activities identified: - nine purchases through preferred suppliers did not have purchase orders raised - three instances where receipt of goods/services was not evident. The Procurement Policy states where purchases are deemed to be high risk ‘formal contract agreements should be implemented’. There is however no guidance on what would be deemed as high risk or how to perform risk assessments. This put reliance on contract managers to use judgement to determine high risk.	Risk There is a risk procurement controls will not be applied or operate as intended, where policy guidance is not clear or may not be defined. Root cause - Compliance with the Act has been achieved however clarity over several key functions has been overlooked. - Reliance is placed upon staff to ensure agreed upon rates or progress claims aligning to contracted amounts. - There is a lack of understanding from staff around processes for purchasing through preferred supplier panels.		
Recommendation			
1.1 We recommend clearly documenting and clarifying approaches and thresholds for gaps identified above. Once updated training should be provide to staff involved in procurement. Systems should be aligned to the requirements in the updated Procurement Policy.	☒ Agree	☐ Disagree	
1.2 We recommend where goods and services are purchased through preferred suppliers, purchase orders still be raised to confirm rates and receive appropriate approval.	☒ Agree	☐ Disagree	
1.3 We recommend where purchases are through existing contracts, purchase order still be raised allowing confirmation against agreed upon rates.	☒ Agree	☐ Disagree	
Management comment: Management agrees with the recommendations and will implement this financial year. Responsible officer: Manager Financial Services Action date: By 30 June 2024			

5. Detailed findings (continued)

Moderate		2. Accounts Payable Policy	
Observation There is lack of guidance around reconciling and checking procurement activities. NGSC have no AP Policy or Procedure. Some working documents are in existence to guide processes for the creditor pay run, however this does not cover: - roles and responsibilities for processing and making changes to suppliers - segregation of duties - processes for payment runs including authorisations - new entries, amendment and terminations from the supplier master file - acceptable forms of verification to support supplier details/changes, this may include checking validity of ABN supplied or calling businesses to confirm changes requested - use and management of one-time suppliers - review processes and internal checks to confirm amounts and payments. Although not covered within policies and procedures AP staff had strong understanding over AP processes and consistently applied controls. Master file changes were accessible by the Accounts Receivable Officer and subsequent changes were then reviewed by the AP Officer allowing appropriate segregation.		Risk A lack of documented processes increases the likelihood control gaps are not identified or existing controls are not implemented consistently. There is also a risk where if key persons were to leave the organisation, knowledge over processes would be lost. Root cause Reliance has historically been placed upon individuals to understand processes and conduct checks.	
Recommendation			
2.1 We recommend formalizing an AP Policy and Procedure which document key controls as above. Once drafted training should be provided to AP staff over expected processes.		☒ Agree	☐ Disagree
Management comment: Management agrees with the recommendation. This is timely as a new finance has been implemented which has built in controls and approval workflows on changes (including bank accounts). Responsible officer: Coordinator Financial Services Action date: By 30 June 2024			

5. Detailed findings (continued)

Moderate		3. Emergency procurement	
Observation There are unclear expectations and responsibilities set for emergency or critical incident procurement activities and therefore exemptions to applying elements of the Procurement Policy. The Procurement Policy does not provide detail around: - the delegate or accountable officer for declaring an emergency - what constitutes an emergency - which principles are applicable during an emergency, for example value for money, sustainable purchasing, probity etc. - how risks will be assessed - record keeping requirements - requirement to complete conflicts of interest - emergency delegation thresholds. There are no clear links to critical procurement activities outlined within other relevant emergency plans, e.g. the Municipal Emergency Management Plan or any disaster recovery or business continuity plans.		Risk Unclear expectations may result in emergency procurement provisions being used to avoid or shortcut procurement planning, approvals or competitive processes. Root cause Emergency procurement procedures are acknowledged as a weakness within NGSC. This has been overlooked in the development of the Procurement Policy.	
Recommendation			
3.1 We recommend the Procurement Policy is revised to include gap areas identified above. Alternatively this may sit in a linked Critical Procurement Policy.		☒ Agree	☐ Disagree
Management comment: Management agrees with the recommendation and will update the policy. Responsible officer: Manager Financial Services Action date: By 30 June 2024			

5. Detailed findings (continued)

Minor		4. Reporting and monitoring over procurement activities	
Observation There is limited reporting and monitoring over controls applied as per the Procurement Policy. There is also limited oversight and ongoing monitoring over open purchase orders held within the Authority system. NGSC provide monthly reporting over procurement including over: - supplier additions - supplier/master file changes - budget vs actuals based on procurement spends. This however does not include reporting over: - aggregate spend against suppliers to help identify significant spend where contracts could be entered into to achieve value for money - frequency of use of preferred suppliers where bias may be occurring - exception testing, where expected process has been bypassed. This may include: - where purchase orders have not been raised - where adequate number of quotes have not been received - split purchase orders are identified, bypassed - where invoices are dated prior to purchase order dates - purchase orders open for extended periods - use of 'one-time suppliers'. Reporting may identify where contracts may be required, opportunities for establishing preferred suppliers, where accounts may be more efficient, and what training may be useful.		Risk Lack of monitoring or oversight of procurement activity could result in: - inappropriate payments occurring - missed opportunities to achieve cost saving or value for money - controls not operating as expected. Root cause Data is held within multiple systems. Extraction of data at NGSC is a manual process. NGSC must weigh up cost vs benefit in the relevance and usefulness of information extracted.	
Recommendation			
4.1 We recommend implementing where possible reporting over: - aggregate spends - Procurement Policy exceptions - open purchase orders.		☒ Agree	☐ Disagree
Management comment: Management agrees with the recommendation and will formalise reporting over procurement activities. Responsible officer: Manager Financial Services Action date: By 30 June 2024			

5. Detailed findings (continued)

Minor		5. System functionality	
Observation Systems controls are not in place to achieve appropriate segregation of duties for raising and approving purchase orders. Authority is used to manage procurement activity. We found: ▪ individuals have the ability to raise and approve their own purchase orders ▪ purchase orders can be printed off systems, possibly circumventing electronic approval workflows within Authority. Element Org functionality also resulted in a large amount of procurement documentation held externally in restricted access shared drives. This has resulted in inefficiencies where documentation is not easily linked to the associated procurement activity.		Risk There is a risk where purchase orders are raised and approved by one individual there is lack of visibility and assurance that purchases are being made for business purposes. Physical forms are not subject to inbuilt delegations where approvals may exceed written delegations. Root cause System functionality has not been explored to implement these controls and prevent the raising of purchase orders in hard copy. Element Org is decentralised from Authority where purchase orders are originally raised. The Element Org system does not capture contract related procurement activities. A new contract management system is being explored which may have functionality to store documentation.	
Recommendation			
5.1 We recommend Authority is investigated to support restriction of staff:		☒ Agree	☐ Disagree
▪ raising and approving purchase orders ▪ printing hard copy purchase orders for approval. Where system functionality in Authority does not support implementing controls, expectations should be documented within the Procurement Policy.			
5.2 We recommend systems are explored to centralise document retention.		☒ Agree	☐ Disagree
Management comment: This recommendation is no longer relevant as Council no longer users Authority. In the new system (MS Dynamics Business Central), the option self-approving purchase orders has been turned off, and all approval processes are electronic. Responsible officer: Manager Financial Services Action date: N/A			

5. Detailed findings (continued)

Minor		6. Receipt of tenders	
Observation The Procurement Policy does not address the situation where NGSC: - does not receive any tenders - rejects all the tenders(s) received on the basis: - they did not meet NGSC’s specifications outlined within tender documents - and/or did not provide value for money to NGSC. Where no tenders are received the Act requires councils to: - recall tenders - seek alternative means of delivering the services or works required. It was clear there was an understanding of the possible approaches where tender fails to attract suitable candidates through reviewing or revising the scope of works/specifications, however this is not reflected in the Procurement Policy.		Risk There is a risk where unsuitable or no tender applications are received the action taken may not result in the best outcome for NGSC. Root cause This requirement has been overlooked when updates were made to the Procurement Policy.	
Recommendation			
6.1 Update the Procurement Policy to address the situation where a tender process fails to attract any suitable tender applicants.		☒ Agree	☐ Disagree
Management comment: Management agrees with the recommendation and will update the policy. Responsible officer: Manager Financial Services Action date: By 30 June 2024			

Appendix 1 - Scope and Approach

The table below presents the scope of the Internal Audit and the detailed internal audit procedures undertaken to perform the Internal Audit.

Ref.	Scope Area	Ref.	Internal Audit Procedures
A	Evaluate the Procurement Framework, Strategy and Policy against best practice and guidelines.	A1	Meet with key personnel to discuss procurement processes, roles and responsibilities.
		A2	Evaluate the Procurement Framework and Policy against better practice guidance and the <i>Local Government Act 2020</i> .
		A3	Review plans and strategies relating to procurement to confirm processes align to objectives.
		A4	Consider whether practices adopted promote better value, efficiency and sufficiently manage associated risks.
B	Assess the processes for the procurement of goods and services, including: - inbuilt internal controls, purchasing thresholds, delegation of approval, procurement activity advertising and evaluation evidence, probity and compliance - purchase requisition and order - confirmation of receipt of goods - retention of documentation and approvals.	B1	Meet with key personnel to discuss procurement processes, roles and responsibilities.
		B2	Review of policies and procedures relating to procurement to confirm they cover key mitigating controls.
		B3	Perform limited sample testing of procurements of varied thresholds to test the application of procedures and application of the identified internal controls. Sample will include at least three procurements from each procurement threshold (sample sizes may be increased at your discretion and we will quote to your request).
		B4	Walk through the payment claim and approval process including matching to purchase orders.
		B5	Identify and assess the adequacy of processes for dealing with: - variations to contract or approved purchase order - emergency procurement - payment claims with no corresponding approved purchase order (detecting, monitoring and education) - outside of policy/delegation approval processes.
		B6	Confirm there is adequate segregation of incompatible duties to ensure no employee has the ability to authorise a procurement end to end.
C	Review processes for the identification and management of conflicts of interest throughout the procurement process.	C1	Meet with key personnel to discuss how conflicts of interest are managed.
		C2	Perform limited sample testing of procurements of varied thresholds to test the application of Conflicts of Interest Policy and Procedures.
D	Confirm the process in place to support supplier verification and maintenance of the supplier master file.	D1	Meet with key personnel to discuss: - supplier verification processes - management of the supplier master file and associated internal controls.
		D2	Review policies and procedures to support the supplier master file maintenance processes.

Appendix 2 - Risk rating methodology

Risk rating	Definition of audit risk ratings
	Major risk exposure High likelihood and/or consequence. Requires immediate attention, suggest within two months.
	Moderate risk exposure Medium likelihood and/or consequence. Requires attention within six months.
	Minor risk exposure Low likelihood and/or consequence. Requires attention within 12 months.
	Area of strong control and risk mitigation identified We are comfortable that the control /s identified are mitigating the associated risk.
	Opportunity An opportunity to gain an efficiency or saving exists.

Our ratings are designed for simple communication of our understanding of the matter and potential impact on your organisation.

We consider your risk management framework in allocating a rating.

Appendix 3 - Basis and use of report

Our Internal Audit reports (the reports) are prepared on the basis of the limitations set out below:

We are engaged by Northern Grampians Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit and Risk Committee.

The reports are prepared in accordance with the objectives and approach agreed in the engagement documents and subject to the following limitations:

Because of the inherent limitations in any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures are not designed to detect all weaknesses in control procedures as they are not performed continuously throughout a specific period and any tests performed will be on a sample basis.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily comprehensive statements of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity or procedure, nor can we be a substitute for management's responsibility to maintain adequate internal controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our reports to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.

Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.

The reports are prepared for distribution to Northern Grampians Shire Council for the purposes of review by the Audit and Risk Committee and management. The reports are not to be used by any other party for any purpose nor should any other party seek to rely on the opinion, advices, or any information contained within the reports. In this regard, we recommend that parties seek their own independent advice.

AFS & Associates Pty Ltd disclaims all liability to any other party other than the client for which the reports are prepared in respect of or any consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in the reports. Any party, other than the client for which they are prepared, who chooses to rely in any way on the contents of the reports, does so at their own risk.

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We acknowledge the Dja Dja Wurrung People, the
Traditional Owners of the land we are working on
today. We pay our respects to leaders and Elders
past, present and emerging.

Business Advisory

Audit & Assurance

Taxation & Compliance

Share Registry

Please find below our update of recent reports and publications of interest to your industry. The information contained within this document is current as at the time of development. We also provide regular updates on the latest as it happens. Stay updated and subscribe to AFS insights: <https://www.afsbendigo.com.au/insights/>

Source	Name	Coverage	Relevant links
Victorian Auditor General's Office (VAGO)	Cybersecurity: Cloud Computing Products	VAGO selected a range of agencies, including government departments, a local council, a water authority, a health service and other entities, to assess their approaches to cybersecurity and examine the effectiveness of the agencies' Microsoft 365 cloud-based identity and device management controls. VAGO concluded that the audited agencies' Microsoft 365 cloud-based identity and device controls are not fully effective and the public sector does not use its size and economy of scale to address cybersecurity risks in a coordinated way, they can do more to improve their cybersecurity. VAGO made seven recommendations to address three key findings. The relevant agencies have accepted the recommendations in full or in principle or with qualifications. While the recommendations are directed to audited agencies, VAGO expect all Victorian public sector agencies to implement them where appropriate.	https://www.audit.vic.gov.au/report/cybersecurity-cloud-computing-products?section
Victorian Chamber of Commerce & Industry	Prioritising regional business resilience	The Bush Summit, hosted by News Corp Australasia and showcasing regional Australia, addresses the challenges facing rural communities and identifying solutions. The Victorian edition of the conference saw regional and business leaders across a range of sectors, joined by politicians and policy makers. Mr Guerra joined the panel discussion on business resilience, moderated by Herald Sun Federal Political Reporter Jade Gailberger and featuring Business Women Albury-Wodonga Chair Desiree Georgiou and North East Water Managing Director Jo Murdoch. Mr Guerra acknowledged regional Victoria grappled with digital and transport connectivity issues, tight supply of talent and the housing crisis. He called on governments to work with the private sector to allow small and medium enterprise the certainty they need to operate.	https://www.victorianchamber.com.au/news/prioritising-regional-business-resilience?utm_source=sfmc&utm_medium=email&utm_campaign=BAU_20230816_Business_First_Member&utm_sfid=0035K0000050tiaQAC&utm_content=hero+read+more

Local Government

Reports and publications of interest

Source	Name	Coverage	Relevant links
Government News	Recent cyber attacks highlight vulnerability of local government	Up until recently, local government areas (LGAs) were thought by some in the cybersecurity industry to be one of the sectors least likely to be targeted by cyberhackers. But the high-profile attack on Melbourne's Stonnington council in 2021, raised alert levels. And in 2022, the Australian Cyber Security Centre warned that local governments would be an attractive target for bad actors because many have responsibility for essential services such as water and sewage. But it's clear that many LGAs still aren't taking cybersecurity as seriously as they might. The latest NSW Auditor General Financial Audit Local Government 2022 report found that 47% of all NSW councils lacked at least one of the basic governance and internal controls to manage cyber security.	https://www.governmentnews.com.au/type-contributors/recent-cyber-attacks-highlight-vulnerability-of-local-government/
Independent Broad-Based Anti-Corruption Commission (IBAC)	Operation Sandon Special report	The Operation Sandon Report covers investigation into allegations of corrupt conduct involving councillors and property developers in Melbourne's south-east. The report also examines the effectiveness of Victoria's systems and controls for safeguarding the integrity of the state's planning processes. The demand for housing in Victoria is high, with the state's population projected to grow to eight million by 2050. There is particularly high demand for housing in Melbourne's outer suburbs, including in the Casey Council area in Melbourne's South-East. Victorians rely heavily on the private sector to supply housing for the community's needs, and property developers play an essential role in the growth of our cities and regions, including the supply of housing through the development of greenfield (undeveloped land in urban or rural areas) sites. Profits associated with property development can be significant.	https://www.ibac.vic.gov.au/operation-sandon-special-report

Local Government

Reports and publications of interest

Source	Name	Coverage	Relevant links
Environment Protection Authority (EPA) Victoria	Draft Guidelines for onsite wastewater management	More than 500,000 regional Victorian households reliant on septic tanks to treat their waste must comply with regulations and new guidelines that demand they keep maintenance records on their systems and report leaks or faults to their local councils. Victoria's Environment Protection Regulations impose a penalty of \$1923 for failing to report a fault of leak from a septic system to councils, while failing to keep and provide maintenance records attracts a fine of \$961. While the regulations came into effect in 2021, the requirement to notify council did not come into effect until July last year, and the EPA is only now seeking community feedback on new guidelines it released last month outlining septic system owners operation and maintenance obligations. Feedback from local shires is that ultimately water corporations should have oversight of septic systems, not under-resourced councils. A copy of the draft guidelines for onsite wastewater management can be found on the EPA website.	https://engage.vic.gov.au/draft-guidelines-for-onsite-wastewater-management
Victorian Chamber of Commerce & Industry	What does digital leadership look like in 2023?	In 2023, one thing is undeniable: the future is digital. Right now, research shows that 64% of all Australians use digital skills in their jobs. Within the next five years, that number is expected to grow to 90%. Digital leadership is the discipline of leading the digital transformation within a business, with the ultimate goal of successfully adopting and utilising digital tools. The adoption of these tools must occur in a way that will make the organisation more efficient and effective. Change management is an essential part of digital leadership, since digital transformations are notoriously difficult to execute, with just 16% of all transformations succeeding.	https://www.victorianchamber.com.au/news/what-does-digital-leadership-look-like-in-2023

Local Government

Reports and publications of interest

Source	Name	Coverage	Relevant links
Victoria Chamber of Commerce	Is your business ready for mandatory climate reporting?	On Monday 26 June 2023, the International Sustainability Standards Board (ISSB) released its inaugural sustainability standards, designed to provide a global baseline of sustainability- and climate- related disclosures for the capital markets. Further, on Tuesday 27 June 2023, the Australian Treasury released its second consultation on climate-related financial disclosures. Both internationally and in Australia the matters of climate change and more broadly sustainability are moving at a rapid pace due to stakeholder expectations of transparency in this area. New Zealand are already into their first year of mandatory climate related disclosure reporting.	https://www.victorianchamber.com.au/news/is-your-business-ready-for-mandatory-climate-reporting
Chartered Accountants Australia and New Zealand (CA ANZ)	CA ANZ welcomes momentous step towards harmonising global sustainability reporting	The release by the International Sustainability Standards Board's (ISSB) of its first two standards marks an important milestone for finance professionals and finance teams, according to CA ANZ. The ISSB's standards aim to provide a comprehensive global baseline of sustainability disclosures for capital markets and enable consistent, comparable and high-quality sustainability reporting. In Australia, we are currently awaiting the next consultation from Treasury to establish a Climate-Related Financial Disclosure Framework for certain entities, likely to commence in FY24/25 for large listed entities and financial institutions. The Australian Accounting Standards Board (AASB) has been tasked with developing the sustainability disclosure standards that will underpin the framework, in line with IFRS S2.	https://www.charteredaccountantsanz.com/news-and-analysis/media-centre/press-releases/ca-anz-welcomes-momentous-step-towards-harmonising-global-sustainability-reporting
Australian Institute of Company Directors (AICD)	Can generative Artificial Intelligence (AI) expose companies to risk?	Directors have to work out how to let their organisations jump on the biggest productivity breakthrough of the past decade without exposing them to unreasonable risk. A company needs a system for generative AI that includes policies and standard operating procedures, and a process to continually improve that system and oversee deployment so that every employee is trained properly in how to follow it. Directors need leading indicators to measure the productivity benefits of ChatGPT as well as the risks. It also requires internal reviews and external audits to ensure it is meeting best practices.	https://www.aicd.com.au/innovative-technology/digital-business/artificial-intelligence/can-generative-ai-expose-companies-to-risk.html

Source	Name	Coverage	Relevant links
Victoria Chamber of Commerce	Understanding the <i>Protecting Worker Entitlements Act</i>	The Fair Work Legislation Amendment (Protecting Worker Entitlements) Bill 2023 passed through Federal Parliament on 22 June 2023. The amendments form a second round of workplace relations changes following the Federal Parliament's passing of the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Bill 2022 in December 2022. Though not as sweeping as Secure Jobs, Better Pay, the latest Bill affects superannuation, parental leave and temporary visa workers, with key changes including: ▪ Enshrines superannuation as a right within the National Employment Standards (NES). ▪ Expands the number of flexible parental leave days from 30 to 100 days and flexibility on how they can be taken and shared between parents. ▪ Provides long-service leave entitlements to casual employees in the black coal mining industry. ▪ Clarifies the application of <i>Fair Work Act</i> protections to temporary visa workers. ▪ Clarifies the interaction between enterprise agreements and workplace determinations.	https://www.victorianchamber.com.au/new/s/understanding-the-protecting-worker-entitlements-act
Victorian Auditor-General's Office (VAGO)	Regulating Food Safety	VAGO assessed whether councils are complying with their legislative responsibilities for food safety to protect public health. The agencies examined were the Department of Health, City of Casey, City of Greater Geelong, Hepburn Shire Council, City of Kingston and Manningham City Council. VAGO found the audited councils are not complying with all their legislative responsibilities for food safety to protect public health. Not all audited councils are: ▪ assessing or inspecting all food premises ▪ systematically identifying unregistered food premises ▪ reinspecting three months before registration renewal for all noncompliant food premises or those with complaints ▪ meeting food sampling targets reporting data to the Department of Health.	https://www.audit.vic.gov.au/report/regulating-food-safety

Source	Name	Coverage	Relevant links
Government News	Assessing the risks and rewards of ChatGPT for local government	With little policy leadership in AI space so far, it seems most government entities are watching each other to see who produces the first guidelines for everyone to replicate. In the meantime, there's no doubt staff in many councils are dabbling in this new technology, raising a broader question about credibility and authenticity in local government communication. Council leaders are well advised to: - arm themselves with information by learning as much as they can about these new platforms - avoid an initial impulse to ban or outlaw and consider the genuine benefits and opportunities start conversations now that will lead to robust processes to maintain good governance and manage risk.	https://www.governmentnews.com.au/type_contributors/assessing-the-risks-and-rewards-of-chatgpt-for-local-government/
Australian Institute of Company Directors (AICD)	Test your organisation's cyber resilience	The Australian Securities and Investments Commission (ASIC) cyber pulse survey is a tool for directors to assess their organisation's cyber resilience. Cyber attacks have exposed the personal data of millions of Australian customers — acting as a wake-up call for directors. With cyber attacks becoming more frequent and complex, it's important for organisations to have cyber resilience to protect against and recover from an attack. To help determine an organisation's cyber capability, the Australian Institute of Company Directors invite you to complete the ASIC cyber pulse survey.	https://www.aicd.com.au/risk-management/framework/cyber-security/test-your-organisations-cyber-resilience.html
Australian Institute of Company Directors (AICD)	Responding to the Not-For-Profit (NFP) Climate Challenge	AICD has launched a comprehensive guide to assist NFP organisations manage the increasing demands of climate change risk and governance. AICD director surveys show a majority of NFP directors are seeking to engage more on climate governance. But faced with competing priorities, limited resources, and a lack of expertise in sustainability issues, the challenges can often seem overwhelming. The new AICD guide Climate Governance for NFP Directors: Starting the Journey to Net Zero provides a simple roadmap for NFPs to take action at a localised level.	https://www.aicd.com.au/news-media/media-releases/2023/responding-to-the-nfp-climate-challenge.html

Local Government

Reports and publications of interest

Source	Name	Coverage	Relevant links
Municipal Association of Victoria (MAV)	Local government come together to protect democracy	Approximately 100 representatives from councils across Victoria gathered to discuss the rising levels of unpredictable and disruptive behaviour at council meetings over the last few months. A key take-out from the meeting was to ensure councils clearly understood the issues they are facing and the need to provide a safe workplace for those working within their organisations.	https://www.mav.asn.au/news/local-government-come-together-to-protect-democracy
Victoria State Government	Commission of Inquiry into Moira Shire Council	The Commission of Inquiry into Moira Shire Council saw commissioners speaking with over 150 people, receiving over 100 community submissions and reviewing over 5,000 evidentiary documents over the course of the Inquiry. The report provides findings and recommendations to restore the good governance of the greater Moira Shire community. The restoration of good governance will provide a stable foundation for building effective leadership, project delivery, community engagement and a positive culture within Council.	https://www.parliament.vic.gov.au/file_uploads/Commission_of_Inquiry_into_Moira_Shire_Council_-_Final_Report_for_Tabling_2023_xw0VHWgp.pdf
Victoria State Government	Municipal Monitor appointed to Horsham Rural City Council	Horsham Rural City Council (HRCC) last year requested the appointment of a Municipal Monitor to help guide the Councillor team. Jude Holt was appointment and in her final report delivered to Minister for Local Government Melissa Horne, Ms Holt recommended that Council invested in a community leadership program to support potential candidates at the 2024 local government election. Ms Holt also recommends HRCC has policies, procedures, and frameworks to provide the foundation for best practice governance. The reports presented under the Terms have targeted improvement through policy review, process improvement, and administrative change.	https://www.localgovernment.vic.gov.au/data/assets/pdf_file/0/025/194218/Municipal-Monitor-Final-Report-Horsham-Rural-City-Council.pdf

Local Government

Reports and publications of interest

Source	Name	Coverage	Relevant links
Independent Broad-Based Anti-Corruption Commission (IBAC)	Corruption risks associated with donations and lobbying	IBAC has identified several areas of risk in relation to donations and lobbying, as well as opportunities for regulatory improvement. Donations and lobbying can be used to gain privileged access to decision-makers within a party, especially if it is in government, by elevating a donor's or lobbyist's profile. Candidates and political parties also obtain donations through fundraising activities, requests for in-kind support, direct payments and via associated entities. Together these factors have the potential to compromise a member of parliament or councillor once elected. Donations and lobbying can be used to gain privileged access to decision-makers within a party, especially if it is in government, by elevating a donor's or lobbyist's profile. Candidates and political parties also obtain donations through fundraising activities, requests for in-kind support, direct payments and via associated entities. Together these factors have the potential to compromise a member of parliament or councillor once elected. These are matters which can erode public trust in the people and institutions that are relied on to make decisions in the public interest. Repeated calls to strengthen donation regulations point to regulatory gaps and opportunities for improvement, while investigations in other jurisdictions highlight relative weaknesses of the Victorian framework.	https://www.ibac.vic.gov.au/media/160/download
Local Government Inspectorate (LGI)	Governance and culture improvements at West Wimmera Shire Council	Failings in governance and culture, identified at West Wimmera Shire Council 5 years ago, have largely been addressed at the council, a review has found. A 2018 examination of the council by the LGI focused on specific allegations regarding conduct issues between councillors and staff, conflict of interest management, interest returns management, asset management, financial management including procurement, grants, councillor expenses and reimbursements as well as credit card management. General Governance and Human Resources were also reviewed.. In returning to the council in June 2022, it was pleasing to identify that general governance improvements had been implemented, however it was clear that despite the publishing of the report in November 2018, and allowing for ongoing impacts of Covid, a majority of the improvement strategies had not commenced until 2021.	https://www.lgi.vic.gov.au/governance-and-culture-improvements-west-wimmera-shire-council

Financial Report

30 JUNE, 2023



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Executive Summary as at 30 June, 2023

It should be noted that this report only reflects spending to 30 June, 2023.

Council ended the period with \$26.6M cash.

Cash Flow Statement as at 30 June, 2023

	Actuals to June, 2023 \$ '000	Budget 2022-23 \$ '000	Variations to Budget Fav (Unfav) \$ '000
Operating Activities			
Revenue			
Rates & Charges	(19,550)	(19,367)	183
Operating Grants	(15,982)	(10,753)	5,229
Statutory Fees & Fines	(458)	(356)	102
User Fees	(2,082)	(2,023)	59
Contributions	(86)	(49)	37
Other Revenue	(98)	(749)	(651)
Total Revenue	(38,256)	(33,297)	4,959
Expenses			
Employee Costs	18,282	18,427	145
Materials & Services	11,884	10,843	(1,041)
Borrowing Costs	303	73	(230)
Other Expenses	654	941	287
Total Expenses	31,123	30,284	(839)
Net Operating	(7,133)	(3,013)	4,120
Investing Activities			
Capital Expenditure	13,585	11,644	(1,941)
Capital Grants	(7,267)	(6,210)	1,057
Capital Income	70	(90)	(160)
Capital Contributions	(508)	(10)	498
Proceeds from investment in associates	(121)	-	121
Repayment of Loans & Advances	-	(5)	(5)
Net Investing Activities	5,759	5,329	(430)
Financing Activities			
Principal Repayments	97	97	(0)
Net Financing Activities	97	97	0
Net Movements for Year	(1,276)	2,413	3,689
Opening Cash	25,347	21,277	(4,070)
Closing Cash	26,623	18,864	(6,394)

Operating Statement as at 30 June, 2023

100% through the year

	YTD Committed Actuals \$000's	Adopted Budget \$000's	% Actuals to Budget %
Revenue			
Rates & Charges			
Residential	(8,548)	(8,494)	101%
Farm/Rural	(5,495)	(5,488)	100%
Commercial	(793)	(766)	104%
Industrial	(428)	(402)	106%
Cultural & Recreational	(12)	(12)	100%
Municipal Charge	(1,008)	(1,003)	100%
Garbage Charge	(2,876)	(2,848)	101%
Rates in Lieu	(357)	(355)	101%
Rates & Charges	(19,518)	(19,367)	101%
Grants Capital			
Capital Grants	(7,267)	(6,985)	104%
Grants Capital	(7,267)	(6,985)	104%
Grants Operating			
Aged & Disability Services Grants	(757)	(809)	94%
Child Care Grants	(1,149)	(791)	145%
Environmental Grants	(92)	(75)	123%
Untied Grants	(11,651)	(8,718)	134%
Operating Grants	(2,088)	(237)	882%
Public Safety Grants	(244)	(123)	198%
Grants Operating	(15,982)	(10,752)	149%
User Fees			
Aged and Disability Service Fees	(452)	(399)	113%
Building Fees	(1)	0	
Child Care Fees	(231)	(336)	69%
Leisure Fees	(657)	(716)	92%
Local Law Fees	(142)	(120)	119%
Other Fees	(136)	(160)	85%
Public Health Fees	(113)	(87)	130%
Rental Income	(145)	(153)	95%
Private Works Infrastructure	(47)	(21)	223%
Waste Management Fees	(60)	(22)	281%
User Fees	(1,985)	(2,013)	99%
Statutory Fees and Fines			
Building Fees	(157)	(182)	86%
Local Law Fees	(11)	(4)	282%
Other Fees	(101)	(30)	332%
Planning Fees	(189)	(149)	127%
Statutory Fees and Fines	(458)	(365)	125%
Contributions			
Contributions to Capital	(508)	(85)	597%
Contributions Other	(86)	(49)	175%
Contributions	(594)	(134)	442%
Other Revenue			
Interest Income	(192)	(151)	127%
Other Revenue	(851)	(599)	142%
Other Revenue	(1,043)	(749)	139%
Revenue	(46,846)	(40,367)	116%
Revenue (excl Rates & Charges)	(27,328)	(21,000)	130%

Operating Statement as at 30 June, 2023

100% through the year

	YTD Committed Actuals \$000's	Adopted Budget \$000's	% Actuals to Budget %
Expenses			
Employee Benefits			
Salary & Wages	16,799	15,866	106%
Superannuation	1,742	1,781	98%
LSL Provision Movement	0	463	0%
Fringe Benefit Tax	4	33	11%
WorkCover	346	359	96%
Training	0	0	
Employee Benefits	18,890	18,502	102%
Materials & Services			
Advertising	144	119	121%
Audit Fees	47	55	85%
Bank Fees	56	58	97%
Catering	16	28	56%
Communications	89	133	67%
Professional Advice	451	474	95%
Contractors	3,381	3,304	102%
Contributions - Reciprocal	820	365	224%
Cost of Goods Sold	225	175	129%
Equipment Mtc & Repair	675	680	99%
Fuel	700	509	138%
Insurance	882	715	123%
Leases	407	387	105%
Legal Expenses	94	102	91%
Memberships & Subscriptions	225	266	85%
Minor Equipment	165	125	132%
Office Supplies	14	9	162%
Other Materials and Services	930	1,665	56%
Postage & Freight	31	36	88%
Printing	34	58	58%
Recruitment & Retention Expenses	21	21	98%
Security Expenses	46	66	69%
Software Costs	1,386	1,765	79%
Uniforms & Protective Clothing	159	88	180%
Utilities	383	438	87%
Apprentice Reimbursements	389	483	80%
Materials & Services	11,770	12,124	97%
Depreciation			
Depreciation	14,455	14,139	102%
Depreciation	14,455	14,139	102%
Amortisation			
Amortisation	146	86	170%
Amortisation	146	86	170%
Finance Costs			
Borrowing Costs	43	70	61%
Lease Costs	260	3	8650%
Finance Costs	303	73	414%
Other Expenses			
Contributions - Non Reciprocal	168	388	43%
Councillor Allowances	227	233	97%
Other Expenses	260	277	94%
Other Expenses	654	898	73%
Bad & Doubtful Debts			
Other Debtors	(97)	0	
Bad & Doubtful Debts	(97)	0	

Operating Statement as at 30 June, 2023

100% through the year

	YTD Committed Actuals \$000's	Adopted Budget \$000's	% Actuals to Budget %
Expenses	46,121	45,822	101%
Expenses (excl Depreciation)	31,520	31,597	100%
Other Income Statement Items			
Proceeds of Asset Sales	70	(90)	-78%
Written Down Value of Assets Sold	1,130	-	
Other Income Statement Items	1,200	(90)	-1334%
Operating Statement	476	5,365	9%

Capital & Project Expenditure Summary

Programs	Actuals \$000's	Forecast \$000's	% Complete	Remaning
Major Emergency Restoration	1,224	153	800%	0%
Roads	5,501	6,468	85%	15%
Bridges	554	2,123	26%	74%
Building	2,299	2,650	87%	13%
Drainage	71	107	67%	33%
Open Spaces	2,234	6,144	36%	64%
Land & Land Improvements	667	579	115%	0%
IT	77	69	113%	0%
Plant, Vehicles & Equipment	1,577	1,100	143%	0%
Projects	918	1,189	77%	23%
Total Capital & Projects	15,122	20,582	73%	27%

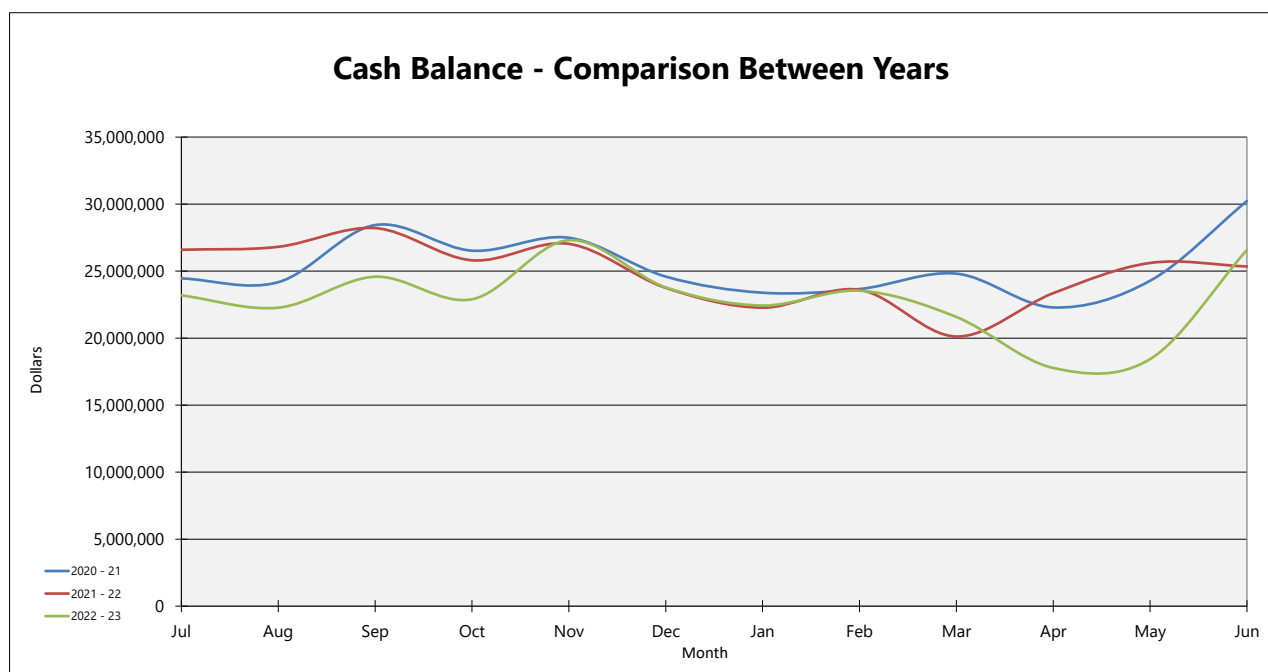
Capital & Project Expenditure Summary as at 30 June, 2023

Capital and Projects	Forecast	Adopted Budget	Variation
02 - Capital			
1112 - B - Roads - Aerodrome Program	375,734	300,000	75,734
1101 - B - Roads - Final Seal Program	321,890	328,000	(6,110)
1110 - B - Roads - Footpaths Program	191,205	228,000	(36,795)
1100 - B - Roads - Kerb & Channel Program	600,372	503,000	97,372
1102 - B - Roads - Major Rural Roads Program	746,153	406,984	339,169
1104 - B - Roads - Resealing Program	1,179,487	1,205,000	(25,513)
1105 - B - Roads - Resheeting Program	1,047,800	948,000	99,800
1106 - B - Roads - Rural & Residential Program	345,000	245,000	100,000
1111 - B - Roads - Streetscapes	228,304	0	228,304
1107 - B - Roads - Town Street Sealing Program	21,646	84,000	(62,354)
1108 - B - Roads - Transport Dev Program	920,810	416,000	504,810
1109 - B - Roads - Urban Rd Improvement Program	82,000	84,000	(2,000)
1103 - B - Roads - Rehabilitation Program	404,000	254,000	150,000
1113 - C - Bridge & Major Culverts Program	2,122,713	1,066,000	1,056,713
1114 - C - Floodway Program	0	0	0
1115 - D - Building Program	2,650,082	680,000	1,970,082
1116 - E - Drainage Program	106,980	78,000	28,980
1122 - F - Open Spaces Program	6,144,159	3,960,000	2,184,159
1120 - G - Land & Land Improvement Program	578,845	0	578,845
1119 - H - IT Program	68,500	68,500	0
1118 - H - Plant, Vehicles & Equipment Program	1,099,638	790,000	309,638
1121 - J - Projects	1,189,249	0	1,189,249
Total 02 - Capital	20,424,566	11,644,484	8,780,082
04 - Emergency Capital			
0257 - 11/19 Bushfire Recovery	153,020	0	153,020
Total 04 - Emergency Capital	153,020	0	153,020
Grand Total	20,577,586	11,644,484	8,933,102

Capital & Project Revenue Summary as at 30 June, 2023

Capital and Projects	Forecast	Adopted Budget	Variation
02 - Capital			
1112 - B - Roads - Aerodrome Program	(300,000)	(300,000)	0
1101 - B - Roads - Final Seal Program	(219,000)	(157,000)	62,000
1110 - B - Roads - Footpaths Program	0	0	0
1100 - B - Roads - Kerb & Channel Program	0	(270,000)	
1102 - B - Roads - Major Rural Roads Program	(212,000)	0	212,000
1104 - B - Roads - Resealing Program	(955,000)	(880,000)	75,000
1105 - B - Roads - Resheeting Program	(532,984)	(520,984)	12,000
1106 - B - Roads - Rural & Residential Program	(100,000)	0	
1111 - B - Roads - Streetscapes	0	0	0
1108 - B - Roads - Transport Dev Program	(392,000)	(208,000)	184,000
1109 - B - Roads - Urban Rd Improvement Program	(51,000)	0	51,000
1103 - B - Roads - Rehabilitation Program	0	(140,000)	(140,000)
1113 - C - Bridge & Major Culverts Program	(510,000)	(160,000)	350,000
1114 - C - Floodway Program	0	0	0
1115 - D - Building Program	(973,000)	(620,000)	353,000
1116 - E - Drainage Program	0	0	0
1122 - F - Open Spaces Program	(3,461,427)	(2,953,927)	507,500
1120 - G - Land & Land Improvement Program	0	0	0
1118 - H - Plant, Vehicles & Equipment Program	(90,000)	(90,000)	0
1121 - J - Projects	(390,000)	0	390,000
Grand Total	(8,186,411)	(6,299,911)	2,056,500

Cash and Investments as at 30 June, 2023



Total Cash Balance at Month End												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2019 - 20	18,642,143	18,424,373	20,885,437	20,496,673	22,711,437	22,520,759	21,226,659	23,831,676	21,993,073	19,771,946	25,394,596	27,206,212
2020 - 21	24,458,405	24,173,971	28,436,358	26,525,969	27,490,366	24,592,324	23,388,847	23,663,702	24,811,535	22,290,630	24,280,838	30,230,677
2021 - 22	26,594,594	26,813,020	28,211,375	25,807,441	27,033,930	23,750,045	22,274,406	23,607,188	20,121,050	23,354,913	25,609,380	25,346,744
2022 - 23	23,190,093	22,271,414	24,579,815	22,898,950	27,307,669	23,789,682	22,432,629	23,536,006	21,579,899	17,776,702	18,436,519	26,586,002

Restricted Cash required as at 30 June, 2023

\$ 5,681,000

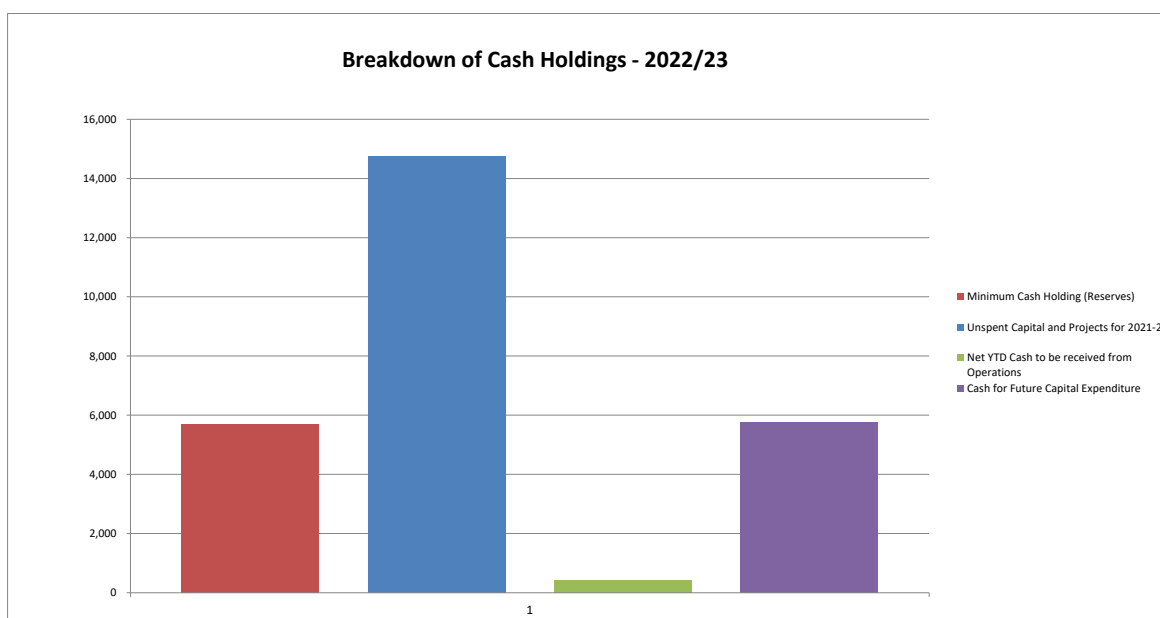
Available Cash as at 30 June, 2023

\$ 20,905,002

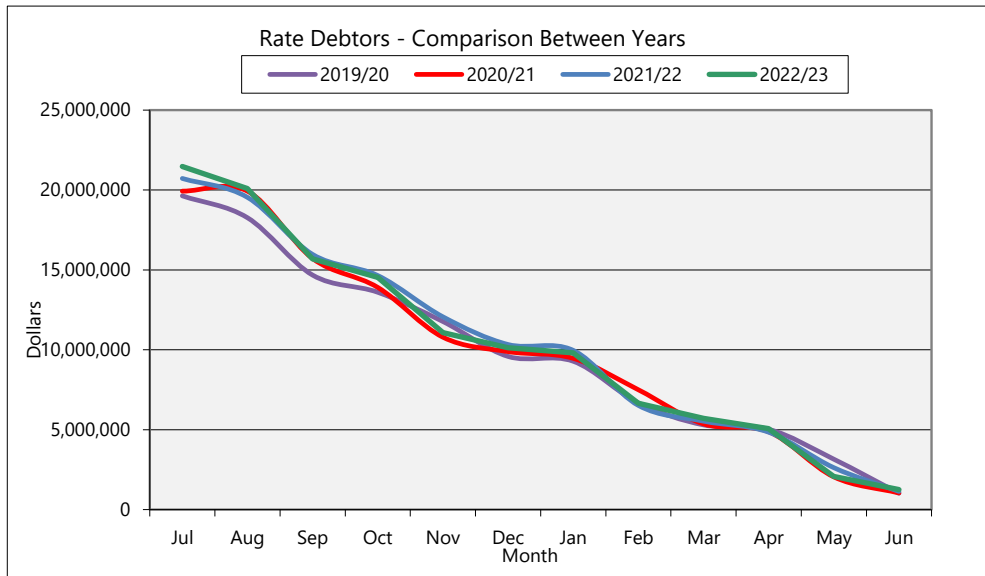
\$ 26,586,002

Breakdown of Cash Holdings

	\$000's
Minimum Cash Holding (Reserves)	5,681
Cash for Future Capital Expenditure	5,752
Unspent Capital and Projects for 2021-22	14,739
Net YTD Cash to be received from Operations	414
Total Cash held as at 30 June, 2023	26,586



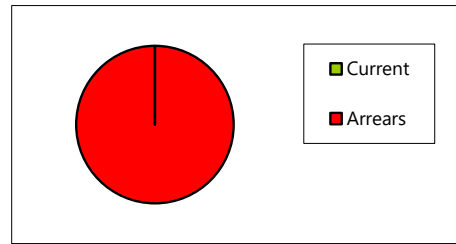
Debtors Reports as at 30 June, 2023



Rates Debtors YTD

Current
Arrears
Total

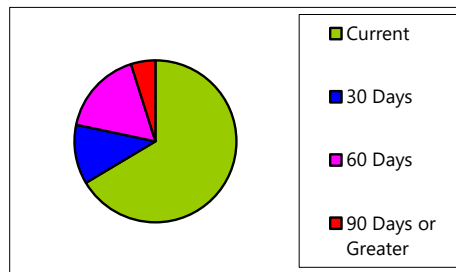
\$	%
0	0%
1,251,638	100%
1,251,638	100%



Sundry Debtors YTD

Current
30 Days
60 Days
90 Days or Greater
Total

\$	%
1,065,760	66.4%
190,176	11.9%
269,910	16.8%
78,346	4.9%
1,604,192	100%



Details:

Current	This balance includes a couple of grants that are not due and June GST reimbursement
30 days	This balance includes a couple of grants that have subsequently paid.
60 days	This balance includes a invoice for the Dept of Transport of \$264,000 now paid
90 Days or Greater	Balances outstanding on a few sundry debtors including \$61k due from Stawell Cemeteries.

Loan Report - Budget 2022/23

Borrowing Principles:

Indebtedness

Our level of debt will not exceed 60% or \$11.6 million of rates and charges revenue.

Indebtness Calculation Check 5.1% ✓

Debt Servicing Costs

Our level of annual debt servicing costs (principal plus Interest) will not exceed 5% or \$1.7 million of our total operating revenue.

Debt Servicing Calculation Check 0.4% ✓

Loans Budgeted 2022/23

Principal

\$000's

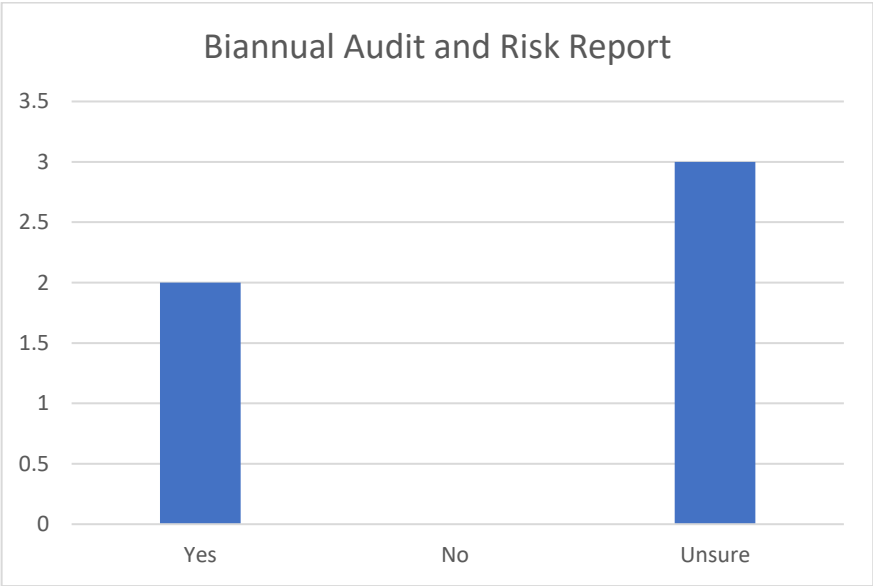
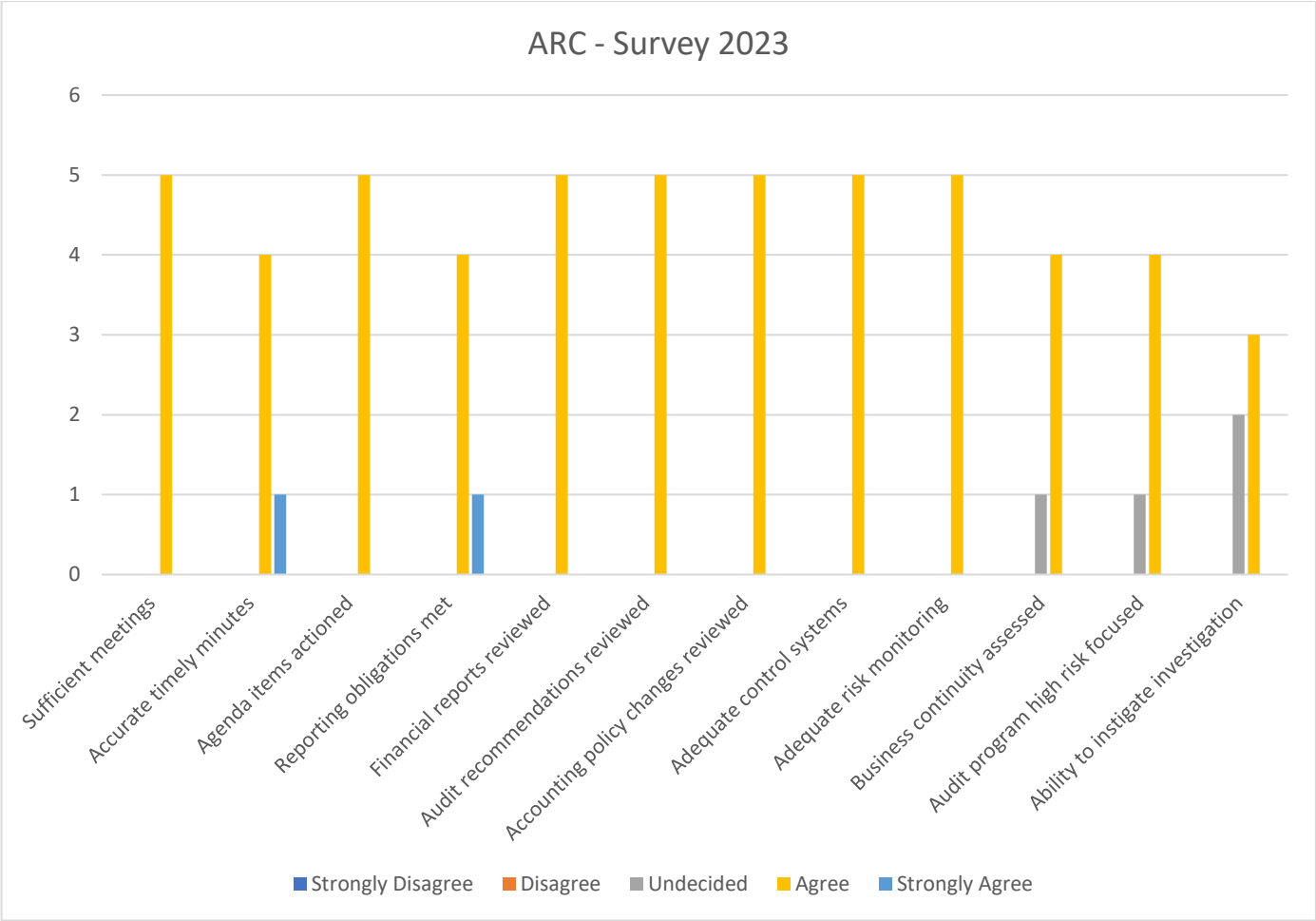
Loans Outstanding as at 30 June, 2022	1,097
Add proposed new loans 2022/23	-
Less scheduled repayments 2022/23	(97)
Loans Outstanding as at 30 June, 2023	1,000

Expiry of Existing Loans

	Expiry	Current Balance \$000's
Loan 16	Jun-23	0
Loan 20	Jun-26	1,000
		1,000

Audit And Risk Committee Survey 2023

These are the results of the self-assessment survey. All 5 members of the committee responded.



Comments

I think the ARC could do better in relation to identifying high risk areas for internal audit and not just rely on management to ascertain what internal audits are undertaken.