



Minutes

Audit and Risk Committee Meeting held at 9.00 AM on Wednesday 14 June 2023 in the Bennett Room, Pleasant Creek Historic Precinct, Stawell.

1 Present

Present

Mr Peter Knights (Chair)
Mr Tony Roberts
Ms Lynn Jenz
Cr Kevin Erwin

Also to attendance

Mr Brent McAlister, Chief Executive Officer
Mr Vaughan Williams, Director Corporate & Community Services
Mr Trenton Fithall, Director Infrastructure & Amenity
Mr Graham Haylock, Manager Financial Services
Mr Peter Phelan, Coordinator Financial Services
Ms Blessing Muncan, RSD Audit
Mr Mahesh Silva, RSD Audit

2 Apologies

Cr Murray Emerson

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

Nil

4 Confirmation of Minutes from the Previous Meeting

Confirmation of draft minutes from the Northern Grampians Shire Council Audit and Risk Committee meeting held Wednesday, 8 March 2023.

Resolution:

That the minutes from the Audit and Risk Committee meeting dated 8 March 2023 be confirmed.

Moved: Cr Kevin Erwin
Seconded: Mr Tony Roberts

Carried

5 Notification of Fraud Events

Nil to report

6 Matters Arising from the Minutes

Nil

7 Financial Reporting and VAGO Audit

7.1 Interim Management Letter

Mr Mahesh Silva discussed the Interim Audit work performed by RSD. Discussed the management letter points from this and previous audits, one item had been resolved but there were no new findings to present to the Committee. Made note of the outstanding items such as the Long Service Leave file, grants register and the ICT security works including penetration testing.

Resolution:

That the Interim Management letter be received and noted.

Moved: Ms Lynn Jenz
Seconded: Cr Kevin Erwin

Carried

7.2 Quarterly Finance Report

Mr Graham Haylock presented the March Quarterly report. Items discussed included the Council's cash levels and the progress of operating and capital projects. Mr Graham Haylock also provided information to the committee on the collection work on Rates debtors and discussed sundry debtors.

Resolution

That the Finance Report be received and noted.

8 Risk Management

8.1 Risk Committee Update

Mr. Vaughan Williams provided an update on Risk Management activities Council is undertaking. Discussion included managing community/public expectations and financial security. The review of all audits to track all risks presented and/or recommendations. There is also ICT testing being conducted. The council is participating in an audit of the Procurement section and an EPA audit update will be provided by Mr Trenton Fithall.

9 General Business

9.1 Internal Audit update

Mr Trenton Fithall provided information on the EPA audit. The audit is regarding the new EPA Act. The act outlines the general environmental duty required by entities. A consultant would provide practices to Council that would provide a level of management required.

Mr Graham Haylock provided an update on the procurement audit from early May. The consultants are going to provide council with strengths and weaknesses or opportunities that they found during the audit. They will present their findings at the next committee meeting.

Mr Brent McAlister discussed a few risk areas of concern. He mentioned a health and safety audit has not been conducted since 2019. He informed the committee the requirements of understanding cultural heritage especially at animal sites in the council area. He thought Council would also consider resilience training for staff as many work remotely.

10 Next Meeting

The next meeting is scheduled to be held 13 September 2023.

11 Close

The meeting is scheduled to close at 10.20am.



Victorian Auditor-General's Office

Northern Grampians Shire Council
Interim Management Letter
for the year ending 30 June 2023

Background

I enclose for your information the interim management for the year ending 30 June 2023. The interim management letter provides a summary of audit findings from the interim phase of our audit. This letter will be discussed at the audit committee meeting on Wednesday 14 June 2023.

Acknowledgement

I also take this opportunity to thank your executive team and staff for the time they made available to us during the interim phase of our audit.

Yours sincerely



Mahesh Silva

Principal

RSD Audit

VAGO Audit Service Provider

Bendigo

7 June 2023

Contents

Introduction.....	4
Summary of audit findings	6
Detailed audit findings—open issues	8
Appendix A. Rating definitions and actions	12

Introduction

We have completed the interim phase of the 2023 audit and now bring to your attention our findings from that phase of the audit. As part of our reporting, we include our assessment on the significance of the findings. The criteria we consider in this assessment is included in **Appendix A**. Findings can fall into the following categories:

- internal control findings
- financial reporting and performance statement reporting findings
- business improvement opportunities and other findings.

Internal control findings

As part of our audit, we assess the design and implementation of internal controls relevant to financial reporting and performance statement reporting. If we intend to rely on these controls, we test how effectively they are operating.

Any weaknesses in internal control identified during our audit is communicated to you through our management letters.

Financial reporting and performance statement reporting findings

As part of our audit, we may identify weaknesses in management's approach to financial reporting and performance statement reporting resulting in potential material misstatement. This includes, but is not limited to, non-compliance with the Australian Accounting Standards and other reporting frameworks.

Reporting and tracking internal control and financial reporting findings

As part of this communication we include:

- our assessment as to the significance of the finding
- recommended actions
- management comments and expected implementation dates.

We have discussed all findings with management. The nature and rating of the finding determines our expectations in relation to management acceptance and our monitoring of the implementation of remedial actions.

Scope of our audit

We did not carry out a comprehensive audit of all processes and systems of internal control you maintain or seek to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any process and system of internal control may mean that errors or irregularities might not be detected.

As explained in the audit strategy presented to the Audit and Risk Committee in March 2023, the objective of the audit is for the Auditor-General to express an opinion on the financial report and performance statement. Although the audit considers internal controls relevant to preparing the financial report and performance statement, this is done in order to design audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of those controls. Our planned approach, including level of reliance on internal controls, was communicated in our audit strategy.

Reports to Parliament

The Auditor-General may include items listed in this letter in a report to Parliament. We will send you a draft of the relevant material included in this report and ask for your comments before the report is tabled in Parliament. High rated findings may be specifically identified and reported in the Parliamentary reports.

Summary of audit findings

The table below summarises all 'open' (current and prior period) management letter issues, and prior period issues that have been resolved in the current period. Open items include all findings that are 'unresolved', 'partially resolved' or 'substantially resolved' as at the date of this letter.

Finding first raised (month / year)	Reference	Findings	Rating	Classification of deficiency			Resolved / unresolved	Management acceptance	Original agreed implementation date
				Internal control	Financial / performance reporting	Financial statement areas grouping			
Open issues (current and prior period)									
Final 2022	2022.1	Calculation of Long Service Leave	Moderate	X	X	Provisions	Unresolved	Yes	30 June 2023
Final 2022	2022.2	Parks, Open Space and Other Infrastructure Valuation Basis	Moderate	X	X	IPPE	Unresolved	Yes	30 June 2023
Final 2022	2022.3	Found Assets Recognised through the asset revaluation reserve instead of through the comprehensive income statement	Low	X	X	IPPE	Unresolved	Yes	N/A
Interim 2021	2021.1	Grants Register	Moderate	X	-	Governance	Unresolved	Yes	1 August 2021
Interim 2021	2021.3	ICT General Controls Weaknesses	Moderate	X	-	ICT	Partially resolved	Partly	TBD
Final 2019	2019.3	Provision for Doubtful Debts Assessment Should be prepared in accordance with AASB 9.	Low	-	X	Receivables	Unresolved	Yes	30 June 2020

Finding first raised (month / year)	Reference	Findings	Rating	Classification of deficiency					Original agreed implementation date
				Internal control	Financial / performance reporting	Financial statement areas grouping	Resolved / unresolved	Management acceptance	
Prior period issues resolved during the period									
Interim 2020	2020.2	Out of date Policies and Procedures → Human Resources Policy → Business Continuity Management Framework	Low	X	-	Governance	Resolved	Yes	September 2020

Detailed audit findings—open issues

Note: Additional detail is provided only where findings are MODERATE or HIGH risk items. LOW risk items are provided in summary format only.

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2022.1	<p>Calculation of Long Service Leave provision</p> <p>We have noted a number of issues with the LSL provision model prepared by NGSC.</p> <ul style="list-style-type: none"> → We identified a number of errors in the LSL provision workings that had not been identified prior to audit; a) This includes employees with less than one year of service with excessive leave accrued b) In addition, discount rates had not been applied within the NPV workings <ul style="list-style-type: none"> → Workcover rate used in the calculation is 3.5% our review of the Workcover premium notice for FY2023 is only 1.8%. <p>These issues noted as part of the review resulted to an overstatement in provision and therefore an adjusting entry had to be processed at year end.</p>	<p>Recommendation</p> <p>We recommend NGSC:</p> <ul style="list-style-type: none"> → Perform a review of the workings to calculate the LSL provision balances at year end to ensure accuracy prior to audit (there is a new LSL model, we suggest NGSC considers on using the latest LSL model) → We recommend NGSC use the correct Workcover rate for next financial year, as the provision is for future years. 	<p>Recommendation: Accepted</p> <p>Responsible officer: Graham Haylock/Rohma Rauf</p> <p>Implementation date: 30 June 2023</p> <p>Management comments:</p> <p>Review of LSL model to be completed for the 2022/23 year end process.</p> <p>Interim 2022-23 management update:</p> <p>Calculation will be made later in financial year and provide to Auditors before 30 June for review</p>
2022.2	<p>Parks, Open Space and Other Infrastructure Valuation Basis</p> <p>We noted that Parks, Open Space and Other Infrastructure classes of assets are valued at Cost. It is our understanding that LGV requires councils to recognise infrastructure at fair value (FV).</p> <p>LGV, through the model accounts (which are compulsory under the regulations) states that “The overriding principle in the recognition of assets is that all assets must be recognised at their fair value.”</p>	<p>Recommendation</p> <p>We recommend a full review/stocktake of these assets to ensure ‘ALL’ assets are identified within the registers, and that the varied nature of these classes hasn't led to duplications of assets in other classes. The assets should then be valued at Fair Value as for other infrastructure and property.</p>	<p>Recommendation: Accepted</p> <p>Responsible officer: Jeevan Pinto/Graham Haylock</p> <p>Implementation date: 30 June 2023</p> <p>Management comments:</p> <p>A review of these assets to be completed for the 2022/23 year end process.</p> <p>Interim 2022-23 management update:</p> <p>Contractors have been engaged to look at the open space assets. This review includes but is not limited to the Fair Value assessment of the assets in the category, the asset stock in the category which</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2021.1	<p>Grants Register and AASB15/1058 recognition assessment</p> <p>From the beginning of FY20, all organisations are required to apply the new Accounting Standards AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities. These require judgements to be made that then defines the appropriate accounting treatment to be applied to the grant. During our interim visit, we assessed the process in place to record the conclusions made in the application of the standards. There was not a clear record of the assessment and conclusions.</p> <p>Council should create a grants register which records the references to, and brief comments about, each of the key grant agreement clauses which influenced the assessment of which Accounting Standard applied.</p> <p>That is, it should be noted in the grants register whether the grant is to be recognised under AASB 15 or AASB 1058, and the register should note details of any performance obligations and their due dates, and the revenue and income in advance recognition principles.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> → implement a review process to ensure all grant contracts are recorded in the register; → create a grants register and ensure it is updated on a quarterly basis; & → ensure an assessment for TfC is completed and details of the applicable clauses, and your assessment of their implications, are also added to the grant register <p>Final 2021-22 audit update</p> <p>We acknowledge that a grants register has now been prepared by management. However, during our audit it was evident that the officers did not have an adequate understanding of the application of the tests and definitions under these standards, and some reclassifications were required.</p> <p>We recommend the relevant officers undertake training in 2022/23 and then revisit the classification of grants within the register.</p> <p>Interim 2022-23 audit update:</p> <p>There was no detailed grants register provided to audit as part of the interim audit visit.</p>	<p>includes any found assets and the remaining useful lives of the assets in this category.</p> <p>Recommendation accepted</p> <p>Responsible officer: Rohma Rauf/ Phuong Au</p> <p>Implementation date: 1 August 2021</p> <p>Interim 2021-22 Management comment:</p> <p>New grants register to be completed for the 2021/22 year end process.</p> <p>Final 2021-22 management comment:</p> <p>As noted, the grants register has been prepared and management considers that part of the recommendation resolved. Management will investigate training opportunities during the 2022/23 financial year.</p> <p>Interim 2022-23 management update:</p> <p>Grants Register is currently in process of being 'rolled over'. Will be completed for audit.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
2021.3	<p>ICT General Control Weaknesses</p> <p>Information Technology controls exist within an organisation’s internal control framework to provide assurance over the security, confidentiality, integrity, and availability of council data.</p> <p>As part of our review of NGSC General IT controls, we identified the following weaknesses:</p> <ul style="list-style-type: none"> → No ICT Penetration testing has been performed → There is no documented Disaster Recovery Plan and Policy in place, while Council do not have an organisation wide DRP, Council advise they do have a data backup program in place → There is no ICT Security Management Policy (this policy will cover End user device security, Physical Security, Operational Security, Procedural security by ICT and Communications security) → No periodic review of the Network Access to IT systems <p>Interim 2021-22 Update:</p> <p>Cybersecurity and IT Health Assessments</p> <p>Our review of ICT systems identified that the council has undertaken a Microsoft Score Rating. However, this quite a simple rating tool, and a more extensive rating tool undertaken by other entities is the Essential Eight, which is a cyber self-assessment (security) maturity tool “to help organisations mitigate cyber security incidents caused by various cyber threats” and which has been designed to protect Microsoft Windows-based internet-connected networks. Developed by the ACSC, the Essential Eight are endorsed by the Victorian Government.</p>	<p>We recommend NGSC:</p> <ul style="list-style-type: none"> → Engage an external party to undertake an IT infrastructure penetration testing [Status – Unresolved - Council is seeking to co-ordinate such an exercise with other councils]. → Develop and adopt a Disaster Recovery Plan and Policy document [Status - Progressing] → Develop an ICT Security Management Policy [Status - Progressing - To be formally approved in the future] → Conduct a periodic review of the Network User Access [Status – Unresolved to be included as part of the ICT Governance Framework which is currently under development] <p>Interim 2021-22 recommendation:</p> <p>With a number of serious and costly attacks directed to local government entities we again recommend that a more detailed assessment and penetration testing of the IT environment is conducted by NGSC.</p>	<p>Recommendation: partially accepted</p> <p>Responsible officer: Stretch Smith</p> <p>Implementation date:</p> <p>TBD</p> <p>Interim 2021-22 Management comment:</p> <p>Penetration testing was planned for 2021/22 however now deferred to 2022/23. This item was tabled to the Audit & Risk Committee and is listed on the schedule of work to be reported back on in the 2022/23 financial year.</p> <p>DRP continues to be a work in process. ICT specific BCP and DRP are currently being developed.</p> <p>Information Security Management Framework was adopted December 2021</p> <p>Periodic review process development planned to formalise work already undertaken. A business system profile has been developed, along with a Business Systems and User Access Management Procedure.</p> <p>Final 2021-22 management comments:</p> <p>An RFQ is to undertake an ICT security audit is currently being developed. All current ongoing security activities will be considered alongside recommendations made following the audit, and an action plan developed for implementation in line with identified priorities and available resources.</p>

Ref	Description of finding and implication	VAGO recommendation on new findings and update on open items	Response from management
			<p>Interim 2022-23 management update:</p> <p>An external Cyber security audit has been conducted, results have been presented to Management. The findings will be used to form the basis of a formal Cyber security action plan which will be presented to the ARC in August 2023.</p>

Appendix A. Rating definitions and actions

We have rated our findings as follows:

Rating	Description of rating	Management action required
High	<p>This issue represents:</p> <ul style="list-style-type: none"> → a material misstatement in the financial report which has occurred, or an issue which could potentially result in a modified audit opinion if not addressed as a matter of urgency by the entity, or → a control weakness which could cause or is causing a major disruption of the process or the entity's ability to achieve process objectives in relation to financial reporting and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires executive management to correct the misstatement in the financial report, or address the issue, as a matter of urgency to avoid a modified audit opinion. → Requires immediate management intervention with a detailed action plan to be implemented within one month.
Moderate	<p>This issue represents:</p> <ul style="list-style-type: none"> → a misstatement in the financial report that is not material and has occurred, or that may occur, the impact of which has the possibility to be material, or → a control weakness which could have or is having a moderate adverse effect on the ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires management intervention with a detailed action plan implemented within three to six months.
Low	<p>This issue represents:</p> <ul style="list-style-type: none"> → a misstatement in the financial report that is likely to occur but is not expected to be material, or → a minor control weakness with minimal but reportable impact on the ability to achieve process objectives and comply with relevant legislation. 	<ul style="list-style-type: none"> → Requires management intervention with a detailed action plan implemented within six to 12 months.

Financial Report

31 MARCH, 2023



Contents

Executive Summary..... 3

Cash Flow Statement..... 3

Operating Statement..... 4

Operating Progress Graphs..... 7

Capital and Project Summary..... 8

Capital and Project Expenditure Progress Graph..... 9

Summary of Major Variations..... 10

Capital and Project Expenditure Summary..... 11

Capital and Project Revenue Summary..... 12

Cash and Investments..... 13

Debtors Report..... 14

Loan Report..... 15

Executive Summary as at 31 March, 2023

It should be noted that this report only reflects spending to 31 March, 2023.

The actual variation shows a favourable movement of \$-5.3M in expected closing cash held at the end of the financial year compared to budget.

Council ended the period with \$21.6M cash.

Cash Flow Statement as at 31 March, 2023

	Actuals to March, 2023 \$ '000	Total Forecast \$ '000	Budget 2022-23 \$ '000	Variations to Budget Fav (Unfav) \$ '000
Operating Activities				
Revenue				
Rates & Charges	(15,586)	(19,149)	(19,367)	(218)
Operating Grants	(6,471)	(13,710)	(10,753)	2,957
Statutory Fees & Fines	(286)	(368)	(356)	12
User Fees	(1,618)	(2,490)	(2,023)	467
Contributions	(107)	(107)	(49)	58
Other Revenue	(1,578)	(749)	(749)	-
Total Revenue	(25,646)	(36,573)	(33,297)	3,276
Expenses				
Employee Costs	14,407	18,528	18,427	(101)
Materials & Services	12,752	13,068	10,843	(2,225)
Borrowing Costs	23	70	73	3
Other Expenses	1,036	1,165	941	(224)
Total Expenses	28,218	32,831	30,284	(2,547)
Net Operating	2,572	(3,589)	(3,013)	576
Investing Activities				
Capital Expenditure	9,567	23,632	11,644	(11,988)
Capital Grants	(7,738)	(7,738)	(6,210)	1,528
Capital Income	(330)	(330)	(90)	240
Capital Contributions	(377)	(377)	(10)	367
Proceeds from investment in associates	-	-	-	-
Repayment of Loans & Advances	-	-	(5)	(5)
Net Investing Activities	1,122	15,186	5,329	(9,857)
Financing Activities				
New Loans	-	-	-	-
Principal Repayments	72	97	97	(0)
Interest Paid - Lease Liability	-	3	-	(3)
Repayment of Lease Liability	-	122	-	(122)
Net Trust Movement	(0)	(0)	-	0
Net Financing Activities	72	222	97	(125)
Net Movements for Year	3,766	11,820	2,413	(9,407)
Opening Cash	25,347	25,347	21,277	4,070
Closing Cash	21,581	13,527	18,864	(5,337)

Operating Statement as at 31 March, 2023

75% through the year

	YTD Committed Actuals \$000's	Forecast \$000's	Adopted Budget \$000's	% Actuals to Forecast %
Revenue				
Rates & Charges				
Residential	(8,548)	(8,548)	(8,494)	100%
Farm/Rural	(5,495)	(5,495)	(5,488)	100%
Commercial	(793)	(793)	(766)	100%
Industrial	(428)	(428)	(402)	100%
Cultural & Recreational	(12)	(12)	(12)	100%
Municipal Charge	(1,008)	(1,008)	(1,003)	100%
Garbage Charge	(2,876)	(2,876)	(2,848)	100%
Rates in Lieu	(357)	(357)	(355)	100%
Rates & Charges	(19,518)	(19,518)	(19,367)	100%
Grants Capital				
Capital Grants	(7,738)	(7,738)	(6,985)	100%
Grants Capital	(7,738)	(7,738)	(6,985)	100%
Grants Operating				
Aged & Disability Services Grants	(551)	(809)	(809)	68%
Child Care Grants	(897)	(897)	(791)	100%
Environmental Grants	(94)	(94)	(75)	100%
Untied Grants	(1,748)	(8,718)	(8,718)	20%
Operating Grants	(3,069)	(3,069)	(237)	100%
Public Safety Grants	(113)	(123)	(123)	92%
Grants Operating	(6,471)	(13,710)	(10,752)	47%
User Fees				
Aged and Disability Service Fees	(487)	(487)	(399)	100%
Building Fees	(1)	(1)	0	100%
Child Care Fees	(178)	(336)	(336)	53%
Leisure Fees	(487)	(716)	(716)	68%
Local Law Fees	(72)	(120)	(120)	60%
Other Fees	(95)	(160)	(160)	59%
Public Health Fees	(107)	(107)	(87)	100%
Rental Income	(115)	(153)	(153)	75%
Private Works Infrastructure	(30)	(30)	(21)	100%
Waste Management Fees	(45)	(45)	(22)	100%
User Fees	(1,618)	(2,155)	(2,013)	75%
Statutory Fees and Fines				
Building Fees	(122)	(182)	(182)	67%
Local Law Fees	(7)	(7)	(4)	100%
Other Fees	(22)	(30)	(30)	74%
Planning Fees	(135)	(149)	(149)	91%
Statutory Fees and Fines	(286)	(368)	(365)	78%
Contributions				
Contributions to Capital	(377)	(377)	(85)	100%
Contributions Other	(107)	(107)	(49)	100%
Contributions	(483)	(483)	(134)	100%
Other Revenue				
Interest Income	(147)	(151)	(151)	97%
Other Revenue	(558)	(599)	(599)	93%
Other Revenue	(705)	(749)	(749)	94%
Revenue	(36,818)	(44,721)	(40,367)	82%
Revenue (excl Rates & Charges)	(17,300)	(25,203)	(21,000)	69%

Operating Statement as at 31 March, 2023

75% through the year

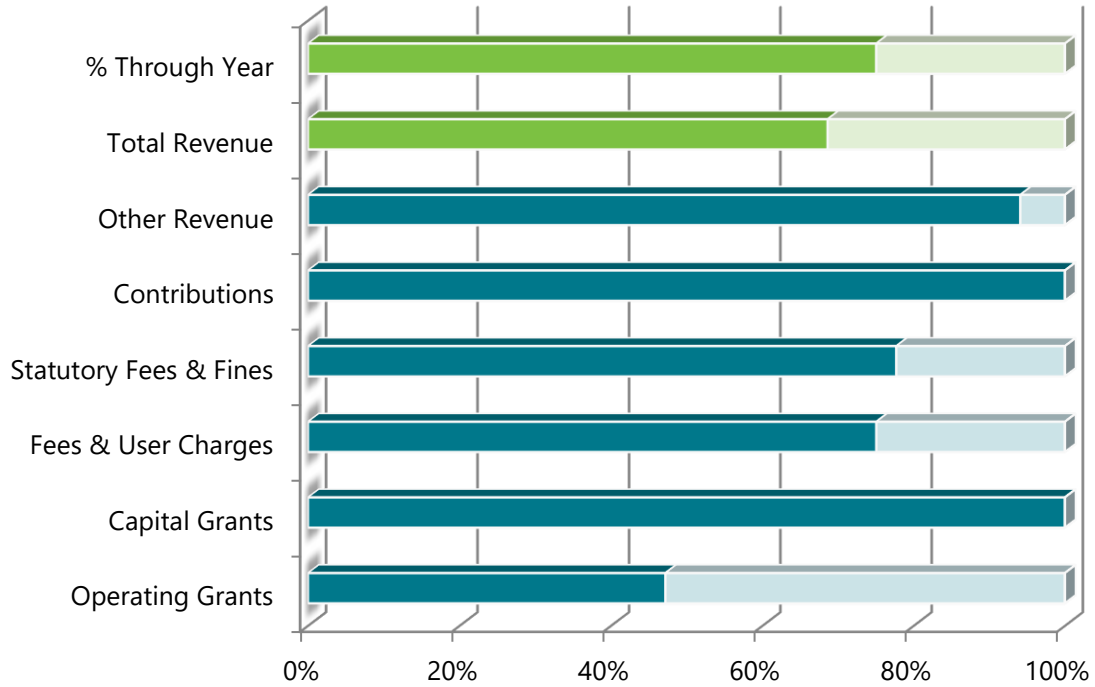
	YTD Committed Actuals \$000's	Forecast \$000's	Adopted Budget \$000's	% Actuals to Forecast %
Expenses				
Employee Benefits				
Salary & Wages	12,572	15,866	15,866	79%
Superannuation	1,267	1,781	1,781	71%
LSL Provision Movement	0	463	463	0%
Fringe Benefit Tax	16	33	33	49%
WorkCover	346	359	359	96%
Training	0	0	0	0%
Employee Benefits	14,200	18,502	18,502	77%
Materials & Services				
Advertising	104	119	119	87%
Audit Fees	1	55	55	1%
Bank Fees	42	58	58	72%
Catering	11	28	28	39%
Communications	68	133	133	51%
Professional Advice	345	474	474	73%
Contractors	2,365	3,304	3,304	72%
Contributions - Reciprocal	569	569	365	100%
Cost of Goods Sold	149	175	175	86%
Equipment Mtc & Repair	561	680	680	83%
Fuel	566	566	509	100%
Insurance	595	715	715	83%
Leases	290	387	387	75%
Legal Expenses	34	102	102	33%
Memberships & Subscriptions	169	266	266	63%
Minor Equipment	149	149	125	100%
Office Supplies	11	11	9	100%
Other Materials and Services	1,304	1,665	1,665	78%
Postage & Freight	22	36	36	63%
Printing	20	58	58	35%
Recruitment & Retention Expenses	12	21	21	55%
Security Expenses	34	66	66	51%
Software Costs	906	1,765	1,765	51%
Uniforms & Protective Clothing	152	152	88	100%
Utilities	275	438	438	63%
Apprentice Reimbursements	284	483	483	59%
Materials & Services	9,037	12,475	12,124	72%
Depreciation				
Depreciation	1	14,139	14,139	0%
Depreciation	1	14,139	14,139	0%
Amortisation				
Amortisation	0	86	86	0%
Amortisation	-	86	86	0%
Finance Costs				
Borrowing Costs	23	70	70	33%
Lease Costs	0	3	3	0%
Finance Costs	23	73	73	31%
Other Expenses				
Contributions - Non Reciprocal	655	655	388	100%
Councillor Allowances	168	233	233	72%
Other Expenses	213	277	277	77%
Other Expenses	1,036	1,165	898	89%
Bad & Doubtful Debts				
Other Debtors	0	0	0	100%
Bad & Doubtful Debts	0	0	0	100%
Expenses	24,297	46,440	45,822	52%

Operating Statement as at 31 March, 2023

75% through the year

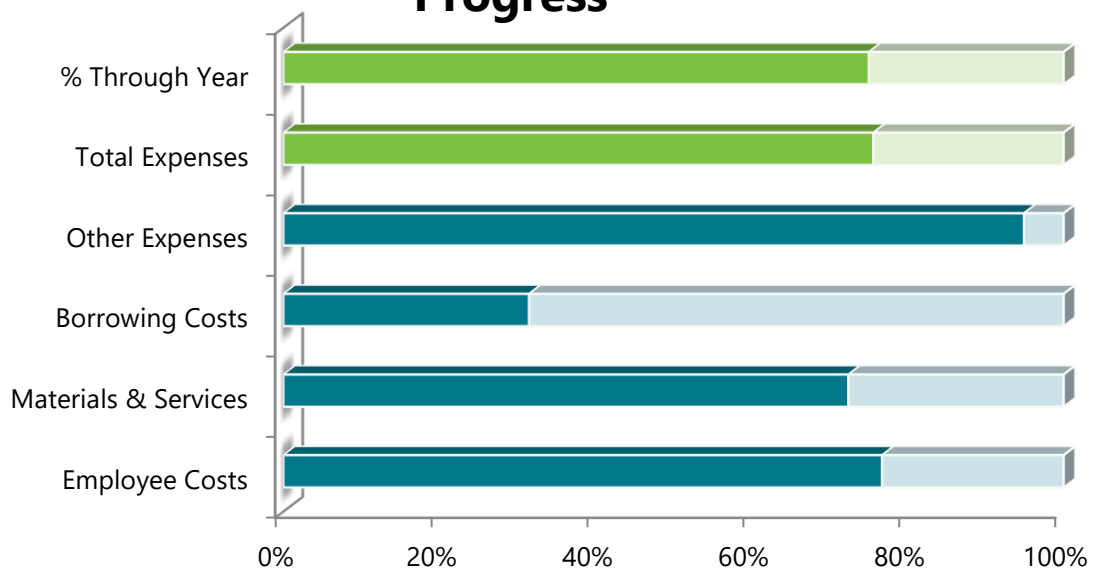
	YTD Committed Actuals \$000's	Forecast \$000's	Adopted Budget \$000's	% Actuals to Forecast %
Expenses (excl Depreciation)	24,296	32,215	31,597	75%
Other Income Statement Items				
Proceeds of Asset Sales	(330)	(90)	(90)	100%
Written Down Value of Assets Sold	70	-	-	100%
Net (Increment) Revalued Assets	-	-	-	0%
Other Income Statement Items	(261)	(90)	(90)	100%
Operating Statement	(12,782)	1,629	5,365	-785%

Ordinary Operating Revenue Progress



This graph excludes rates & charges, with the details for this area shown in the Debtors Report.

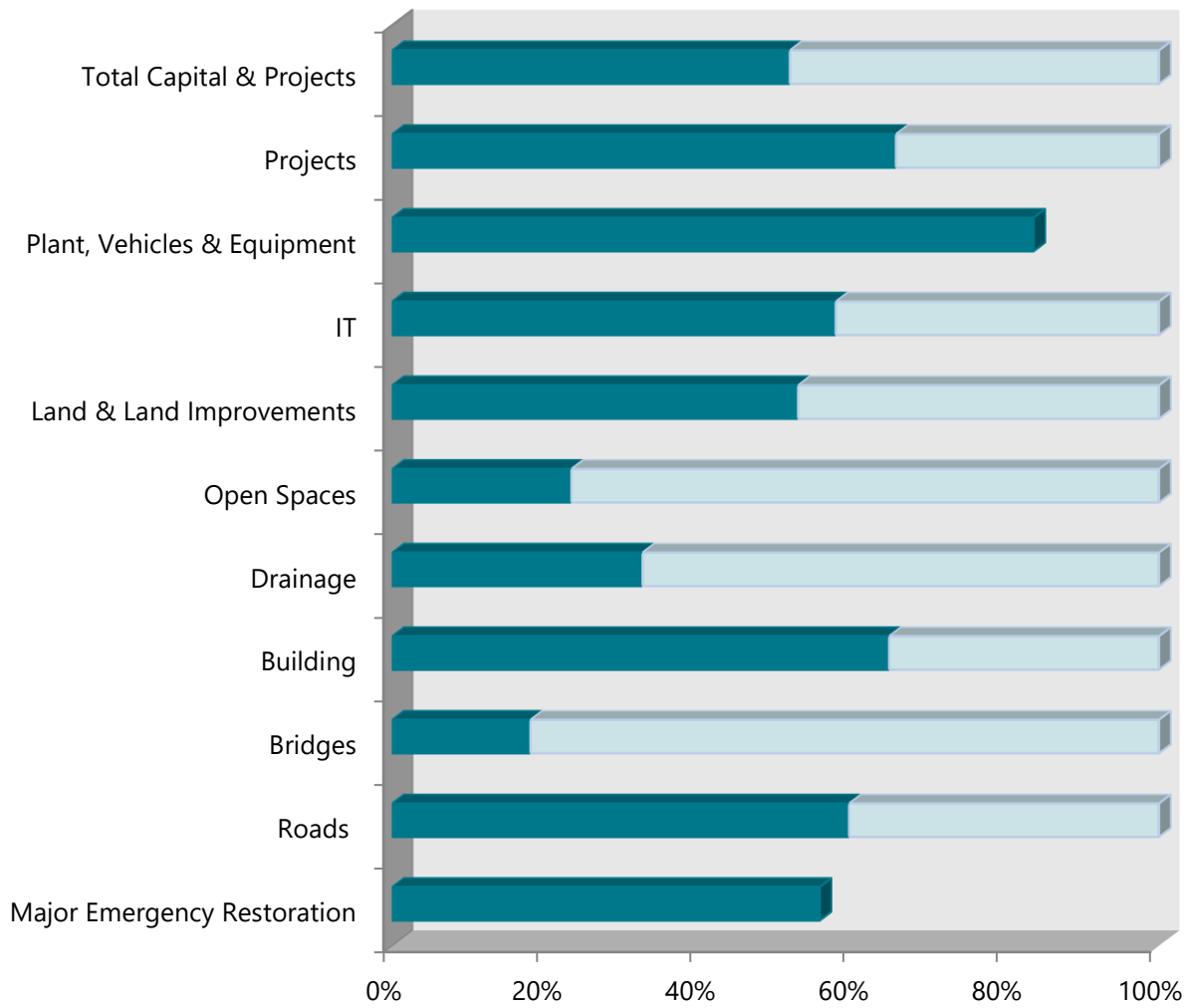
Ordinary Operating Expenditure Progress



Capital & Project Expenditure Summary

Programs	Actuals \$000's	Forecast \$000's	% Complete	Remaning
Major Emergency Restoration	749	153	489%	-389%
Roads	3,853	6,469	60%	40%
Bridges	383	2,123	18%	82%
Building	1,717	2,650	65%	35%
Drainage	35	107	33%	67%
Open Spaces	1,436	6,144	23%	77%
Land & Land Improvements	306	579	53%	47%
IT	40	69	58%	42%
Plant, Vehicles & Equipment	1,368	1,100	124%	-24%
Projects	781	1,189	66%	34%
Total Capital & Projects	10,666	20,582	52%	48%

Capital & Project Expenditure Progress



Summary of Major Variations for March 2023

Forecast
Variation
Fav/(Unfav)

Favourable movements

Capital Contribution	Capital Contribution Banyena/Pimpinio Road Contribution from Yarriambiack Shire Council	150,000
Capital Contribution	Contributions from Harness Racing Victoria \$100k and AFL \$100k for the Lord Nelson Park Precinct.	200,000
Capital Grants	Grant for Navarre Recreation Reserve	480,000
Operating Grants	DET Kindergarten Fee	140,000
Operating Grants	RCTP ERP Project	750,000
Operating Grants	RCTP EDRMS Project	170,000
Operating Grants	DJPR - Council Flood Support funding	500,000
Operating Grants	Recognised Grant for Stawell Gift received in prior years	660,000

Unfavourable movements

Contribution Reciprocal	Stawell Easter Festival contribution (External grant transfer)	- 330,000
Contribution Non Reciprocal	RCTP ERP Project Contribution (External grant transfer)	- 250,000
		2,470,000

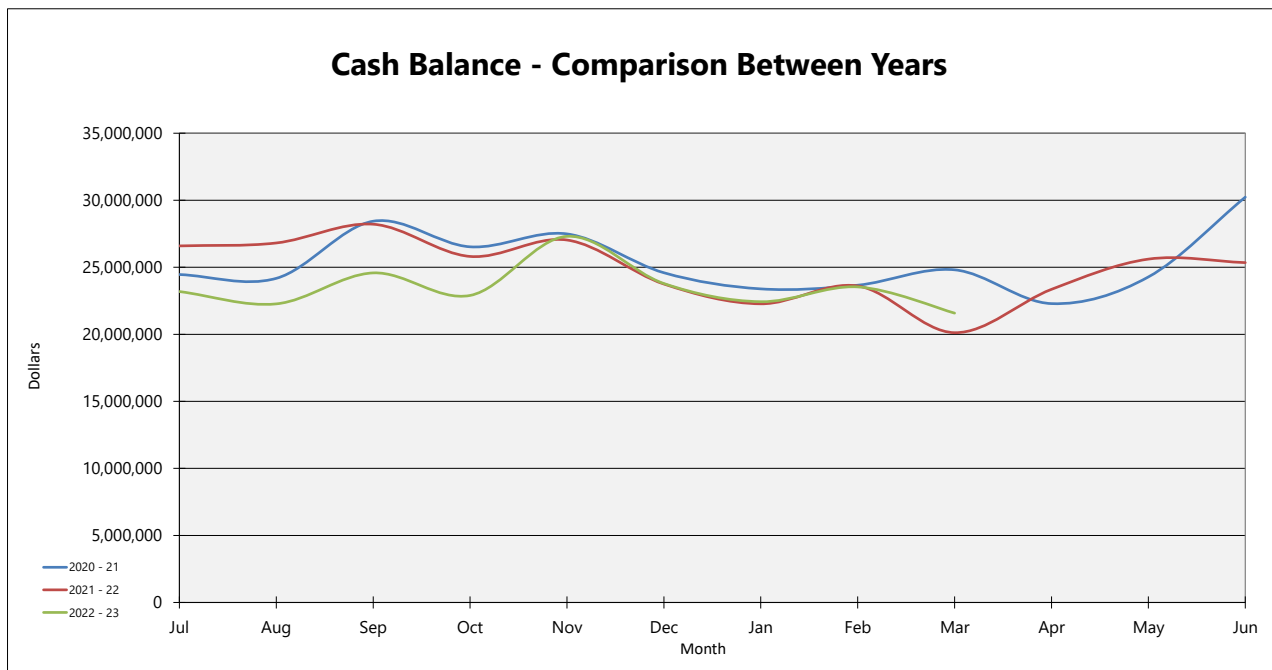
Capital & Project Expenditure Summary as at 31 March, 2023

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	325,289	328,000	(2,711)
1110 - B - Roads - Footpaths Program	134,200	228,000	(93,800)
1100 - B - Roads - Kerb & Channel Program	525,000	503,000	22,000
1102 - B - Roads - Major Rural Roads Program	796,984	406,984	390,000
1104 - B - Roads - Resealing Program	1,261,751	1,205,000	56,751
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	20,428,683	11,644,484	8,784,199
04 - Emergency Capital			
0257 - 11/19 Bushfire Recovery	153,020	0	153,020
Total 04 - Emergency Capital	153,020	0	153,020
Grand Total	20,581,703	11,644,484	8,937,219

Capital & Project Revenue Summary as at 31 March, 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 31 March, 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			

Restricted Cash required as at 31 March, 2023

\$ 5,681,000

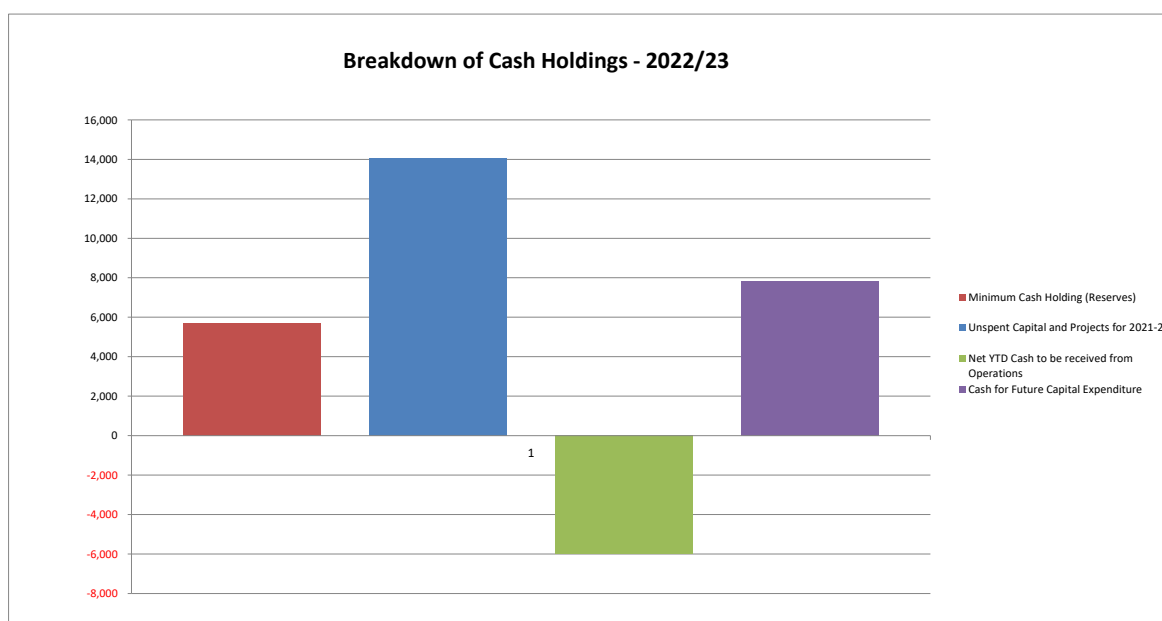
Available Cash as at 31 March, 2023

\$ 15,898,899

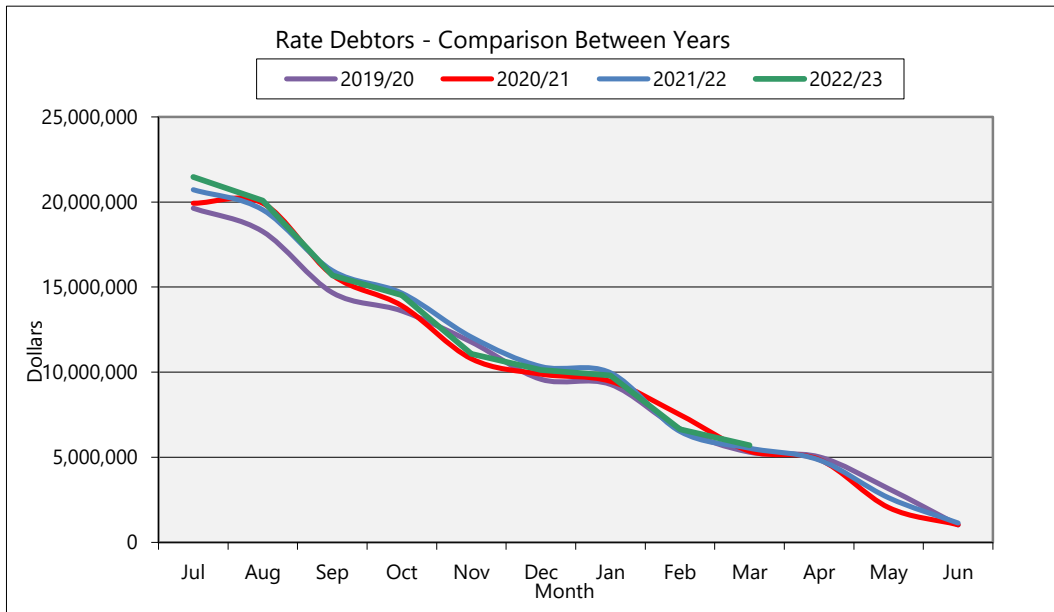
\$ 21,579,899

Breakdown of Cash Holdings

	\$000's
Minimum Cash Holding (Reserves)	5,681
Cash for Future Capital Expenditure	7,845
Unspent Capital and Projects for 2021-22	14,065
Net YTD Cash to be received from Operations	-6,011
Total Cash held as at 31 March, 2023	21,580



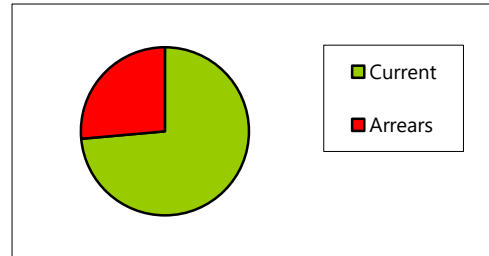
Debtors Reports as at 31 March, 2023



Rates Debtors YTD

Current
Arrears
Total

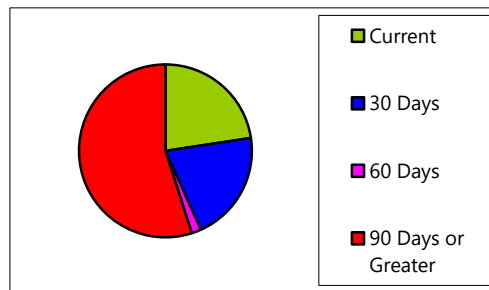
	\$	%
Current	4,198,926	74%
Arrears	1,507,997	26%
Total	5,706,923	100%



Sundry Debtors YTD

Current
30 Days
60 Days
90 Days or Greater
Total

	\$	%
Current	95,342	22.6%
30 Days	87,107	20.7%
60 Days	7,551	1.8%
90 Days or Greater	231,647	54.9%
Total	421,647	100%



Details:

Current	Invoices not yet due
30 days	Invoice for Hitachi \$ 88k subsequently paid.
60 days	Minor balance
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.

Indebtedness Calculation Check 5.3% ✓

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	97
Loan 20	Jun-26	1,000
		1,097