

Audit and Risk Committee Meeting

Agenda for Monday 5 August 2013



**shire of
kalamunda**

NOTICE OF MEETING AUDIT AND RISK COMMITTEE

Dear Councillors

Notice is hereby given that the next meeting of the Audit and Risk Committee will be held in the Council Chambers, Administration Centre, 2 Railway Road, Kalamunda on **Monday 5 August 2013 at 6.00pm.**

Audit and Risk Committee Meeting Procedure

1. Audit and Risk Committee is not open to the public.
2. Audit and Risk Committee has a membership of all Councillors.
3. The Committee makes recommendations only to Full Council (held on the fourth Monday of each month at 6.30pm).
4. All other arrangements are in general accordance with Council's Audit and Risk Committee Terms of Reference February 2013.



Rhonda Hardy
Chief Executive Officer
1 August 2013

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AGENDA

1.0 OFFICIAL OPENING

2.0 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE PREVIOUSLY APPROVED

2.1 Attendance

2.2 Apologies

Councillors

Cr Bob Emery

2.3 Leave of Absence Previously Approved

Cr Frank Lindsey

3.0 CONFIRMATION OF THE PREVIOUS MINUTES

3.1 That the Minutes of the Audit and Risk Committee Meeting held on 6 May 2013 are confirmed as a true and accurate record of the proceedings.

Moved:

Seconded:

Vote:

Statement by Presiding Member

"On the basis of the above Motion I now sign the Minutes as a true and accurate record of the meeting of 6 May 2013".

4.0 CONFIDENTIAL ITEMS

4.1 12. CONFIDENTIAL ITEM - Update of CAMMS Software Contract – (Confidential Attachment 1) Provided under separate cover. Reason for Confidentiality – *Local Government Act 1995* S5.23 (2) (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

5.0 DISCLOSURE OF INTERESTS

5.1 Disclosure of Financial and Proximity Interests

- a. Members must disclose the nature of their interest in matters to be discussed at the meeting. (Sections 5.60B and 5.65 of the *Local Government Act 1995*.)
- b. Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting. (Sections 5.70 and 5.71 of the *Local Government Act 1995*.)

5.2 Disclosure of Interest Affecting Impartiality

- a. Members and staff must disclose their interest in matters to be discussed at the meeting in respect of which the member or employee had given or will give advice.

6.0 REPORTS TO COUNCIL

Please Note: declaration of financial/conflict of interests to be recorded prior to dealing with each item.

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

12. Update of CAMMS Software Contract

Previous Items	A&R 05/2013
Responsible Officer	Chief Executive Officer
Service Area	Corporate Services
File Reference	
Applicant	Nil
Owner	Nil

Confidential Attachment 1	Copy of new Licence Agreement between the Shire of Kalamunda and CAMMS
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Reason for Confidentiality – *Local Government Act 1995*
S5.23 (2) (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

PURPOSE

1. To advise Council of the final outcome of the negotiations with CA Technology ("CAMMS") concerning cost to the Shire for use of software products.

BACKGROUND

2. A report was presented to the Audit and Risk Committee Meeting on 5 March 2013 outlining the negotiations with CAMMS and providing details of the proposed counter offer to facilitate continued use of a number of the company's software products.

DETAILS

3. CAMMS has accepted the offer by the Shire to move to an Annual Licence Fee arrangement for the products it will continue to utilise. Additionally, CAMMS accepted that the Shire is not bound to pay any costs for the SYCLE products.
4. The new annual licence agreement includes a fee for the following CAMMS products:

Product	Annual License Fee Cost \$
Interplan	10,288
Integrated Project Manager	6,065
Workforce Planning	4,411
Risk Manager	5,338
Interactive Business Planning	8,725
Performance Evaluation System	6,065
Total Annual Licence Fee Cost	40,892

STATUTORY AND LEGAL CONSIDERATIONS

5. *Local Government Act 1995.*

POLICY CONSIDERATIONS

6. Nil.

COMMUNITY ENGAGEMENT REQUIREMENTS

7. Nil.

FINANCIAL CONSIDERATION

8. Included in 2013/2014 Annual Budget.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

9. *Kalamunda Advancing: Strategic Community Plan to 2023*

OBJECTIVE 6.8 To ensure financial sustainability through the implementation of effective financial management, systems and plans.

Strategy 6.8.4	Provide effective financial services to support the Shire's operation and meet sustainability planning, reporting and accountability requirements.
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SUSTAINABILITY

Social Implications

10. Nil.

Economic Implications

11. Nil.

Environmental Implications

12. Nil.

RISK MANAGEMENT CONSIDERATIONS

13. The Shire has successfully negotiated a new licence agreement with CAMMS for \$40,892, which excludes the SYCLE products, without incurring any future liability.

OFFICER COMMENT

14. A claim for \$27,732 by CAMMS for SYCLE has been withdrawn and a three year contract between the Shire and CAMMS has been changed to an annual licence agreement.

Voting Requirements: Simple Majority

OFFICER RECOMMENDATION (A&R 12/2013)

That Council:

1. Notes the action taken by management to change the agreement between the Shire and CAMMS from a three year contract to an annual licence agreement with a right to renew.

Moved:

Seconded:

Vote:

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

13. Internal Audit Report July 2013

Previous Items	
Responsible Officer	Internal Auditor
Service Area	Corporate Services/Governance
File Reference	
Applicant	Nil
Owner	Nil
Attachment 1	Internal Audit Report July 2013
Attachment 2	Planning for Adoption of Fair Value

PURPOSE

1. To provide the Audit and Risk Committee with assurance that the financial and statutory functions of the Shire are being undertaken in accordance with the provisions of the *Local Government Act 1995*, associated regulations, Australian Accounting Standards, *Income Tax Assessment Act 1997* and that key controls are operating effectively.

BACKGROUND

2. The Internal Auditor examined and reviewed a number of areas in accordance with the Audit Plan and changes in legislative requirements. The areas covered in the Audit report included:
 - Inventory
 - Credit Card Transactions
 - Interest Income
 - Loan Borrowings
 - Bank Reconciliations 30 June 2013
 - Health and Community Care (HACC)
 - Cell 9 Contribution Calculations and Financial Statements
 - eQuote09-2013 IT Infrastructure
 - Planning for Adoption of Fair Value Accounting

DETAILS

3. The following summarises the findings and action being taken by management (Attachment 1):

Inventory

4. The computer generated perpetual inventory records being maintained at the Zig Zag Cultural Centre was inaccurate at the 30 June 2013. This information, although considered immaterial in overall value, will be updated to bring it into line with the actual physical quantities, and training provided to all staff using the computer inventory system.

Corporate Credit Card Transactions

5. In two instances credit card statements had no evidence of authorisation prior to payment. In future credit card statements will not be processed for payment until they have been properly authorised.

Interest Income

6. With the exception of accrued interest on investments yet to be calculated, the interest income recorded in the general ledger was properly brought to account.

Loan Borrowings

7. Loan principal and loan interest payments were confirmed with the loan repayment schedule for each debenture for each loan borrowing. Except for a minor difference on loan interest agreed with the debenture loan register.

Bank Reconciliations

8. Cash at bank at 30 June 2013 is fairly stated.

Home and Community Care

9. The Shire will not be able to spend all of its recurrent grants for the delivery of services by the end of the financial year. This appears to be a common problem with all agencies and also occurred in the previous financial year. This may affect future grant funding, and/or unspent grants may have to be refunded. Management is aware of the problem and will place funds in a HACC Reserve for the unspent portion of recurrent grants at 30 June 2013.

Cell 9 Contribution Calculations and Financial Statements

10. The repayment of the instalments to the Education Department has been put on hold until the GST advice has been received from WALGA's tax advisors.

eQuotes 09-2013 IT Infrastructure

11. The evaluation of electronic quotes for the evaluation of tenders for new IT equipment was conducted in accordance with the purchasing policy and purchasing procedures. The principles of probity were observed and the outcomes achieved were visible, defensible and auditable.

Planning for Adoption of Fair Value Accounting

12. Planning for the adoption of Fair Value Accounting is under way to meet the legislative requirements for the 30 June 2013 and future financial years (Attachment 2).
13. The basis of valuing Shire easements and the value for construction and landscaping of a golf course needs to be discussed with the external auditors before the assets are recognised at Fair Value at 30 June 2013.

STATUTORY AND LEGAL CONSIDERATIONS

12. *Local Government Act 1995*
 Local Government (Financial Management) Regulations 1996
 Australian Accounting Standards and Income Tax Legislation

POLICY CONSIDERATIONS

13. Purchasing Policy C-PPO1 and Management Procedure CM-PPO1.

COMMUNITY ENGAGEMENT REQUIREMENTS

14. Nil.

FINANCIAL CONSIDERATION

15. The implementation of the recommendations will reduce exposure to financial risk and loss to the Shire, and ensure it remains compliant with legislation.

STRATEGIC COMMUNITY PLAN

Strategic Planning Alignment

16. *Kalamunda Advancing: Strategic Community Plan to 2023*
- OBJECTIVE 6.3 To lead, motivate and advance the Shire of Kalamunda.
- Strategy 6.3.2 Regularly review the organisation's governance structure and procedures in response to changing circumstances.
- OBJECTIVE 6.8 To ensure financial sustainability through the implementation of effective financial management, systems and plans
- Strategy 6.8.4 Provide effective financial services to support the Shire's operations and meet sustainability planning, reporting and accountability requirements

SUSTAINABILITY

Social Implications

17. Nil.

Economic Implications

18. Nil.

Environmental Implications

19. Nil.

RISK MANAGEMENT CONSIDERATIONS

Corporate Credit Card Transactions

20. Risk of unauthorised and transactions of a private nature being processed.

Home and Community Care

21. Risk that future grants may decline if funded service delivery is not met, and unspent recurrent grants received in advance may have to be refunded.

Cell 9 Contribution Calculation and Financial Statements

22. If GST is payable and not recoverable, it will be an additional cost of approximately \$391,000 payable to the Education Department.

OFFICER COMMENT

23. The issues identified and recommendations were discussed with management for implementation to improve the internal control framework, reduce any exposure to financial risk and ensure the Shire is compliant with its legislative requirements.

Voting Requirements: Simple Majority

OFFICER RECOMMENDATION (A&R 13/2013)

1. That the Audit and Risk Committee Notes the following recommendations included in the Internal Audit Report for July 2013 (Attachment 1).

Inventory

- The computer generated inventory at the Zig Zag Cultural Centre needs to be checked and updated to bring it into line with the physical quantities on hand.
- Training needs to be provided for all staff using the Centaman program at the Zig Zag Cultural Centre.
- That a six monthly review will be undertaken to ensure the stock on the computer is accurate and can be relied upon.

Corporate Credit Card Transactions

- In future no credit card account statements should be processed until they have been properly authorised.

Home and Community Care (HAAC)

- Surplus funds will be transferred to HACC Reserves at the 30 June 2013 for any unspent recurrent grants received from the Department of Health.

- Reasons for not being able to deliver on the funded programs needs to be investigated further and if necessary discussed with the Department of Health.

Cell 9 Contributions, Calculations and Financial Statements

- Cell 9 payments to the Education Department will be paid over three instalments once the tax advice on GST has been received from the WALGA tax advisor.

Planning for the Adoption of Fair Value Accounting

- Staff have planned and budgeted to meet future costs to phase in the Fair Value treatment of non-current assets to meet legislative requirements (Attachment 2).
- The basis for valuing specific assets such as easements and land for the construction of golf courses will be discussed with the external auditors as there is insufficient information in the market on how to bring in the Fair Value for these types of assets.

Moved:

Seconded:

Vote:

Attachment 1

Internal Audit Report July 2013

Internal Audit Report July 2013
Financial Management Review

Objectives and Scope of the Internal Audit

The objectives and scope of the internal audit is to provide the CEO and the Audit and Risk Committee that the financial and statutory functions of the shire are being undertaken in accordance with the provisions of the Local Government Act 1995, associated regulations, the Australian Accounting Standards, other legislation and that key controls have operated effectively during the financial year.

The report covers areas examined in accordance with the Audit Plan and includes:

- Inventory
- Credit Card Transactions
- Interest Income
- Loan Borrowings
- Bank Reconciliations 30 June 2013
- Health and Community Care (HACC)
- Cell 9 Financial Statements
- eQuote09-2013 IT Infrastructure
- Planning for Adoption of Fair Value Accounting

Inventory

Background

Inventory belonging to the Shire at 30 June 2013 was physically counted by Shire staff. Instructions were issued to Managers in charge of business areas that had closing inventory to ensure the stock take was conducted properly. Actual quantities were entered on stock sheets, quantities checked costed and signed off. Inventory was located at:

- Depot – Fuel, pipes, road material
- Zig Zag Cultural Centre – Consumables and consignment stock
- Harfield Park Recreation Centre – Sporting equipment and consumables
- High Wycolme Recreation Centre- Consumables

Stock on hand is required to be brought in at the lower of cost and net realisable value at 30 June 2013. External auditors require supporting stock take sheets detailing the physical count and inventory values as at 30 June 2013.

Work Performed

Test counts were performed of major stock items and quantities confirmed with the counts entered on the stock take sheets. Copies were taken of all the stock take sheets.

Consignment stock not belonging to the shire was counted separately and excluded from the Shire's inventory.

Where perpetual inventory records were maintained the physical counts were tested against the computer generated inventory records.

The cost price of selected items into store was tested with supplier's invoices to ensure the stock values were not materially misstated and old or damaged stock excluded from the final counts.

Findings

A comparison of the consignment and non-consignment stock in the visitors centre at the Zig Zag Cultural Centre (ZZCC) revealed many discrepancies between the physical count and the quantities recorded in Centaman (computer generated inventory program). The actual physical stock quantities on the stock sheets were used to establish the closing stock held at the ZZCC.

Stock on hand tested at Hartfield Park in one location differed with the stock sheets and had to be recounted.

Centaman computer generated inventory records could not be relied upon. The physical inventory counts on the stock take sheets were the correct quantities brought in at the 30 June 2013. Inventory excluded consignment stock not belonging to the Shire.

Action Taken by Management

Management were made aware that the computer generated inventory records were inaccurate and that this information needs to be checked and updated to bring it into line with the actual physical closing stock quantities counted.

The problem has arisen due to a lack of training in the use of the stock management module and incorrect information being entered into the computer.

Recommendation

When the computer generated inventory has been brought into line with the physical stock on hand, spot checks should be carried regularly with items on computer with physical stocks and vice versa on a test basis to confirm that the computer generated stock is accurate.

New staff working at the ZZCC should be provided with proper training on how to use the Centaman computer generated inventory program.

Corporate Credit Card Transactions

Background

A new credit card policy was introduced for all employees with a corporate credit card to address the findings of the Forensic audit.

Work Performed

Credit card transactions were tested for May and June 2013 to ensure the nature of payments were for business purposes and conformed to the new policy. Monthly credit card statements were tested with supporting supplier's invoices and receipts and reviewed for independent checking and authorisation for payment.

Findings

Credit card transactions were for business purposes and conformed to the requirements of the new policy. Except for two transactions on one credit card holder's account, all Credit card statements were supported with supplier's invoices

and receipts. The missing supporting invoices appear to fall into the following period (July 2013) to be presented with the July 2013 statement for reimbursement.

With the exception of two statements in June 2013 not properly authorised, all credit card expenditure statements had been properly authorised. This matter has been brought to the attention of management.

Action Taken by Management

In future statements that have not been properly authorised will not be processed for payment until they have been authorised

Recommendation

In future no credit card account should be processed until they are properly authorised by the credit card holder's manager or for the manager by their director or the CEO.

Interest Income

Work Performed

The interest income earned for the year was compared with bank account statements, investment correspondence and loan receivables to establish whether the interest earnings for the year as recorded in the general ledger has been properly brought to account.

Findings

With the exception of accrued interest on investments yet to be calculated, the interest income recorded in the general ledger has been properly brought to account.

Loan Borrowings

Work Performed

A listing of all loan borrowings detailing the principal outstanding at the 30 June 2013 along with the interest paid was confirmed with the loan repayment schedule for each debenture loan borrowing.

Findings

The loan principal outstanding listed at the 30 June 2013 agree with the detail debenture loan register.

Interest paid for the year, except for a minor difference of \$36 on one loan (Loan 217) agreed with the loan repayment schedule and debenture loan register.

Bank Reconciliations

Work Performed

Bank reconciliations prepared for 30 June 2013 were checked to ensure there were no reconciling items that should have been put through the general ledger. Work performed included:

- Confirmed the closing balance with bank statements at 30 June 2013;
- Confirmed outstanding deposits with bank deposits processed pre 30 June 2013;
- Confirmed unpresented cheques with cheques processed as per listing 30 June 2013 and cleared unpresented cheques post 30 June 2013;
- Confirmed the closing cash at bank balance with the balance in the general ledger.
- Ensured bank reconciliations had been signed off by the Manager Financial Services.

Findings/Conclusion

Cash at bank at 30 June 2013 is fairly stated.

Home and Community Care (HACC)

Work Performed

Reviewed the May 2013 Monthly Financial Statements for HACC to ensure the Shire was meeting its service outputs based on the level of funding it receives annually in the form of State Government Grants.

Updated the flowcharts for HACC based on changes in the receipt and delivery of services. The main changes have been in the provision of meals on wheels whereby meals are no longer prepared in-house but purchased from the City of Stirling, and the assessment process is now being conducted by outside agencies such as Silver Chain and Brightwater.

Examined the "Quality Review Report and Improvement Plan" conducted by the Department of Health and Ageing dated 29 November 2012.

Tested approved services by the Regional Assessment Team (RAS) for clients granted services and ensured these had been placed on the computer for programs funded by the Health Department.

Findings/Conclusion

Management has acknowledged that it may not be able to spend all its recurring grants by the 30 June 2013, and may have to refund some of the grants it has received. The reason it has not been able to deliver on services is due to referral intakes by Kalamunda HACC being closed to new referrals for a few months due to staffing and recruitment issues. This has affected Kalamunda HACC in the ability to process a new referral and set up services, and to process reassessments of existing clients. The other reason is that assessment agencies such as Silverchain and Brightwater also offer HACC types of services which in many ways is a conflict of interest if they are also an assessing agency affecting the level of support services going to Kalamunda HACC. Management are aware of this issue and will place the balance of unspent recurrent grants at the 30 June 2013 in a HACC Reserve.

The Quality Review and Improvement Plan Report by the Department of Health and Ageing was very positive. It demonstrated that HACC services are provided to approximately 700 users and the organisation demonstrated it has met the 18 expected outcomes under the Community Care Common Standards.

All clients tested had assessments completed by RAS on their files and had been placed on the computer system for funding.

Cell 9 Contribution Calculations and Financial Statements

Work Performed

Attended Cell 9 Committee meetings in May and June 2013 to discuss the contribution calculations and review the latest financial statements to 30 April 2013.

Findings

The contribution calculations to April 2013 agree with the financial statements. The financial statements will require updating to the 30 June 2013 for movements in interest received, contributions and payments made.

The Manager Development Services has been liaising to refund the amount owed to the Education Department. Payment of approximately \$3.9 million excluding GST will be made over three instalments out of approximately \$9 million held in trust at 30 April 2013. There is an issue regarding GST to be resolved with the Education Department and tax advice is being sought on this matter with WALGA's tax advisors.

A new valuation of the existing lots for development has been requested from an independent valuer to establish a new contribution rate by developers for public open space.

eQuote9-2013 IT Infrastructure

Background

A request for eQuotes for IT infrastructure was issued on 6 June 2013 closing on the 13 June 2013. The cost for this procurement included in the 2013/2014 Annual Budget was estimated at \$100,000 for Enterprise class 2U rack mounted servers and suitable dual head LTO 6 backup tape drive that is rack mounted that supports 48 slots . The quote was made available to all 5 of WALGA's panel of providers to respond.

Tender submissions were received from the following organisations:

- Datacom
- Dell
- Red 11
- Staples

Work Performed

The internal auditor was invited to sit in as a member of the evaluation panel to ensure that proper procedures and processes were followed. Members of the evaluation panel were:

Mr Gerard Thomas – Manager Technology and Corporate Support
Mr Sandun Patenbenige – Coordinator IT
Mr Peter Hayes – Internal Auditor

Each member signed a declaration of Confidentiality and Interest Form indicating they had no potential conflicts of interest prior to assessing each of the tender submissions.

Tenders were assessed against the selection criteria, ensuring procedures were in compliance with the purchasing policy and tender guide and prescribed evaluation worksheets were used for assessing and scoring each tender.

An evaluation report was prepared by the Coordinator Procurement Services and presented with the assessments recommendation for the awarding of the tender.

Findings

The evaluation process used for the calling of tenders and the evaluation process for recommending and awarding the tender complied with the purchasing policy principles and procedures outlined in the tender guideline.

The principles of probity were observed and the outcomes that were achieved were visible, defensible and auditable.

The quotes were within budget estimates for 2013/2014.

Planning for the Adoption of Fair Value Accounting

Background

In May 2013 the Audit and Risk Committee were informed that the Fair Value Measurement of non-current assets will be phased in due to legislative changes.

These amendments also require:

- Structures and improvements placed on Crown land to be recognised as an asset where the land is operated by the local government as a golf course, showground, racecourse or other major sporting or recreational facility of State or regional significance.
- An easement granted in favour of the local government over any land to be recognised as an asset.

The basis for recognition of these types of assets is that although the land is not owned freehold but vested in the Shire, it is under the control and management of the local government. Legislation however exempts Crown Land for public thoroughfares and parks vested in a local government.

The Hartfield Park Golf Course although leased to an external party by the Shire would be classed an asset of the Shire and recognised as an asset under its control. Improvements such as buildings constructed on the land are already recognised as Shire assets. However landscaping, design and construction of the golf course are land improvements that are not recognised as Shire asset and need to be brought in based on the legislative changes.

Planning for the recognition of easements by the 30 June 2013 is already underway in order to comply with the new legislative requirements.

Work Performed

The gathering of information and the planning on how to bring in the fair value of assets of this nature is being undertaken.

Discussions were held with the External auditors on the most appropriate method of valuation of certain classes of new assets that would meet with their approval.

An overall strategy and plan on how to recognise each class of asset and meet the legislative requirements and accounting standards has been prepared (refer attachment A).

Attachment 2

Fair Value Measurement

Asset Classes		Fair Value Measurement			Reason
Fair Value Completed 30 June		Method of Valuation			
Plant and Equipment					
Furniture	2013			Cost approach or Depreciated Replacement Cost	Minor item of furniture (Level 2 Inputs AASB 13)
Office Equipment	2013			Cost approach or Depreciated Replacement Cost	Minor item of furniture (Level 2 Inputs AASB 13)
Heavy Plant and Equipment	2013			Market Approach or Depreciated Replacement Cost	Active market for major items of plant (Level 1 Inputs AASB 13)
Motor Vehicles	2013			Market Approach or Depreciated Replacement Cost	Active market for major items of plant (Level 1 Inputs AASB 13)
Specialised Plant - Swimming pool etc	2013			Cost Approach or Depreciated Replacement Cost	Market not available (Level 2 Inputs AASB 13)
Park and Reserves Equipment	2013			Cost Approach or Depreciated Replacement Cost	Market not available (Level 2 Inputs AASB 13)
Land and Buildings					
Land Freehold		2014		Market Approach based on future and highest best use	Based on existing use and determined on future and highest best use.
Land Held for Sale		2014		Market Approach - Independent valuation	Based on market value
Golf course land - Crown Land (recognise in 2013)		2014		Income approach based on lease of asset	Based on future highest and best use - lease
Golf course building (recognise 2013 if not recognised)		2014		Income approach or depreciated replacement cost approach	Should be aligned with future and best use - lease
Buildings (specialised)		2014		Cost Approach - Income or depreciated replacement cost	No market based evidence of fair value - highest and best use
Swimming Pool		2014		Cost Approach	No market based evidence of fair value - highest and best use
Recreation Centres		2014		Cost Approach	No market based evidence of fair value - highest and best use
Crown land for parks and reserves		2014		Exclude	Treated similarly to land under roads (accounting policy note required)
Crown land for significant sporting facilities (recognise 2013)		2014		Cost Approach based on Value in use	Valuation based on highest and best use
Land Improvements to sports grounds		2014		Cost Approach	Value based on highest and best use
Infrastructure					
Roads			2015	Cost Approach -Use industry unit costs	No active market but has a future economic benefit attributable to asset
Drainage			2015	Cost Approach -Depreciated replacement cost	No active market but has a future economic benefit attributable to asset
Footpaths			2015	Cost Approach -Depreciated replacement cost	No active market but has a future economic benefit attributable to asset
Parks and Reserves			2015	Cost Approach -Depreciated replacement cost	No active market but has a future economic benefit attributable to asset
Other Assets					
Easements (recognise 2013)		2014		Cost Approach - Intangible asset?	Bring in if the asset can be reliably measures and there is a future economic benefit attributable to the asset - AASB 138 The value may be attributable to the cost of extinguishing an easement from a person's property An easement is an intangible asset as it confers a right of access only and no ownership over the land itself.
Art collection			2015	Market Approach	Active market
Library books			2015	Cost Approach	Minor in nature

Australian Accounting Standards (AASB)
AASB 13 - Fair Value Measurement
AASB 138 - Intangible Assets
AASB 116- Property, Plant and Equipment

**7.0 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY
DECISION**

8.0 CLOSURE