



I hereby give notice that an Audit Committee Meeting will be held on:

Date: Tuesday, 30 November 2021
Time: 3.00pm
Location: Council Chambers
Minlaton Town Hall
57 Main Street
Minlaton

AGENDA

Audit Committee Meeting

30 November 2021

A handwritten signature in blue ink, appearing to read "Ben Thompson".

Ben Thompson
DIRECTOR CORPORATE AND COMMUNITY SERVICES

CONFLICT OF INTEREST

Members are reminded of the requirements for disclosure by Members of direct or indirect pecuniary benefit or detriment and non-pecuniary benefit or detriment in relation to a material conflict of interest in accordance with Section 73, or an actual or perceived conflict of interest in accordance with Section 75 of the Local Government Act in items listed for consideration on the Agenda. Section 74 and 75A of the Local Government Act 1999 requires that Elected Members declare any interest and provide full and accurate details of the relevant interest to the Council. In relation to actual or perceived conflicts of interest a member has an obligation to outline how they propose to deal with the actual or perceived conflict of interest prior to consideration of that item on the Agenda.

This requirement does not apply to Ordinary Business Matters prescribed by regulation 8AAA Local Government Act (General) (Accountability and Governance) Variation Regulations 2016.

Each Member of a Council has a duty to vote at all meetings unless excepted by legislation.

The major exception being where a Member has a material conflict of interest.

Agenda

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2	Present	5
3	Leave of Absence	5
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1 WELCOME BY CHAIRPERSON

Meeting declared opened

2 PRESENT

3 LEAVE OF ABSENCE

Nil

4 APOLOGIES

Nil

5 CONFLICT OF INTEREST

6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION

Audit Committee Meeting - 26 October 2021

7 VISITORS TO THE MEETING

REPORTS

8 NEW BUSINESS

8.1 AUDIT COMMITTEE WORK PLAN 2021

Document #: 21/128933

Department: Corporate and Community Services

PURPOSE

To consider and endorse an updated work plan for 2021.

RECOMMENDATION

That the Audit Committee endorse the updated 2021 Work Plan.

LINK TO STRATEGIC PLAN

Goal: 5 Responsible Governance and Leadership

Strategy: 5.1 Openness and transparency of reporting Council's performance

5.2 Effective leadership and informed decision making

5.3 Meet all legislative requirements and compliance with Council's internal controls

5.5 Undertake effective risk and emergency management

5.6 Continuous improvement of Council processes

BACKGROUND

As stated in clause 2 of the Audit Committee Terms of Reference, the objective of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of risk, corporate and financial governance and legal compliance, related to financial reporting and audit initiatives, the internal control system and the audit functions. The Committee acts as a source of advice to Council and the Chief Executive Officer in relation to these matters.

DISCUSSION

The Audit Committee will:

- Enhance the communication between the external auditor and Council;
- Assist the management of business risks to ensure the protection of Council assets;
- Monitor the effectiveness of audit and corporate and financial governance functions;
- Enhance the integrity of the financial reporting of Council; and
- Review the effectiveness of the Council's internal controls and risk management systems.

The Terms of Reference are to be read in conjunction with Chapter 8 of the Local Government Act 1999.

The adoption and constant review of an Audit Committee Work Plan assists in ensuring the objectives of the Audit Committee are achieved. The 2021 Work Plan was endorsed by the Committee at its meeting on 1 December 2020.

The work plan is colour coded and all items considered by the Audit Committee are updated as meetings occur. Any items deferred between meetings are clearly shown as are dates of meetings.

The following changes have been made:

- Item 2.1 was not considered at the October 2021 meeting and has been deferred to the November 2021 meeting. A report for members' consideration is included;
- Items 5.2 and 5.3 were not originally scheduled for the November 2021 meeting, however have now been included and reports are presented for members' consideration.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Manager Financial Services
- Business Improvement Officer
- Assets Manager
- Manager People, Culture and Safety
- Governance Officer

In preparing this report, the following external parties were consulted:

- Nil

POLICY IMPLICATIONS

Audit Committee Terms of Reference

BUDGET AND RESOURCE IMPLICATIONS

The work plan and the actions resulting are generally implemented within Council's existing budget. Where additional budget or resources are required this will be clearly identified in the relevant report.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

A sound control environment will assist in the management of Council's financial risks.

The orderly and timely review of Council's major financial timetable and reports, internal audit activities and financial reports by the Audit Committee strengthens the credibility of the completed work and reduces risk to Council.

Local Government Act 1999, Chapter 8.

ATTACHMENTS

1. **Audit Committee Work Plan 2021 - Updated** [↓](#)

Yorke Peninsula Council Audit Committee Work Plan 2021						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-21 23rd	May-21 25th	Aug-21 31st	Oct-21 26th	Nov-21 30th	
1. Financial Reporting						
1.1 Review General Purpose Financial Statements				X		Following external audit but prior to Council endorsement
1.2 Review asset revaluations						Next revaluation not until 2022/23 Ensure up to date and soundly based, including having particular regard to local conditions:- > whether land values reflect current local market; > whether infrastructure asset values reflect local replacement costs and the condition of existing assets; > in accordance with policies PO124 Asset Accounting Policy & PO128 Asset Management Policy; > whether an infrastructure asset condition audit has been undertaken recently to assist in making this judgement.
1.3 Review methodology and approach to Depreciation				X		As part of asset revaluations and financial statements
1.4 Quarterly Budget Reviews - information only	X	X			X	For information only generally after adoption by Council due to timing
2. Internal controls						
2.1 Review progress on Council's Internal Financial controls		X		X	X	Status report provided on internal controls self assessment testing
2.2 Review Council's internal control policies and procedures	X	X	X		X	
3. Risk Management Systems						
3.1 Risk External Audit (conducted by LGAWCS biennially)					X	Next audit due 2021
3.2 Assess the appropriateness of the Council's response to the auditor's findings and recommendations						Due in Feb 2022
3.3 Review Council's Risk Management Implementation Plan	X	X	X		X	
3.4 Review Council's Strategic Risk Register (in line with Strategic Management Plan)						Due for review post next LG election in 2022 in line with Strategic Management Plan
4. Public Interest Disclosure (previously Whistleblowers)						
Identify whether the Council has in place simple, readily accessible arrangements for employees to confidentially raise concerns of alleged malpractice in accordance with legislative provisions. Examine whether Council's whistleblower arrangements are well known to employees and effective having regard to local circumstances.						
4.1 Review Council's Public Interest Disclosure requirements						Next review in 2022

Yorke Peninsula Council Audit Committee Work Plan 2021						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-21 23rd	May-21 25th	Aug-21 31st	Oct-21 26th	Nov-21 30th	
4.2 Ensure staff are informed of and trained in these policies						Next review in 2022
5. Internal Audit						
5.1 Review annual work program and outcomes of past work					X	
5.2 Consider any internal audits conducted	X	X	X	X	X	
5.3 Review the status and follow up work of any outstanding audit actions (relating to internal audit, internal control self assessments and external audit management letters)	X	X	X	X	X	Report provided on progress made against matters raised by Council's external and internal auditor
6. External Audit						
6.1 Meet with Council's external auditor to: > invite presentation of their audit methodology and risk assessments within the audit plan; > discuss any qualifications raised in the most recent audit or comments made in the accompanying audit management letter; > assess the appropriateness of the proposed Council response to matters so raised; and > invite comment on the financial systems and affairs of the Council having regard to comparable benchmarks.				X		
6.2 Review effectiveness of external audit				X		
6.3 Review audit findings/ management representation letters			X	X		
6.4 Assess the appropriateness of the Council's response to the auditor's findings and recommendations			X	X		
6.5 Oversee action to follow up on matters raised by the external auditor			X	X		
7. Reporting						

Yorke Peninsula Council Audit Committee Work Plan 2021						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-21	May-21	Aug-21	Oct-21	Nov-21	
	23rd	25th	31st	26th	30th	
7.1 Report annually to Council: > activities of the Committee's work program and the results of a self-assessment of performance for the preceding calendar year including whether it believes any changes to its Terms of Reference are needed; > outlining any training needs; > advising future work program proposals; and > inviting comment from Council on all of the above.					X	
8. Strategic, Financial and Management Planning						
8.1 Review Strategic Management Plan						Due for review post next LG election in 2022
8.2 Review Long Term Financial Plan	X					Updated annually in conjunction with adoption of Annual Business Plan and Budget
8.3 Review Asset Management Plans/Strategy	X					Updated post asset revaluations. Next revaluation not until 2022/23.
8.4 Review appropriateness of the range and content of Council policies and strategies	X	X	X	X	X	As per review timeframes and legislative requirements - ongoing
8.5 Review Annual business plan, budget and fees and charges		X				In conjunction with public consultation period
9. Other matters						
9.1 Adopt/review Audit Committee annual workplan	X	X	X	X	X	Updated for each meeting
9.2 Reports on other relevant matters	X	X	X	X	X	Ongoing as the need arises

8.2 INTERNAL AUDIT PLANNING 2022

Document #: 21/103145

Department: Executive Services

PURPOSE

To seek endorsement of the Internal Audit Plan for 2022 - 2023.

RECOMMENDATION

That the Audit Committee endorse the two year Internal Audit Plan for 2022 - 2023.

LINK TO STRATEGIC PLAN

Goal: 5 Responsible Governance

Strategy: 5.1 Openness and transparency of reporting Council's performance

5.3 Meet all legislative requirements and compliance with Council's internal controls

5.5 Undertake effective risk management

5.8 Continuous improvement of Council processes

BACKGROUND

The two year Internal Audit Plan covering 2022 and 2023 sets out the proposed internal audit projects to be undertaken by Council's Business Improvement Officer.

DISCUSSION

The Internal Audit Plan ('the Plan') was updated to prioritise Council's internal audit resource to areas of most importance and concern to Council Management and Audit Committee for the 2022 and 2023 calendar years.

We have undertaken a consultative approach to the development of the Plan and acknowledge that the Plan may be required to change in order to address emerging areas of risk. The Plan was developed using the following considerations:

- Discussions with the Chief Executive Officer and relevant Directors and Managers
- Inclusion of relevant outstanding previous years projects
- Ongoing requirements for independent verification of internal controls, continued follow up of agreed actions and compliance with corporate purchase card policy
- Comparison with other Council Internal Audit Plans and considering topics of relevance, emerging risks and audit areas for Local Government
- Professional judgement of internal audit.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Chief Executive Officer
- Director Development Services
- Governance Officer
- Manager People, Culture and Safety
- Senior Records Officer

In preparing this report, the following external parties were consulted:

- South Australian Local Government Internal Auditors Group

POLICY IMPLICATIONS

PO156 Internal Financial Control Policy

PR150 Internal Control Audit Procedure

PO091 Risk Management Policy

PR098 Risk Management Procedure

BUDGET AND RESOURCE IMPLICATIONS

There are no budget or resource implications envisaged, all projects are proposed to be conducted with current in-house resources.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

The adoption of the Internal Audit Plan 2022 – 2023 will help to achieve the objectives set out within PR150 Internal Control Audit Procedure.

Local Government Act (SA) 1999

ATTACHMENTS

1. **Internal Audit Plan 2022 - 2023** [↓](#)



Internal Audit Plan 2022 - 2023

1. OBJECTIVE

The objectives of the Yorke Peninsula Council's ("Council") internal audit function are detailed in the Internal Control Audit Procedure ("Procedure"). The Procedure requires that an Internal Audit Plan ("Plan") is submitted to the Council's Audit Committee for approval.

The below two year Plan, covering 2022 – 2023, sets out the proposed internal audit projects for consideration by the Audit Committee.

2. RECOMMENDED INTERNAL AUDIT PROJECTS 2022

The recommended list of internal audit projects for 2022, along with brief description and estimated timing is provided in the table below. The Internal Audit Plan remains flexible to include or substitute other relevant projects as required.

	Project	Description	Proposed Timing	2022	2023
1	Corporate Governance – Legislative Compliance Review	Complete the review of Council's governance mechanisms (policies, structures, processes, Committees and information), currently being undertaken utilising the LGA Governance Legislation Self-Audit Tool.	February May	✓	
2	Community Loans	Review the processes for managing and monitoring of community loans.	June	✓	
3	WHS Legislation	To meet requirements of the Work, Health and Safety (WHS) Act 2012, a project will be undertaken to review and assess performance against the Strategic Risk Management Plan and WHS program objectives and compliance with policies, procedures and processes.	Sept	✓	
4	Internal Financial Controls	Manage the Internal Controls self-assessment process and report to Audit Committee. Perform verification of staff's self-assessment of internal financial controls.	March & October	✓	✓
5	Corporate Purchase Card Compliance	Select a sample of corporate purchase card transactions made by staff and verify that they are in accordance with PO084 Corporate Purchase Card Policy and PR115 Corporate Purchase Card Procedure.	March & October	✓	✓
6	Follow Up Agreed Actions	Continued follow up and reporting of agreed actions resulting from internal and external audits, internal controls self-assessments and other external bodies.	Ongoing	✓	✓
7	Chief Executive Officer (CEO) Requests	Allowance for special projects, investigations, follow ups and requests by the CEO that may arise during the year.	Ongoing	✓	✓

3. RECOMMENDED INTERNAL AUDIT PROJECTS 2023

Planned 2023 projects are also included, but will be continually reviewed and revised where necessary.

	Project	Description	Proposed Timing	2022	2023
1	Records Management	Verify correspondence has been saved within CM9 in accordance with PO063 Records Management Policy.	TBA		✓
2	Project and Budget Review (Assets and Infrastructure)	Examination of the processes, policies and procedures in place to govern projects. Review a sample of capital projects and focus on key project management processes: <ul style="list-style-type: none"> • Scoping / Planning • Variations (scope and budget) • Budget monitoring and reporting • Performance Reporting including key milestones • Administration and record keeping • Project close out including lessons learned and asset handover (i.e. Post Implementation review). 	TBA		✓
3	License Renewals	A review to assess the processes relating to monitoring and renewals license renewals (e.g. Return to Work).	TBA		✓
4	Financial Management – Accounts Receivable	A review of key accounts receivable controls including debtor follow up (reporting and timeliness of debtor management process), credit note checks and general ledger reconciliations.	TBA		✓

8.3 INTERNAL AUDIT ACTIVITY REPORT**Document #:** 21/121130**Department:** Executive Services**PURPOSE**

To provide Audit Committee with an update on the recent Internal Audit activity.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN**Goal:** 5 Responsible Governance and Leadership**Strategy:** 5.1 Openness and transparency of reporting Council's performance

5.3 Meet all legislative requirements and compliance with Council's internal controls

5.5 Undertake effective risk and emergency management

5.6 Continuous improvement of Council processes

BACKGROUND

The Internal Audit function is an independent, objective, assurance and consulting function which examines and evaluates the processes of Council, by ensuring compliance with policies and procedures and recommending improvements in process effectiveness, efficiency and economy.

The Audit Committee approved the 2021 Internal Audit Plan at the December 2020 meeting. The Plan includes eight projects, but also requires flexibility throughout the year.

DISCUSSION

This report provides a status update on the Internal Audit activity performed from October 2021 to November 2021. The following activities have occurred:

- Governance Legislative Compliance Review detailed testing is ongoing, an interim report is provided as an attachment.
- Internal financial controls self-assessment testing for October has been completed. A final report is included as an attachment.
- The status of agreed actions arising from internal and external audits have been followed up. An update on all outstanding actions is provided with two attachments to this report, being all those currently 'In Progress' and those actions 'Completed' since the last Audit Committee meeting. The status information has been provided by the officers responsible for the implementation of the action.

The table below highlights the status of audit projects as per the approved 2021 Internal Audit Plan.

	Project	Scope Overview	Proposed Timing
1	National Disability Insurance Scheme (NDIS)	To ensure that Council meets the Leisure Options quality management framework (NDIS), include a project to review policies, funding requirements and/or changes to relevant legislation.	Completed (January 2021)

2	Internal Financial Controls	Manage the Internal Controls self-assessment process and report to Audit Committee. Perform verification of staff's self-assessment of internal financial controls.	Completed (March 2021) & Completed (November 2021)
3	Corporate Purchase Card	Select a sample of corporate purchase card transactions made by staff and verify that they are in accordance with PO084 Corporate Purchase Card Policy and PR115 Corporate Purchase Card Procedure.	Completed (March 2021) & Completed (October 2021)
4	Council Direct Managed Caravan Park Spot Check	<p>Undertake a spot check of Council directly managed Caravan Parks (Point Turton, Marion Bay, Port Vincent Foreshore, Black Point, Port Rickaby and Yorketown). Key areas to be reviewed include:</p> <ul style="list-style-type: none"> • Bookings within NewBook compared to actual sites occupied • Basic WHS checks • Insurance and assets schedule • Playground checks • General maintenance observations. 	Completed (June 2021)
5	Records Management	Select a sample of individual employee email inboxes and verify that appropriate correspondence has been saved within CM9 in accordance with PO063 Records Management Policy.	<p>Deferred</p> <p>Review has been deferred due to the introduction of additional controls and processes, therefore minimising the overall risk associated with Records Management. Additional controls and processes include:</p> <ul style="list-style-type: none"> • Review and significant update / change to the Record Management policy • Records refresher training has occurred for staff • Quarterly Records Report to CMT outlining content manager statistics • Regular emails outlining tips/tricks and best practice for record management.
6	Project and Budget Review (Assets and Infrastructure)	<p>Examination of the processes, policies and procedures in place to govern projects. Review a sample of capital projects and focus on key project management processes:</p> <ul style="list-style-type: none"> • Scoping / Planning • Variations (scope and budget) • Budget monitoring and reporting • Performance Reporting including key milestones • Administration and record keeping • Project close out including lessons learned and asset handover (i.e. Post Implementation review). 	<p>Deferred</p> <p>Review has been deferred due to the commencement of new Assets and Infrastructure Director. Director will introduce a new project management skill set which will be developed into the A&I team. Internal Audit to re-assess this risk once new processes have been established and operational.</p>

7	Corporate Governance – Legislative Compliance Review	The objective of the review will be to assess the adequacy of Council's governance mechanisms (policies, structures, processes, Committees and information) to provide strategic direction and oversight of activities in support of the department. <i>Currently undertaken via the LGA Governance Legislation Self-Audit Tool.</i>	Ongoing Interim Report provided as attachment
8	Chief Executive Officer (CEO) Requests	Allowance for special projects, investigations, follow ups and requests by the CEO that may arise during the year. In addition, smaller type audits will be considered here (e.g. purchase orders).	Ongoing

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Chief Executive Officer
- Director Corporate & Community Services
- EA to the Director Corporate & Community Services
- Director Assets & Infrastructure Services
- EA to the Director Assets & Infrastructure Services
- Operations Manager
- Works Manager
- Governance Officer
- Manager People, Culture & Safety
- Manager Financial Services
- Manager Assets
- Leader Systems and Technology
- Information Technology Officer
- Senior Records Officer

In preparing this report, the following external parties were consulted:

- Nil

POLICY IMPLICATIONS

PR150 Internal Control Audit Procedure

PO091 Risk Management Policy

PR098 Risk Management Procedure

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act (SA) 1999

ATTACHMENTS

1. **Audit Committee Report - Internal Financial Controls Self-Assessment - October 2021** [↓](#)
2. **Audit Committee Report - Interim Governance Legislative Compliance Review - November 2021** [↓](#)
3. **Governance Legislation Self-Audit Tool Working Paper - November 2021** [↓](#)

4. **Audit Actions Register - In Progress - November 2021** [↓](#)
5. **Audit Actions Register - Completed - November 2021** [↓](#)



Internal Audit Report – Internal Financial Controls Self- Assessment October 2021

For Distribution

Andrew Cameron	Chief Executive Officer
Ben Thompson	Director Corporate and Community Services
Sid Jain	Manager Financial Services

Background

As part of the ongoing external audit requirements, staff have prepared evidence of Internal Controls self-assessment testing.

As part of this October 2021 assessment, 44 controls were selected for testing. The selection was based on Audit Committee approval and External Auditor advice to rotate the testing of all internal financial controls over a three year period.

Key Findings

As per all previous assessments, the testing process required staff to develop an action plan if a control was assessed at '3' (partially effective for the period) or below.

Of the 44 controls tested, four controls were rated a '3' or below by a reviewer, and subsequently four agreed actions have been raised. These are documented in the table below.

Internal audit performed testing a sample of controls to verify the self-assessment process. The table below provides a breakdown of the number of controls tested and any actions raised.

Category	Sub-Category	Number Controls Tested	Agreed Actions Resulting from Assessment
Assets	Debtors	12	<ol style="list-style-type: none"> There are a number of users that have excessive 'update' access to the Name and Address Register (NAR) menu within the Authority finance application. Action: User access specifically to the NAR should be reviewed and restricted appropriately. Furthermore, a regular user access review of high risk Authority menus should be initiated by IT (it is noted that this is being undertaken as part of a project by IT to address a similar issue raised in the recent external audit report). Due to staff turnover, the aged debtors statistics and management reports have not been produced in recent months. Action: The aged debtor management reports have been run and a review by Finance Management was re-commenced in October 2021. This is now part of the Accounts Receivable end of month processes. Reports will be presented to CMT on a six monthly basis. A secondary review of all NAR changes by the Senior Rates Officer had not been performed in recent months.

			Action: The secondary review of the NAR was re-commenced in September 2021 and is now included as part of Accounts Receivable end of month processes (Completed).
	Inventory	5	N/A
	Prepayments	1	N/A
	Fixed Assets	12	4. As raised recently by External Audit, keys to vehicles, plant and equipment at depots are not secured. Action: Key safes to secure vehicle and plant keys at depots will be installed at depot sites (Completed).
	Loans / Grants to Community Clubs	7	N/A
Revenue	Other Revenue	1	N/A
Expenses	Credit Cards	6	N/A
Total		44	

Category Results

Overall, the three categories that were tested were rated out of 5 and the results highlighted below (please note results may be skewed by the total number of controls that are tested within each category).

- Assets – 4.7
- Revenue – 5.0
- Expenses – 4.5

Amanda Pitt
Business Improvement Officer



Internal Audit Report – Interim Governance Legislative Compliance Review November 2021

For Distribution

Andrew Cameron	Chief Executive Officer
Ben Thompson	Director Corporate and Community Services
Mary Herrmann	Governance Officer

Background

At the December 2019 Meeting, the Audit Committee endorsed the two year Internal Audit Plan (the 'Plan'). This Plan included a Legislative Compliance review using the Local Government Association Governance Legislation Self-Audit Tool with the intent of undertaking a high level self-assessment of compliance with the Local Government Act (LG Act) 1999.

Objectives

This self-assessment process will allow Council and the Audit Committee, if required, to focus on any identified areas of legislation that are considered high risk that could be subject to a separate, more detailed audit in subsequent years.

Key Findings

The purpose of this Interim Report is to provide a progress update on the sections tested to date. There are 302 sections within the LG Act component of this audit tool. To date, 198 sections have been tested and reported at the October 2020, February, May, August and November 2021 Audit Committee meetings.

Sections	Number of Sections Reported	Date Reported to Audit Committee
12 - 60	42	October 2020
61 - 81	35	February 2021
82 - 90	42	May 2021
91 - 121	35	August 2021
122 - 128	44	November 2021
	198	

The remaining sections are planned to be completed as follows:

Remaining Sections	Number of Sections To be Reported	Planned Date Reported to Audit Committee
129 - 188	52	February 2022
193 - 302B	52	Planned completion May 2022
	104	

Please note: the recent passing of the Statutes Amendment (Local Government Review) Act 2021 (Amendment Act) will significantly alter the LG Act. Therefore, this will also impact the use of this self-audit tool. Changes have been highlighted in blue within the detailed work paper, which indicates that the Amendment Act is altering or removing a particular section of the LG Act.

Details of all testing is included as an attachment and details of the two minor issues identified are provided below.

1. Annual Business Plan Summary Document

Section 123(11) of the LG Act requires a 'Summary' document of the Annual Business Plan (ABP) to include an assessment to which the Council's objectives for the previous financial year have been attained. The ABP Summary document is included in the first rate notice sent to ratepayers in July each year.

In the samples tested by internal audit it was found that Council's ABP Summary did not include an assessment of previous year's objectives, therefore this requirement was not addressed.

Recommendation: As part of the development of next year's ABP Summary, ensure that a high level assessment of key projects / objectives for the previous financial year, is provided.

Responsible Officer: Ben Thompson, Director Corporate & Community Services

Due Date: 30 June 2022

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

2. ABP Content Requirements (Section 123 (2) & (10))

Section 123 predominantly relates to the requirements for the preparation, form and content of the ABP, summary and budget.

From our testing it was noted that two sections (Section 123 (2) & (10)) were not addressed in the FY17 ABP, however the most recent ABP for FY22 adequately addresses these sections.

Section 123 (2) requires to particular reference to policy on discretionary rebates and Section 123 (10) refers to projected operating income is sufficient to meet projected operating expenses for the relevant financial year.

This is a housekeeping matter only for the Audit Committee to note, as these requirements are both clearly addressed in the most recent ABP.

Amanda Pitt
Business Improvement Officer



The voice of local government.

Governance Legislation Self- Audit Tool

Last Updated: July 2019

Governance Legislation Self-Audit Tool**Date:** October 2021**Prepared by:** Amanda Pitt and Luka Oster**Audit Objective**

Using the Local Government Association Governance Legislation Self – Audit tool, undertake a high level self-assessment of compliance with the Local Government Act 1999.

This process will allow Council and the Audit Committee to focus on any identified areas of legislation that are considered high risk that could be subject to a separate, more detailed audit in subsequent years.

Background

The audit tool focusses on the Local Government Act 1999 and related Regulations. It is noted at the outset that there are a number of matters of legal compliance in the Local Government Act 1999 that could be the subject of a separate, more detailed audit. This audit tool targets:

- Local Government Act 1999
- Local Government (General) Regulations 2013
- Local Government (Financial Management) Regulations 2011
- Local Government (Procedures at Meetings) Regulations 2013
- Code of Conduct for Council Members
- Code of Conduct for Council Employees

This governance legislation self-audit tool is provided for councils to identify areas where they are:

- Fully compliant (green)
- Partially compliant (yellow)
- Non-compliant (red)

This Governance Legislation Self-Audit Tool has been prepared by the Local Government of SA (LGA) for use by its member councils. The LGA is the statutory peak body for Local Government in South Australia, representing all 68 councils in the State. This publication was first developed in 2006 and was last updated in July 2019.

Please note: the recent passing of the Statutes Amendment (Local Government Review) Act 2021 (Amendment Act) will significantly alter the LG Act. Therefore, this will also impact the use of this self-audit tool. Changes have been highlighted in blue within the detailed work paper, which indicates that the Amendment Act is changing or removing a particular section of the LG Act.



The voice of local government.

Local Government Act 1999

Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
122(1), (1b),(2), (3)	<p>Council has developed and adopted strategic management plans in accordance with these subsections, including having financial projections in the long term financial plan consistent with those in the infrastructure and asset management plan.</p> <p>Statutes Amendment Act 2021 Section 122—after subsection (1b) insert:</p> <p>(1c) A council must, once in every prescribed period (which must be not less than a period of 3 years), in accordance with a determination of the designated authority, provide information relating to its long-term financial plan and infrastructure and asset management plan to the designated authority in accordance with subsection (1e).</p> <p>(1d) For the purposes of subsection (1c), the designated authority may determine a schedule relating to each prescribed period that requires different councils to provide information in different financial years of that period (and the financial year in which a particular council is required to provide information according to the schedule is the relevant financial year for that council).</p> <p>(1e) A council must, on or before 30 September in the relevant financial year for the council, provide to the designated authority all relevant information on the following matters (the relevant matters) in accordance with guidelines determined by the designated authority (if any):</p> <p>(a) material amendments made or proposed to be made to the council's long-term financial plan and infrastructure and</p>	Fully Compliant	<p>Internal Audit reviewed the current Strategic Management Plan published to the YPC Website. Noted the Plan covers 2021 – 2025.</p> <p>Key points to ensure that cover Act include:</p> <ul style="list-style-type: none"> • The 'Planning Framework' set out to ensure regional, State and national objectives have been considered and addressed • The 'Key financial measures, long term financial planning, asset renewal funding, net financial liabilities' all address parts relating to sustainability, maintenance of infrastructure • The 'current context' section addresses anticipated or predicted change factors • The 'strategies' set out in the Plan identify the principal activities that Council intends to undertake to achieve its objectives • Objectives clearly set out.

LGA of SA ECM 634814 Governance Legislation Self-Audit Tool



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<p>asset management plan and the council's reasons for those amendments;</p> <p>(b) revenue sources outlined in the funding plan referred to in subsection (1a)(a);</p> <p>(c) any other matter prescribed by the regulations.</p> <p>(1f) Following the provision of information by a council under subsection (1e), the designated authority, on or before 28 February in the relevant financial year for the council—</p> <p>(a) must provide advice to the council on the appropriateness of the relevant matters in the context of the council's long-term financial plan and infrastructure and asset management plan; and</p> <p>(b) may, if the designated authority considers it appropriate having regard to the circumstances of a particular council, provide advice in relation to any other aspect of the council's long-term financial plan and infrastructure and asset management plan.</p> <p>(1g) In providing advice under this section, the designated authority—</p> <p>(a) must have regard to the following objectives:</p> <p>(i) the objective of councils maintaining and implementing long-term financial plans and infrastructure and asset management plans;</p> <p>(ii) the objective of ensuring that the financial contributions proposed to be made by ratepayers under the council's long-term financial plan and infrastructure and asset management plan are appropriate and any material amendments made or proposed to be made to these plans by the council are appropriate; and</p> <p>(b) may have regard to any information or matter the designated authority considers relevant (whether or not such information or matter falls within the ambit of subsection (1e)).</p> <p>(1h) A council must ensure that the advice provided by the designated authority under this section, and any response of the council to that advice, is published in its annual business plan (both the draft and</p>		
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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
	<p>adopted annual business plan) in the relevant financial year and each subsequent financial year (until the next relevant financial year for that council).</p> <p>(1i) For the purposes of the preceding provisions, the designated authority must publish the following:</p> <ul style="list-style-type: none"> (a) advice provided to a council under this section; (b) the schedule determined under subsection (1d); (c) any guidelines determined under subsection (1e). <p>(1j) The designated authority may, by written notice, require a council to give the designated authority, within a time and in a manner stated in the notice (which must be reasonable), information in the council's possession that the designated authority reasonably requires for the performance of the designated authority's functions under this section.</p> <p>(1k) The designated authority may recover from a council (as a debt due from the council) the costs reasonably incurred by the designated authority in performing its functions under this section in relation to the council.</p> <p>Section 122—after subsection (3) insert:</p> <p>(3a) The regulations may prescribe additional requirements with respect to strategic management plans.</p>		



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
122(1a)	<p>The Council has developed and adopted a long term financial plan for a period of at least 10 years and an infrastructure and asset management plan for a period of at least 10 years</p> <p>Statutes Amendment Act 2021 Section 122(1a)(a)—delete "for a period of at least 10 years; and" and substitute: that relates to a period of at least 10 years and includes a funding plan that—</p> <ul style="list-style-type: none"> (i) outlines the council's approach to funding services and infrastructure of the council; and (ii) sets out the council's projected total revenue for the period to which the long-term financial plan relates; and (iii) outlines the intended sources of that total revenue (such as revenue from rates, grants and other fees and charges); and 	Fully Compliant	<p>Internal Audit reviewed the 2022 – 2031 Long Term Financial Plan published to the YPC website. Noted that this plan also formed part of the Strategic Management Plan.</p>
122(1b)	<p>The Council's long-term financial plan is consistent with the Council's infrastructure and asset management plan</p>	Fully Compliant	<p>Internal Audit reviewed the 2022 – 2031 Long Term Financial Plan published to the YPC website. Noted that this plan also formed part of the Strategic Management Plan.</p>
122(4), (4a)	<p>Council has undertaken a review of its strategic management plans in accordance with the requirements of these subsections</p> <p>Statutes Amendment Act 2021 Section 122(4)(a)—delete "as soon as practicable after adopting the council's annual business plan for a particular financial year" and substitute: on an annual basis</p>	Fully Compliant	<p>Internal Audit reviewed the adoption of the previous Strategic Management Plan (2016-2020) and the review process and subsequent adoption of the current Strategic Management Plan (2021-2025). The review was undertaken within the required timeframe. The Long Term Financial Plan is reviewed annually and presented to Council for adoption. LTFP in April is a 'preliminary' type review to consider and contemplate Councils sustainability and performance. The Annual Business Plan and budget documentation is where this consideration is collated</p>



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
			together and ultimately endorsed by Council. The Annual Business Plan and associated budgeted is presented and reported by the CEO, which was evidenced at the June 23 Special Council Meeting for the 2021-22 Annual Business Plan.



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
122(6)	<p>Council has adopted a process or processes to ensure members of the public are given a reasonable opportunity to be involved in the development and review of its strategic management plans</p> <p>Statutes Amendment Act 2021 Section 122(6)—delete "adopt a process or processes to ensure that members of the public are given a reasonable opportunity to be involved in" and substitute: undertake public consultation in relation to</p>	Fully Compliant	Internal Audit reviewed the processes undertaken during the development of the 2021-2025 Strategic Management Plan and the 2016-2020 Strategic Management Plan. Two stages of public consultation were undertaken during the development of the 2021-2025 Strategic Management Plan and four stages of public consultation undertaken during the development of the 2016-2020 Strategic Management Plan. Feedback from each round of public consultation was reported back to Council.
122(7)	<p>The strategic management plans under this section are available for inspection (without charge) and purchase (fixed fee determined by the council) at the principal office of the Council during ordinary office hours</p> <p>Statutes Amendment Act 2021 Section 122(7)—delete subsection (7)</p>	Fully Compliant	As per the Community Engagement Policy (PO057), Council is required to undertake consultation on review of strategic management plans. In policy PO015 – Access to Council and Committee Meetings and Documents Code of Practice (under meeting procedures) this legislative requirement is stated and adhered to.



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment						
122(8)	<p>Council has specifically declared which plans constitute the strategic management plans of the Council</p> <p>Statutes Amendment Act 2021 Section 122—after subsection (8) insert:</p> <p>(9) In this section— designated authority means— (a) if a person or body is prescribed by the regulations for the purposes of this definition—that person or body, or (b) if a person or body is not prescribed under paragraph (a)—the Essential Services Commission established under the Essential Services Commission Act 2002.</p> <p>(10) The Minister must consult with the LGA before regulations are made prescribing a person or body as the designated authority.</p>	Fully Compliant	<p>An "Our Planning Framework" diagram is included in the Strategic Management Plan. This diagram depicts all of Council's supporting plans and how they align with each other and the Strategic Management Plan ("SMP").</p> <p>The diagram also depicts external plans that link with Council's Strategic Management Plan:</p> <ul style="list-style-type: none"> • 2021-2025 SMP – page 28 • 2016-2020 SMP – page 11 						
123(1)	Council has, for each financial year, an annual business plan and a budget	Fully Compliant	Annual Business Plans are prepared in conjunction with budget preparations each year. Internal Audit confirmed that an Annual Business plan for the past 5 years is published to the Councils website, budgetary figures are included in the Annual Business Plan document.						
123(2)	<p>Council's annual business plan meets the requirements of this subsection (Local Government (Financial Management) Regulations 2011, Reg 6)</p> <p>The preparation, form and content of the annual business plan, summary and budget meet the requirements of the regulations (Local Government (Financial Management) Regulations 2011, Regs 6 and 7)</p>	Fully Compliant	<p>Internal audit performed a review of two recent Annual Business Plans, 2021 – 2022 and 2017 – 2018 and confirmed that each of the legislative requirements had been addressed:</p> <table border="1"> <thead> <tr> <th></th> <th>21-22</th> <th>17-18</th> </tr> </thead> <tbody> <tr> <td>Long term objectives</td> <td>Yes, pg 11</td> <td>Yes, pg 7</td> </tr> </tbody> </table>		21-22	17-18	Long term objectives	Yes, pg 11	Yes, pg 7
	21-22	17-18							
Long term objectives	Yes, pg 11	Yes, pg 7							



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment		
			Objectives for the financial year	Yes, pgs 17, 24, 25	Yes, pgs 10, 11
			Activities intended to take out to meet objectives	Yes, pg 16	Yes, pg 12
			Measures that Council intend to use to assess	Yes, pg 14	Yes, pg 8
			Reason why the council has adopted its valuation method for rating purpose	Yes, pg 20	Yes, pg 13
			Reasons and justifications for rate differential (if any) the differentiation, and the expected level of revenue to be raised by each differential rate	Yes, pg 20	Yes, pg 15
			Use and level of a fixed charge component of a general rate	Yes, pg 21	Yes, pg 16
			Use and level of any separate rate, service rate or service charge, including the reason for the rate or charge	Yes, pg 22, 23	Yes, pg 16, 17
			Policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate	Yes, pg 20, 21 (policy referred to)	Not clearly specified (as it is in recent ABP).
			Issues concerning equity within the community and the impact of rates across the area	Yes, pg 20	Yes, pg 15
			The application or operation of a minimum amount payable by way of rates (if applicable).	N/A	N/A



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
123(3)& (4)	<p>Before adoption of the annual business plan, Council prepared a draft annual business plan and followed the steps of its public consultation policy and subsection (4)</p> <p>Statutes Amendment Act 2021 Section 123(3)(b)—delete paragraph (b) and substitute: (b) undertake public consultation.</p> <p>Section 123(4) to (5a)—delete subsections (4) to (5a) (inclusive)</p>	Fully Compliant	Internal Audit reviewed the processes undertaken during the preparation of the Annual Business Plans for 2021/2022, 2020/2021 and 2019/2020. A draft was prepared and presented for public consultation with feedback received being reported back to Council in each case.
123(5)	<p>Copies of the draft annual business plan are available at the meeting and for inspection and purchase at the principal office of the Council at least 21 days before the date of that meeting, and a copy of the draft is placed on the website</p> <p>Statutes Amendment Act 2021 Section 123(4) to (5a)—delete subsections (4) to (5a) (inclusive)</p>	Fully Compliant	The Special Council meeting in June 2021 advised that the 2021/2022 draft Annual Business Plan, Budget and Fees and Charges were advertised for public consultation from Thursday, 13 May 2021 following endorsement of that action by Council at its meeting held on Wednesday, 12 May 2021. The public consultation period was advertised in the Yorke Peninsula Country Times, on Council’s website and Facebook page, with copies of the draft ABP available at all Council offices. Progress Associations were also directly contacted in writing during the public consultation period to seek their feedback. These dates were confirmed through publish date on council website and Facebook page and confirming date of letters sent to progress associations.
123(5a)	<p>Provision is made for the asking and answering of questions and the receipt of submissions on the Council website during the public consultation period</p> <p>Statutes Amendment Act 2021 Section 123(4) to (5a)—delete subsections (4) to (5a) (inclusive)</p>	Full compliant	Council’s website allows for submissions on the draft annual business plans. Noted that under archived consultations for 2021 the annual business plan was listed for consultation (this was published on the 13 th May 2021).



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
			Furthermore, it was confirmed that the 2020 annual business plan was published to the website for consultation on the 14 th May 2020.
123(6)	<p>Council has adopted the annual business plan after considering the matters in this subsection</p> <p>Statutes Amendment Act 2021 Section 123—after subsection (6) insert: (6a) However, if a council proposes to adopt an annual business plan with amendments, the council must include in the adopted business plan a statement—</p> <ul style="list-style-type: none"> (a) setting out any significant amendments from the draft annual business plan; and (b) providing reasons for those amendments. 	Fully Compliant	Submissions received during public consultation are presented to Council for consideration before adoption of the Annual Business Plan. Any proposed amendments and the reasons for those amendments are outlined in the report to Council.
123(7)	<p>The budget has been considered in conjunction with the Council's annual business plan, is consistent with that plan is adopted after adoption of the annual business plan</p> <p>Statutes Amendment Act 2021 Section 123—after subsection (7) insert: (7a) A budget of a council may authorise the entry into borrowings and other forms of financial accommodation for a financial year of up to an amount specified in the budget.</p>	Fully Compliant	Council's budget and Annual Business Plan are developed in conjunction with each other. Both are adopted at a Special Council Meeting held in late June with the budget being adopted immediately following the adoption of the Annual Business Plan. Internal Audit reviewed the meeting minutes from the relevant Special Council Meeting held for 2021, 2020 and 2019 and confirmed that the correct processes had been followed in each case.



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
123(8)	The annual business plan and budget is adopted after 31 May and before 31 August Statutes Amendment Act 2021 Section 123(8)—delete "31 August" and substitute: 15 August	Fully Compliant	Internal Audit have confirmed that both the Annual Business Plan and budget are adopted at a Special Council Meeting called in late June each year.
123(9), (11)	After adoption of the annual business plan and budget, a summary has been prepared and is available in accordance with these subsections, and a copy of the annual business plan and the budget (as adopted) is available on the website Statutes Amendment Act 2021 Section 123(9)(b) and (c)—delete paragraphs (b) and (c)	Partially Compliant	A summary of the Annual Business Plan and budget is prepared each year and distributed with the first quarter rates notices. A copy of the Annual Business Plan with budget attached is available on Council's website. It was noted that the summary document of the Annual Business Plan for the past two years tested did not include an assessment of the extent to which the council's objectives for the previous financial year have been attained, which is required in Section 123 (11): <i>However, in any event, the summary of the annual business plan must include an assessment of the extent to which the council's objectives for the previous financial year have been attained (taking into account the provisions of the annual business plan for that financial year).</i>



The voice of local government.

Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment												
123(10)	<p>The preparation, form and content of the annual business plan, summary and budget meet the requirements of the regulations (Local Government (Financial Management) Regulations 2011, Regs 6 and 7)</p> <p>Statutes Amendment Act 2021</p> <p>Section 123—after subsection (10) insert:</p> <p>(10a) Without limiting subsection (10), regulations under that subsection relating to an annual business plan may—</p> <p>(a) relate to the manner in which matters included in the plan are to be presented (such as, for example, by prescribing the location, style and level of emphasis that must be given to specified matters); and</p> <p>(b) prescribe requirements relating to the description or explanation of matters included in the plan.</p>	Fully Compliant	<p>Internal audit performed a review of two recent Annual Business Plans, 2021 – 2022 and 2017 – 2018 and confirmed that each of the legislative requirements had been addressed:</p> <table border="1" data-bbox="1377 523 1861 1236"> <thead> <tr> <th data-bbox="1377 523 1653 555"></th> <th data-bbox="1653 523 1756 555">21-22</th> <th data-bbox="1756 523 1861 555">17-18</th> </tr> </thead> <tbody> <tr> <td data-bbox="1377 555 1653 635">the reason why the council has adopted its valuation method for rating purposes</td> <td colspan="2" data-bbox="1653 555 1861 635" rowspan="6">Refer above for testing</td> </tr> <tr> <td data-bbox="1377 635 1653 762">If differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate</td> </tr> <tr> <td data-bbox="1377 762 1653 842">If applicable, the use and level of a fixed charge component of a general rate</td> </tr> <tr> <td data-bbox="1377 842 1653 946">the use and level of any separate rate, service rate or service charge, including the reasons for the rate or charge</td> </tr> <tr> <td data-bbox="1377 946 1653 1161">the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate</td> </tr> <tr> <td data-bbox="1377 1161 1653 1236">issues concerning equity within the community and the impact of rates across the area</td> </tr> </tbody> </table>			21-22	17-18	the reason why the council has adopted its valuation method for rating purposes	Refer above for testing		If differential rates are used, the reasons and justifications for the differentiation, and the expected level of revenue to be raised by each differential rate	If applicable, the use and level of a fixed charge component of a general rate	the use and level of any separate rate, service rate or service charge, including the reasons for the rate or charge	the council's policy on discretionary rebates and remissions, with particular reference to the rebates that will apply for more than 1 financial year and including information on how a rebate is designed to meet the purpose behind the rebate	issues concerning equity within the community and the impact of rates across the area
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issues concerning equity within the community and the impact of rates across the area															



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment		
			the application or operation of a minimum amount payable by way of rates (if applicable)		
			include budgeted financial statements, which must be presented, other than notes and other explanatory documentation, in a manner consistent with the Model Financial Statements	Yes, pg 33-37	Yes, pg 31-36
			state whether projected operating income is sufficient to meet projected operating expenses for the relevant financial year	Yes, pg 24	Not clearly specified (as it is in recent ABP).
			include a summary of operating and capital investment activities presented in a manner consistent with the note in the Model Financial Statements entitled <i>Uniform Presentation of Finances</i>	Yes, pg 26-30	Yes, pg 21-28
			include estimates with respect to the council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio presented in a manner consistent with the note in the Model Financial Statements entitled <i>Financial Indicators</i>	Yes, pg 24	Yes, pg 19-20
123(13)	Council has reconsidered the annual business plan or budget as required by the regulations (no prescribed regulation)	Fully Compliant	Quarterly budget review is undertaken and presented to Council for endorsement. Council agendas and		



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
			minutes were reviewed and confirmed for last financial year: <ul style="list-style-type: none"> • March quarterly review (was endorsed at the May Council 2021 meeting) • December quarterly review (was endorsed at the February 2021 meeting) • September quarterly review (was endorsed at the November 2020 meeting).
124(1)	Accounting records are kept in accordance with this section	Fully Compliant	Council utilises the Authority finance system for all accounting records.
124(2)	Council has determined the form and places for the keeping of accounting records	Fully Compliant	Council utilise the Authority finance system for all accounting records. Processes in place for backups of the system nightly. Financial reports that are produced from Authority are retained/recorded in the Records Management system.
125	Council has implemented and maintained appropriate policies, practices and procedures of internal control in accordance with this section	Not applicable	Internal audit and the Business Improvement Officer are unable to provide an independent assessment on this requirement.



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
	<p>Statutes Amendment Act 2021</p> <p>Section 125—after its present contents (now to be designated as subsection (1)) insert:</p> <p>(2) The policies, practices and procedures of internal financial control under subsection (1) must be in accordance with a standard or document (such as a model relating to financial controls) adopted by the regulations.</p> <p>(3) A council must ensure that appropriate policies, systems and procedures relating to risk management are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, inform appropriate decision making, facilitate appropriate prioritisation of finite resources and promote appropriate mitigation of strategic, financial and operational risks relevant to the council.</p> <p>After section 125 insert:</p> <p>125A—Internal audit functions</p> <p>(1)The chief executive officer of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function, or assigning such responsibility to an employee of the council, consult with the relevant audit and risk committee on the appointment or assignment of responsibility.</p> <p>(2)Despite any other law or instrument to the contrary, the person primarily responsible for the internal audit function—</p> <p>(a) must ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee; and</p> <p>(b) may report any matters relating to the internal audit function directly to the audit and risk committee.</p>		
126(1)	Council has an audit committee	Fully Compliant	Audit Committee in place. Terms of Reference for Committee confirmed and regular meetings held via confirmation of minutes and agendas maintained with



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
	<p>Statutes Amendment Act 2021</p> <p>Section 126—before subsection (1) insert:</p> <p>(a1) This section applies to a council that has not established a regional audit and risk committee under section 126A.</p> <p>Section 126(1)—after "council" insert:</p> <p>to which this section applies</p> <p>Section 126(1)—after "audit" insert:</p> <p>and risk</p> <p>Section 126—after subsection (1) insert:</p> <p>(1a) The purpose of an audit and risk committee established by a council is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.</p>		<p>Records Management and published to Councils' website.</p>
126(2)	<p>Membership of Council's audit committee complies with the requirements of this subsection</p>	Fully Compliant	<p>Current term Audit Committee membership is as follows:</p> <ul style="list-style-type: none"> • Rob Reiman (Chairperson/Independent Member) • Hussain Rafeeu (Independent Member) • Deputy Mayor Tania Stock • Cr Adam Meyer • Cr Leanne O'Brien <p>This is confirmed via Council's website and perusal of Audit Committee minutes for FY20.</p> <p>This membership meets all requirement of this subsection, being:</p> <ul style="list-style-type: none"> • may include persons who are not members of Council, • may not include an employee of Council (although they may attend meetings) • may include, or be comprised of, members of an audit committee for another council



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
	<p>Statutes Amendment Act 2021</p> <p>Section 126(2)—delete subsection (2) and substitute:</p> <p>(2)The following provisions apply to the membership of a council audit and risk committee:</p> <p>(a) the majority of the members of the committee must be persons who are not members of any council;</p> <p>(b) the members of the committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the committee, including in financial management, risk management, governance and any other prescribed matter;</p> <p>(c) the membership of the committee—</p> <p>(i) may not include an employee of the council (although an employee may attend a meeting of the committee if appropriate); and</p> <p>(ii) may include, or be comprised of, members of another council audit and risk committee or a regional audit and risk committee; and</p> <p>(iii) must otherwise be determined in accordance with the requirements of the regulations.</p>		<ul style="list-style-type: none"> Must otherwise be determined in accordance with the requirements of the regulations, which are, the audit committee of a council— <ul style="list-style-type: none"> (a) must have between 3 and 5 members (inclusive); and (b) must include at least 1 person who is not a member of the council and who is determined by the council to have financial experience relevant to the functions of an audit committee; and (c) must not include, as a member, the council's auditor under section 128 of the Act. <p>All of which are met with the composition of the current Audit Committee membership.</p>
127(1), (2)	Council has prepared for each financial year financial and other statements required by these subsections and the regulations (Local Government (Financial Management) Regulations 2011, Reg 15)	Fully Compliant	<p>The Regulations require that financial statement are prepared in accordance with standards prescribed by the second Friday in September in the financial year immediately following the end of the relevant financial year. For the previous three years, below are the dates statements are required to be prepared and confirmation when Councils were prepared based on dates with the Records Management system</p> <ul style="list-style-type: none"> FY20 – 11 September 2020 (Confirmed created recorded on 8/9/2020)



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
			<ul style="list-style-type: none"> • FY19 – 13 September 2019 (Confirmed created recorded on 6/9/2019) • FY18 – 14 September 2018 (Confirmed created recorded on 14/9/2018)
127(3)	The statements prepared for each financial year must be audited by the Council's auditor	Fully Compliant	<p>Internal audit verified that Council's auditor (Dean Newbery and relevant Partner Samantha Creten) had signed the</p> <ul style="list-style-type: none"> • Independent Auditors Report on the Financial Report • Independent Assurance Report on the Internal Controls of the Yorke Peninsula Council • Certification of Auditor's Independence <p>For the following years:</p> <ul style="list-style-type: none"> • FY20 • FY19 • FY18 <p>These reports were provided to the October Audit Committee meetings for each respective year and then subsequently sent to the Grants Commission and published as part of Councils Annual Report.</p> <p>All of the documents fully substantiate that the statements are audited by the Council's auditor.</p>
127(4)	A copy of the audited statements have been submitted by the Council to the persons or bodies prescribed by the regulations on or before the day prescribed (Local Government (Financial Management) Regulations 2011, Reg 16)	Fully Compliant	Internal Audit confirmed that the audited financial statements were submitted to the Local Government Grants commission and the date received by the commission (regulation required statements received by the 30 November):



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment								
			<table border="1"> <thead> <tr> <th>Year</th> <th>Local Government Grants Commission</th> </tr> </thead> <tbody> <tr> <td>FY18</td> <td>Yes (18/90370) – email confirmed received from the Commission on 30 November 2018 (18/90371)</td> </tr> <tr> <td>FY19</td> <td>Yes (19/10674) – email confirmed received from the Commission on 28 November 2019 (19/106448)</td> </tr> <tr> <td>FY20</td> <td>Yes (20/113347) – email confirmed received from the Commission on 30 November 2020 (20/113349)</td> </tr> </tbody> </table>	Year	Local Government Grants Commission	FY18	Yes (18/90370) – email confirmed received from the Commission on 30 November 2018 (18/90371)	FY19	Yes (19/10674) – email confirmed received from the Commission on 28 November 2019 (19/106448)	FY20	Yes (20/113347) – email confirmed received from the Commission on 30 November 2020 (20/113349)
Year	Local Government Grants Commission										
FY18	Yes (18/90370) – email confirmed received from the Commission on 30 November 2018 (18/90371)										
FY19	Yes (19/10674) – email confirmed received from the Commission on 28 November 2019 (19/106448)										
FY20	Yes (20/113347) – email confirmed received from the Commission on 30 November 2020 (20/113349)										
127(5)	<p>The audited statements are available for inspection (without charge) and purchase (fee fixed by the council) at the principal office of the Council during ordinary office hours</p> <p>Statutes Amendment Act 2021 Section 127(5) and (6)—delete subsections (5) and (6)</p>	Fully Compliant	All audited financial statements are available within the Council’s Annual reports published on the website.								
128(1)	Council has appointed an auditor	Fully Compliant	<p>Confirmed Dean Newbery were appointed External Audit Services consultants in July 2017 after a tender process.</p> <p>Dean Newbery Partner, Samantha Allard has signed off the Councils Independent Auditor’s Report on the Financial reports (as published in Council’s annual report since) FY18.</p>								
128(2)	Council’s auditor has been appointed on the recommendation of the Council’s audit committee	Fully Compliant	Confirmed that Council resolution (299/2017) to accept the tender from Dean Newbery for External Audit Services on recommendation from Audit Committee.								



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
	<p>Statutes Amendment Act 2021 Section 128(2)—delete "council's audit committee" and substitute: relevant audit and risk committee</p>		
128(2a)	<p>The audit committee has taken into account the matters in the regulations when making a recommendation for appointment (Local Government (Financial Management) Regulations 2011, Reg 17)</p> <p>Statutes Amendment Act 2021 Section 128(2a)—delete "audit committee" and substitute: relevant audit and risk committee</p>	Fully Compliant	<p>Dean Newbery were appointed External Audit Services consultants in July 2017 after a tender process (please note that the Business Improvement Officer was part of the Tender evaluation panel of this tender).</p> <p>Dean Newbery is a fully outsourced company and none of the External Auditor staff are members of Council or a nominated candidate.</p>
128(3)	<p>The auditor is a registered company auditor or a firm comprising at least one registered company auditor</p>	Fully Compliant	<p>Confirmed that both signing Partners are listed as a current Registered Auditor as per Australian Security and Investment Commission register, being:</p> <ul style="list-style-type: none"> SAMANTHA FAY CRETEN - Registered Auditor Number 222601 JAMES MICHAEL KEOGH - Registered Auditor Number 310530
128(4)	<p>The auditor is not a member of Council or a nominated candidate for election as a member of Council</p>	Fully Compliant	<p>Dean Newbery were appointed External Audit Services consultants in July 2017 after a tender process (please note that the Business Improvement Officer was part of the Tender evaluation panel of this tender).</p> <p>Dean Newbery is a fully outsourced company and none of the External Auditor staff are members of Council or a nominated candidate.</p>
128(4a)	<p>The term of appointment of the auditor does not exceed 5 years</p>	Fully Compliant	<p>As per the confidential minutes that were released in October 2018, Audit Committee accept the tender from Dean Newbery for a period of five (5) years, commencing 1 July 2017.</p>



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Section	What is required	Fully compliant / Partially compliant / Non-compliant	Comment
128(6)	<p>The auditor is not disqualified from holding office due to the conditions under this subsection</p> <p>Statutes Amendment Act 2021</p> <p>Section 128(6)—delete subsection (6) and substitute:</p> <p>(6) If a firm comprising at least 1 registered company auditor has held office as auditor of a council for 5 successive financial years (the first firm), the council—</p> <p>(a) must ensure another auditor is appointed as auditor of the council (being a registered company auditor (who is not part of a firm) or another firm comprising at least 1 registered company auditor); and</p> <p>(b) must not appoint the first firm as its auditor until at least 5 years have passed since the first firm last held the office.</p>	Fully Compliant	<p>Internal Audit reviewed the past 10 financial year's sign off to confirm the signing Partner has been not the same for a consecutive five years. Confirmed the following:</p> <p>FY11 – FY12: Samantha Allard signing Partner</p> <p>FY13 – FY17: Jim Keogh signing Partner</p> <p>FY18 – FY20: Samantha Creten signing Partner (new married name).</p>
128(7)	<p>The appointment of the auditor is subject to the terms and conditions prescribed in the regulations (Local Government (Financial Management) Regulations 2011, Reg 22(1))</p>	Fully Compliant	<p>Dean Newbery are not engaged to perform other services for Council, other than External Audit Services and have performed Road to Recovery and other one off local infrastructure grant acquittals.</p> <p>Confirmed that only payment made to Dean Newbery for FY20 was for External Audit Services as per their invoice.</p>
128(8)	<p>The Council and Council's auditor are compliant with the requirements prescribed in the regulations regarding the auditor's independence (Local Government (Financial Management) Regulations 2011, Reg 22)</p>	Fully Compliant	<p>The Certification of Auditor's Independence has been included as part of the 19/20 Financial Statements.</p>
128(9)	<p>Council's annual report contains the information required by this subsection</p>	Fully Compliant	<p>Internal Audit reviewed the Annual Report for 19-20 and found that the auditor's remuneration is detailed within the notes to the financial statements. The financial statement are included in the Annual Report. This is also highlighted in the legislative requirements table.</p>



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Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - October 2021	Debtor Management Reports	Low	The debtor management reports to be developed and run monthly for review by the Finance Manager. Furthermore, debtor reports to be presented to CMT on a six monthly basis.	SENIOR RATES OFFICER	31/12/2021	31/12/2021	In Progress	
Internal Audit Activities	Governance Legislative Compliance Review - October 2021	Annual Business Plan Summary Document	Low	As part of the development of the Annual Business Plan Summary document, ensure that a high level assessment of key projects / objectives for the previous financial year, is provided.	DIRECTOR CORPORATE AND COMMUNITY SERVICES	30/06/2022	30/06/2022	In Progress	
External Audit Activities	External Audit Interim Management Report - 2020/21 Financial Year	Rates Fines & Interest	Moderate	Our review of supporting documentation noted that there was no evidence retained to demonstrate that an independent review of Assessments classified as exempt/omitted from fines and interest have been correctly allocated. To further strengthen internal controls, recommend that evidence is retained (i.e. signature and date recorded on respective reports generated) to demonstrate an independent review has been completed and that Assessments have been correctly classified for fines/interest exemption status.	MANAGER FINANCIAL SERVICES	30/06/2022	30/06/2022	In Progress	The Civica Authority system has no such report that shows this information. All checking to ensure assessments are correctly classified is done on screen via a tick box, a record of which cannot be retained. Council is investigating the possibility of a report that can do this.
Internal Audit Activities	Council Direct Managed Caravan Park Spot Check – June 2021	Insurance and Asset Schedule	Low	It is recommended that for future re-evaluations of Caravan Park cabins, each cabin should be individually listed and valued, instead of a bulk valuation. This will ensure this is not overlooked in future insurance and asset scheduling.	CARAVAN PARKS COORDINATOR	30/06/2022	30/06/2023	In Progress	Revaluations of caravan parks (i.e. Council buildings) are not due to be undertaken until the 22-23 financial year. This requirement will be discussed and included in scope with the valuers. The revised due date for the action has been extended until this time. The item will remain on the agreed actions list with an update to occur in approximately 18months.
Internal Audit Activities	Council Direct Managed Caravan Park Spot Check – June 2021	WHS Matters	Moderate	It is recommended that Council assist each Caravan Park to update their Evacuation Diagrams to include a 'You are Here' zone and ensure they are displayed in all common areas around the Parks. Assist Yorketown Caravan Park to ensure Evacuation Meeting Points and Emergency Evacuation Procedures are clearly marked on Caravan Park Maps.	CARAVAN PARKS COORDINATOR	30/09/2021	31/12/2021	In Progress	External Contractor undertook on site visits to Caravan Parks on 15th November. Just awaiting final emergency management plans and associated diagrams to be completed. Revised due date til end of December.
Internal Audit Activities	Council Direct Managed Caravan Park Spot Check – June 2021	Management Agreements and Management Fees	Moderate	It is recommended that Formal Management Agreements with the three (Port Vincent, Point Turton and Black Point) Caravan Parks and Camping Grounds are entered into immediately to mitigate the risk of mismanagement.	CARAVAN PARKS COORDINATOR	31/07/2021	31/12/2021	In Progress	Management Agreements with Port Vincent and Point Turton remain outstanding. Additional addendum has been drafted after negotiations and these are now with Park Managers for signing. Expected to be completed in December 2021 and revised due date has been updated to reflect this.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
External Audit Activities	External Audit Management Report – April 2020 Attendance (Report Received June 2020)	Contract Management processes including Contracts Register (recently consolidated a number of Findings into this one action)	Modera...	1. As previously reported in our External Audit Management Report issued in June 2019, the Council has not maintained an up to date Contracts Register for all contracts held with external suppliers. 2. To further strengthen internal controls surrounding contract management, given the wide variety of contractors engaged to perform services for Council across a number of different business units, we recommend additional procedures be implemented to ensure that at all times, Council has a centralised contracts register that has up-to-date engagement details recorded for all contracts held with external contractors engaged and to ensure that the supplier/contractor meets their obligations. 3. From time to time, all contracts held by Council should be subjected to formal independent review, to ensure that terms, conditions, entitlements and responsibilities are appropriately addressed and any expired contracts are re-tendered as applicable.	MANAGER FINANCIAL SERVICES	31/12/2020	31/12/2021	In Progress	1. The new system 'Contracts Monitor' is now set up. Staff training on this new system is pending - likely to commence in the next 2 weeks. 2. Vendor Panel implementation is slow due to difficulties in getting suppliers to set up online accounts and uploading compliance documents. Also staff resources to assist Manager Financial Services with implementation are not available. A plan is currently being developed to assist in bringing on board remaining suppliers. 3. Updating of PR27 Issue of Council Orders has commenced. The updated procedure will clearly define procedures for Council's procurement function and contract management.
External Audit Activities	External Audit Management Report – Audit Completion Report Financial Year Ended 30 June 2020 (Report Received October 2020)	IT Access Review	Low	We recommend that a complete review of all user IT access be undertaken and changes made where appropriate to ensure that all staff have access granted to system programs, modules and network folders as required.	LEADER SYSTEMS AND TECHNOLOGY	30/04/2021	31/03/2022	In Progress	This finding (IT Access Review) is part of an overall ongoing project across the IT department relating to the recent Auditor-General's Report on how Council's manage cyber security. IT Access is part of the higher priority areas that is being addressed.
Internal Audit Activities	City of Playford ICAC Review – January 2020	Performance Management Process	Low	An action to review the entire performance appraisal process and performance management system, including key stakeholders in the development, will be undertaken.	MANAGER PEOPLE CULTURE AND SAFETY	31/03/2020	30/04/2022	In Progress	Performance Appraisal Process for all staff was completed at the end of October. Refresh of the process is being undertaken in February 2022 and new Values being completed in March/ April 2022 will be incorporated into it.
Internal Audit Activities	City of Playford ICAC Review – January 2020	Organisational Values	Low	1. YPC Staff Values document needs to be reviewed and updated, this will occur in conjunction with performance appraisal process update. 2. As part of a current review, the Code of Conduct Policy to possibly include YPC Staff Values statement.	MANAGER PEOPLE CULTURE AND SAFETY	31/12/2020	30/04/2022	In Progress	Values refresh scheduled for 3 and 4 March 2022.

Showing 1 to 10 of 10 entries (filtered from 87 total entries)

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Controls Self-Assessment	Internal Financial Controls Self Assessment - October 2021	Review of NAR Changes	Low	A secondary review of the name and address register changes to be recommended.	SENIOR RATES OFFICER	30/11/2021		Completed	This secondary review was re-commenced in September 2021 and performed by the Senior Rates Officer. This is now included as part of Accounts Receivable end of month processes.
External Audit Activities	External Audit Management Report – April 2020 & March 2021 Attendance (Report Received June 2020)	Depot Site Visits (reported as Inventory Safeguarding previously)	Low	As a result of our interviews conducted with staff and our observations of the operations in place, we noted the following: • Entry into the site appears to be unrestricted during business hours, potentially leaving the site vulnerable to unauthorised access and/or stock not being securely stored. • Fuel usage is recorded through manual paper records kept at the fuel pump which is not under surveillance or monitored. Fuel usage is reconciled monthly by Council's Finance staff based on manual readings of the fuel tank levels recorded and manual paper records taken from the fuel pump. • There are no recorded stocktakes performed of the minor inventory items and low value tools held at the depot. We recommend that Council puts in place additional controls to mitigate the risk of stock and/or fuel being inappropriately accessed. In making this recommendation, we recommend that security controls in place at all Council depot and work sites be reviewed. In addition, it was identified during the March 2021 visit, that keys for depot vehicles and other major plant were stored in the hanger in the main shed, unsecured. We recommend putting in place increased security measures around access to these keys with consideration towards implementing a sign out register to keep track of vehicles and plant at all times.	DIRECTOR ASSETS AND INFRASTRUCTU...	31/12/2020	30/11/2021	Completed	Key safes have been installed and are in operation at depot sites. The trial for CCTV camera trial at Minlaton depot has been investigated by A&I Director and IT. Quotes have been received and approval to quotes given, install will occur ASAP.

Showing 1 to 2 of 2 entries (filtered from 87 total entries)

8.4 AUDIT COMMITTEE ANNUAL REVIEW AND SELF ASSESSMENT 2021**Document #:** 21/128939**Department:** Corporate and Community Services**PURPOSE**

For the Audit Committee to review and self-assess its performance for the 2021 calendar year, in accordance with clause 13 of the Audit Committee Terms of Reference (TOR).

RECOMMENDATION

That the Audit Committee endorse:

1. The 2021 Audit Committee self-assessment results as presented;
2. The 2022 Audit Committee work plan as presented; and
3. The updated Terms of Reference as presented.

LINK TO STRATEGIC PLAN**Goal:** 5 Responsible Governance**Strategy:** 5.1 Openness and transparency of reporting Council's performance

5.2 Effective leadership and informed decision making

5.3 Meet all legislative requirements and compliance with Council's internal controls

BACKGROUND

Clause 13 of the Audit Committee Terms of Reference (TOR) requires the Committee to conduct an annual review and self-assessment of its performance with the aim being to ensure that the Committee is operating at maximum effectiveness. This process of review also provides an opportunity to recommend any changes to Council that are considered necessary.

The review should include consideration of the TOR and recommendations for changes to them.

This review is for the period 1 January 2021 – 1 December 2021.

DISCUSSION**Self-Assessment**

As part of the annual review each Committee member is asked to complete an online self-assessment survey which assists in assessing the effectiveness of the Committee for the review period.

The results and associated comments from the online survey are attached to this report (refer Attachment 1).

If endorsed, the results from the self-assessment will be included in the Audit Committee's Annual Report for Council to be considered by the Committee at its February 2022 meeting.

Terms of Reference

The Committee's TOR have been reviewed in line with recent changes to legislation and proposed changes are 'tracked' in the attached updated document (refer Attachment 3). The current TOR

can be found at <https://yorke.sa.gov.au/content/uploads/2019/12/Terms-of-Reference-Audit-Committee-13122019.pdf>.

Should the Committee endorse the updated TOR, it will be considered for endorsement by Council as part of the Committee's 2021 Annual Report.

Staff are aware of further proposed changes to legislation regarding Audit Committees. These changes are still undergoing consultation and are expected to be implemented after the Local Government elections in November 2022. Following implementation the TOR will be reviewed again and updated accordingly.

Annual Report for Council

Clause 13 of the Committee's TOR requires that the outcome of the annual review and self-assessment be reported to Council.

A report for Council will be formulated at the conclusion of the fifth and final Committee meeting for 2021 and once the Committee has considered and endorsed the outcomes of the self-assessment and the updated TOR. The draft Annual Report will be provided to the Committee for consideration and endorsement at its February 2022 meeting. If endorsed by the Committee, the Annual Report will be considered for endorsement by Council at its March 2022 meeting.

Work Plan 2022

In December each year, the Committee endorses a work plan for the following calendar year. At each meeting throughout the year the Committee monitors progress against each activity in the work plan.

A draft work plan for the period 1 January 2022 – 31 December 2022 is attached (refer Attachment 2), for the Committee's consideration.

The work plan is similar to the 2021 plan with five (5) meetings proposed on the last Tuesday of the month approximately once every three (3) months. The October 2022 meeting is dedicated primarily to consider the financial statements and the Committee's annual meeting with the external Auditor.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Director Corporate and Community Services
- Manager Financial Services
- Assets Manager
- Manager People, Culture and Safety
- Business Improvement Officer
- Governance Officer

In preparing this report, the following external parties were consulted:

- Audit Committee Members

POLICY IMPLICATIONS

Audit Committee Terms of Reference

BUDGET AND RESOURCE IMPLICATIONS

Costs associated with the operation and administrative support required by the Audit Committee are included in Council's adopted operating budget.

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Medium risk that the annual work plan is not completed within the stated timeframes.

Non-compliance with TOR if annual review and self-assessment not undertaken and/or not reported to Council.

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

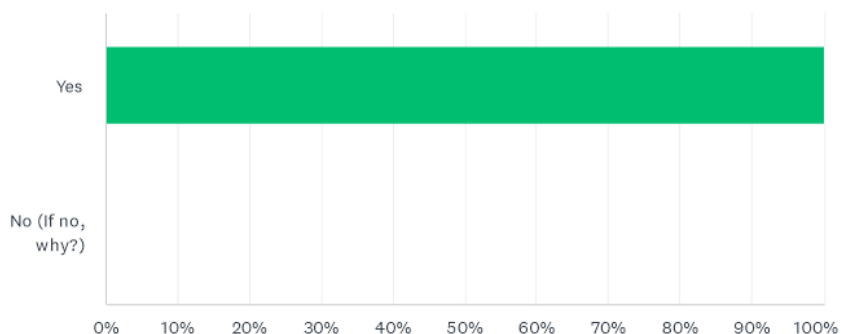
ATTACHMENTS

1. **Self-Assessment 2021 Results** [↓](#)
2. **Work Plan 2022 - Proposed** [↓](#)
3. **Terms of Reference - Updated** [↓](#)

Audit Committee Self-Assessment 2021

Q3 Have you read, and agree to abide by the functions of the Committee as set out in its Terms of Reference? If not, why, and what changes do you suggest? Terms of reference can be found at <https://yorke.sa.gov.au/about-us/your-council/committees/audit/>

Answered: 5 Skipped: 0



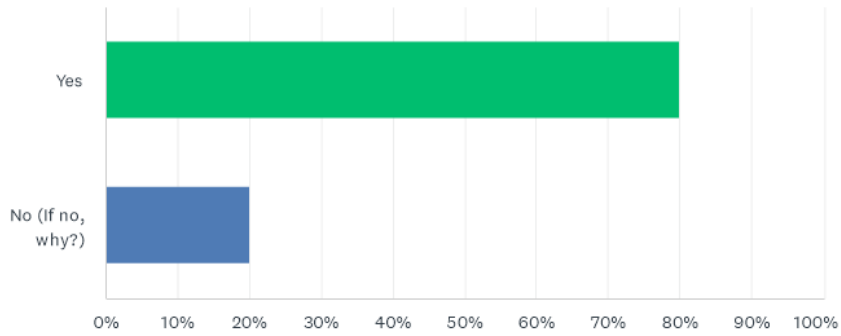
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No (if no, why?)	0.00%	0
TOTAL		5

#	NO (IF NO, WHY?)
	There are no responses.

Audit Committee Self-Assessment 2021

Q4 Does the Committee collectively have sufficient skills, experience, time and resources to undertake its duties? If not, why?

Answered: 5 Skipped: 0



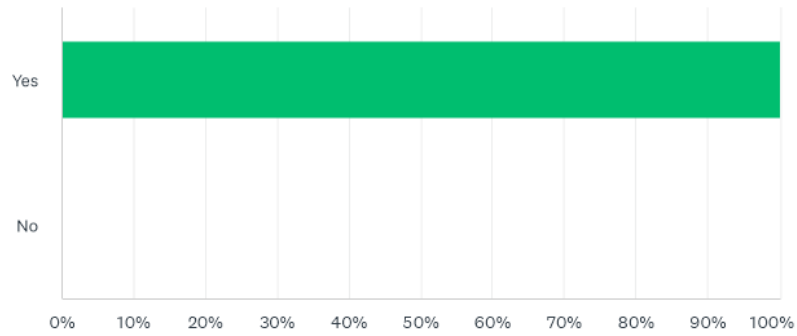
ANSWER CHOICES	RESPONSES	
Yes	80.00%	4
No (If no, why?)	20.00%	1
TOTAL		5

NO (IF NO, WHY?)
The members of the committee bring varied backgrounds and experience which is helpful to view matters from different perspectives. Our independent members have relevant local government experience, coupled with experience in private business which also provides a good balance of knowledge.

Audit Committee Self-Assessment 2021

Q5 Does the Committee work constructively as a team and work well with others attending the meetings?

Answered: 5 Skipped: 0



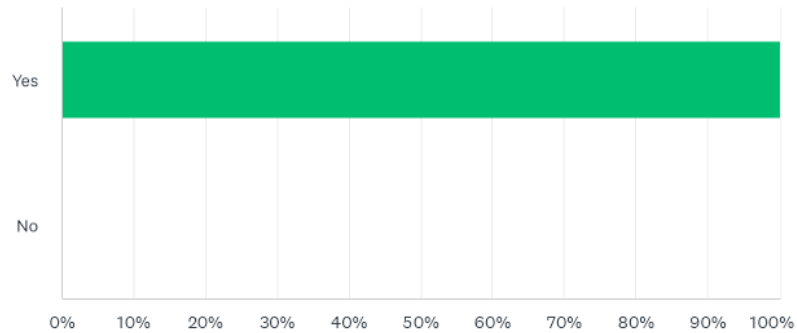
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
The team members work well together with the council staff attending the meetings, demonstrating constructive discussion and questioning when clarification is needed. Staff are willing to provide further information when required, but mostly the reports that are provided are comprehensive and well explained.

Audit Committee Self-Assessment 2021

Q6 Does the relationship between committee members strike the right balance between challenge and mutuality?

Answered: 5 Skipped: 0



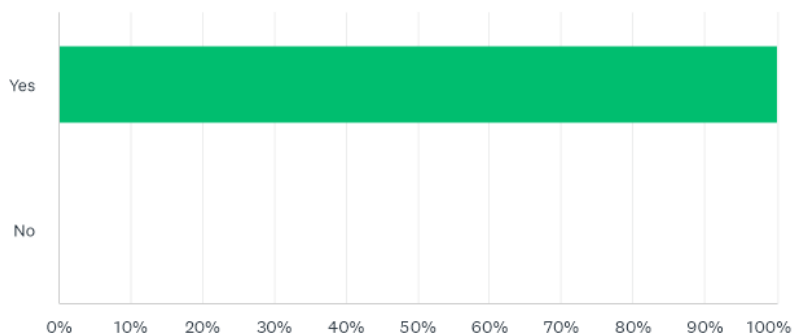
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
We don't always agree which means we are all looking at any topic from different angles. Disagreement is rare. It shows the individual members are looking at issues from different angles which is the function of the Audit Committee.
The committee members ask questions and seek clarification freely and openly which provides healthy discussion to ensure that the requirements of the Audit Committee are being fulfilled.

Audit Committee Self-Assessment 2021

Q7 Do the meeting arrangements enhance the Committee's effectiveness (e.g. frequency, timing, duration, venue and format) to allow sufficient time for the discussion of agenda items?

Answered: 5 Skipped: 0



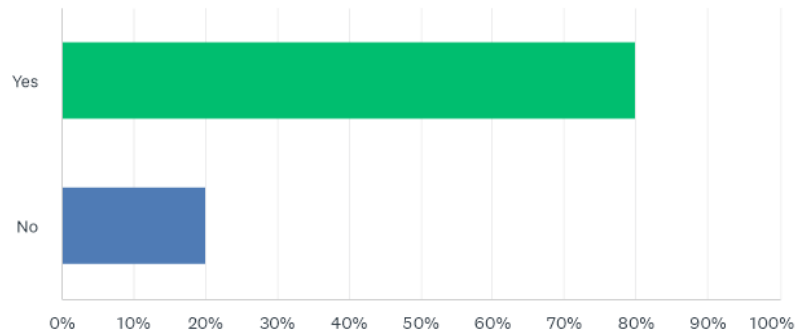
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
Meeting arrangements (including number of meetings) are appropriate.
My only comment here is that Zoom meetings held because of COVID do not enhance the meeting experience as opposed to personal interaction.
The timing of the meetings seem to suit all committee members and the duration available provides ample time for the items to be discussed fully.

Audit Committee Self-Assessment 2021

Q8 Are the reports for each meeting sufficiently comprehensive and yet easily understood for you to make informed decisions? If no, what improvements / additions would you recommend?

Answered: 5 Skipped: 0



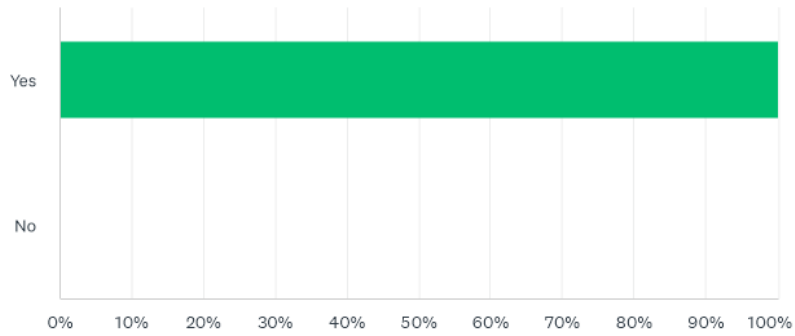
ANSWER CHOICES	RESPONSES	
Yes	80.00%	4
No	20.00%	1
TOTAL		5

COMMENTS
On a couple occasions the committee has needed to seek clarifications that weren't in the reports. That could come down to individual committee members experience or the Independent Members have identified issues from other Councils/Audit Committees that staff haven't experienced. Not necessarily a bad thing.
Staff do an excellent job in providing comprehensive reports and they are able to provide verbal explanation at the meeting for any details that might need further clarification or answer questions as required.

Audit Committee Self-Assessment 2021

Q9 Are presentations (visual or verbal) an interesting and helpful way of informing members about various issues?

Answered: 5 Skipped: 0



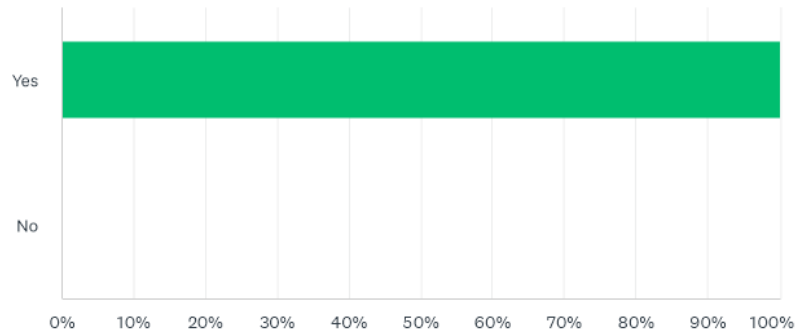
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
From memory we have only had one presentation. I would like to see more visual presentations
When required, verbal and visual presentations are often helpful to provide greater detail and explanation.

Audit Committee Self-Assessment 2021

Q10 Are effective minutes prepared, distributed and any actions followed up (if required)?

Answered: 5 Skipped: 0



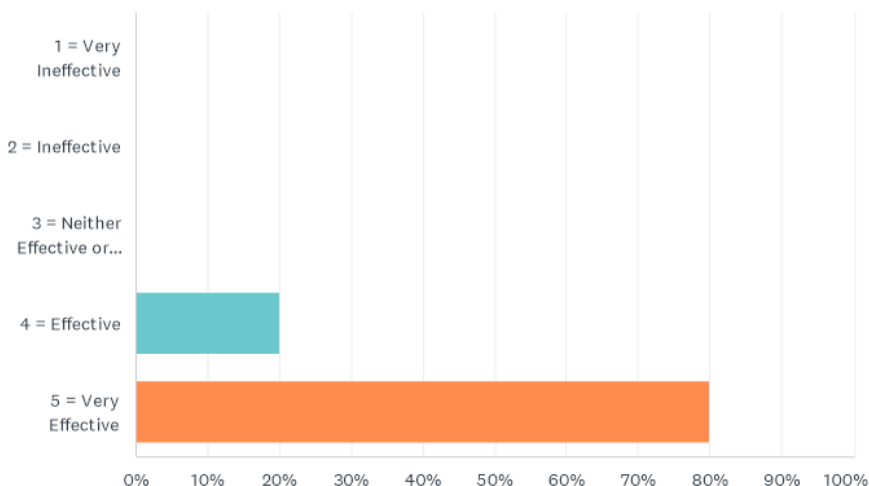
ANSWER CHOICES	RESPONSES
Yes	100.00% 5
No	0.00% 0
TOTAL	5

COMMENTS
Minutes are actioned promptly and actions items are also followed up in good time.

Audit Committee Self-Assessment 2021

Q11 How do you rate the overall efficiency and effectiveness of the Committee? Please provide reasons for your ranking.

Answered: 5 Skipped: 0



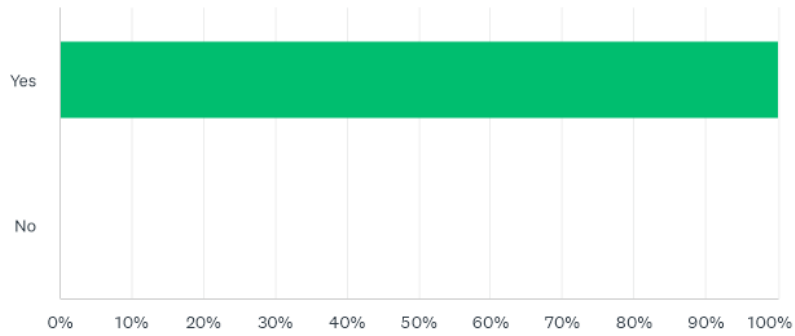
ANSWER CHOICES	RESPONSES
1 = Very Ineffective	0.00% 0
2 = Ineffective	0.00% 0
3 = Neither Effective or Ineffective	0.00% 0
4 = Effective	20.00% 1
5 = Very Effective	80.00% 4
TOTAL	5

WHAT ARE THE REASONS FOR YOUR RANKING?
The Committee have a good range of members from different backgrounds who come to the meeting prepared. The questions are relevant and appropriate for the benefit of the YP Council
Expectations as per TOR are met, there is respectful communication between members and staff, and areas of improvements are identified and clearly articulated for all reports and information provided.
With a new chair appointed just last year and a new independent member coming on board in the last year and a half, the committee has had to find its feet and come up to speed on all the issues facing it. This it has done effectively given other issues such as COVID. I have also found that while necessary, Zoom meetings do not enhance interaction to the same extent as meetings in person.
The committee is working cohesively, asking relevant questions, and providing guidance when required that is then referred to full council for their consideration.

Audit Committee Self-Assessment 2021

Q12 Do staff and members conduct themselves in accordance with high standards of behaviour (e.g. Code of Conduct and Corporate Values)?

Answered: 5 Skipped: 0



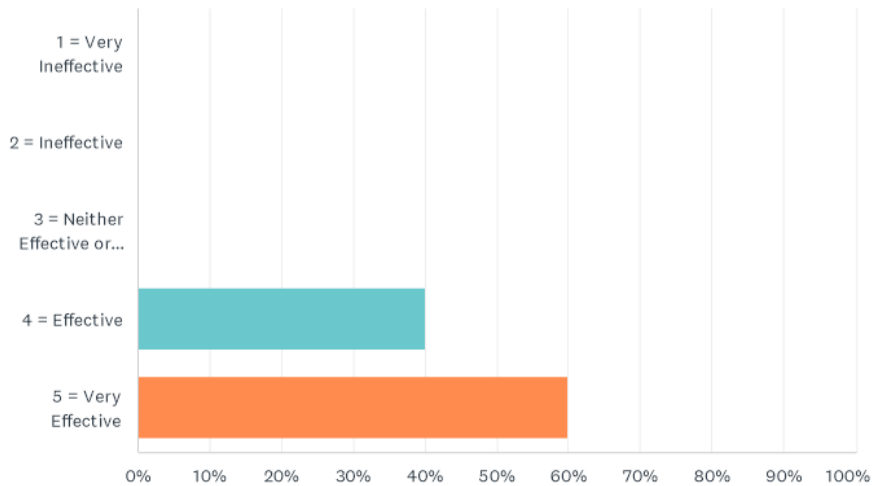
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
All committee members conduct themselves in a professional manner.

Audit Committee Self-Assessment 2021

Q13 How do you rate the performance of the Presiding Member in preparing for and conducting the meetings? What are the reasons for your ranking?

Answered: 5 Skipped: 0



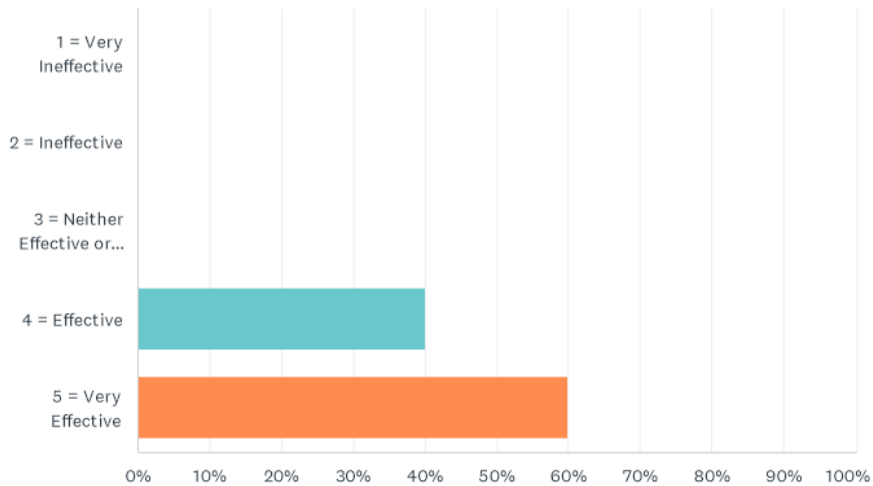
ANSWER CHOICES	RESPONSES
1 = Very Ineffective	0.00% 0
2 = Ineffective	0.00% 0
3 = Neither Effective or Ineffective	0.00% 0
4 = Effective	40.00% 2
5 = Very Effective	60.00% 3
TOTAL	5

WHAT ARE THE REASONS FOR YOUR RANKING?
Rob is well prepared and runs the meetings well
Give equal chance to all committee members, and follow meeting procedures. Respectful to all members and staff, and concious of time.
As a new chair I believe that I am growing in the role - I endeavour to ensure all members have sufficient opportunity to join in the debate and contribute to the work of the committee. I do not attempt to dominate the debate to ensure all members have the opportunity to contribute.
Rob has managed the committee well over the past 12 months, having acted in the role briefly before taking on the permanent role as Presiding Member. Rob chairs the meeting well and ensures that all members have an opportunity to ask questions. He draws on his experience working with other local government audit committees to provide advice when required.

Audit Committee Self-Assessment 2021

Q14 How do you rate the performance of the other members of the Committee in fulfilling their role on the Committee? What are the reasons for your ranking?

Answered: 5 Skipped: 0



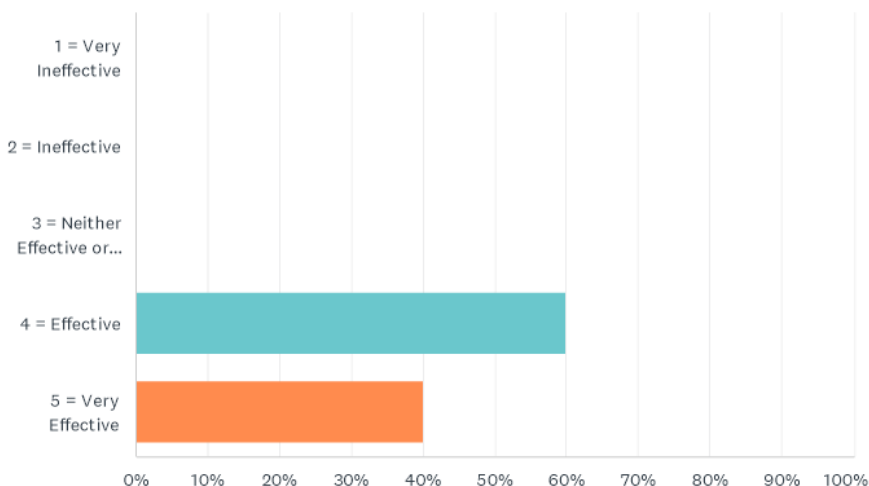
ANSWER CHOICES	RESPONSES
1 = Very Ineffective	0.00% 0
2 = Ineffective	0.00% 0
3 = Neither Effective or Ineffective	0.00% 0
4 = Effective	40.00% 2
5 = Very Effective	60.00% 3
TOTAL	5

WHAT ARE THE REASONS FOR YOUR RANKING?
The other members comes from a variety of backgrounds and bring knowledge and appropriate relevant questions to the meeting. There is a good balance on the Committee. It has been helpful having Hussain Raffeeu on the Committee with his extensive financial background.
There seems to be a good balance of skill sets in the committee contributing from relevant areas.
As per Question 11
All committee members show a keen interest in their roles and consider all agenda items fully. Valuable questions and input are provided by all. Our independent committee member has a solid background in local government processes and procedures as well as a strong business/accounting background which has been helpful knowledge to draw from. Our other members have business and finance backgrounds which also add value to our discussions.

Audit Committee Self-Assessment 2021

Q15 How do you rate your performance as a member of the Committee?
What are the reasons for your ranking?

Answered: 5 Skipped: 0



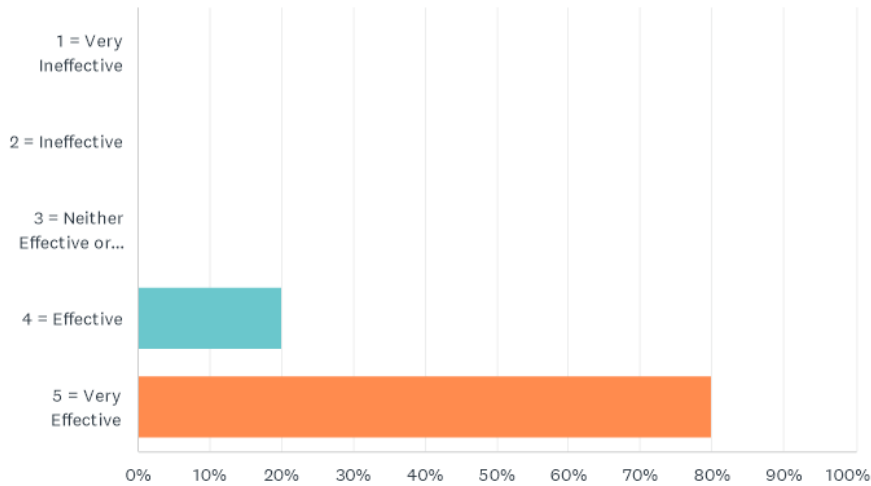
ANSWER CHOICES	RESPONSES
1 = Very Ineffective	0.00% 0
2 = Ineffective	0.00% 0
3 = Neither Effective or Ineffective	0.00% 0
4 = Effective	60.00% 3
5 = Very Effective	40.00% 2
TOTAL	5

WHAT ARE THE REASONS FOR YOUR RANKING?
I attend the meetings well prepared, I ask relevant and appropriate questions that I feel have helped with risk management of YP Council
Make time for reviewing Agenda papers and identify areas for further clarification to know any possible grey areas and make relevant suggestions on possible improvements or move on with assurance gained from explanations received. Being concious of the staff's hard work, try not to be overly critical and have subjective applications given to the context of the situation, yet give an indication to the team on potential areas for improvement.
I endeavour to ensure I am across all the issues before the committee and prepare accordingly
I believe that I provide a good independent view of the matters put forward. My background in private business, finance and risk management is also helpful knowledge to bring to the committee. I take a keen interest in working with the committee to ensure that council is fulfilling its requirements in terms of compliance, asset management, risk management and prudent financial management.

Audit Committee Self-Assessment 2021

Q16 How do you rate the performance of staff in facilitating the Committee’s role and function? What are the reasons for your ranking?

Answered: 5 Skipped: 0



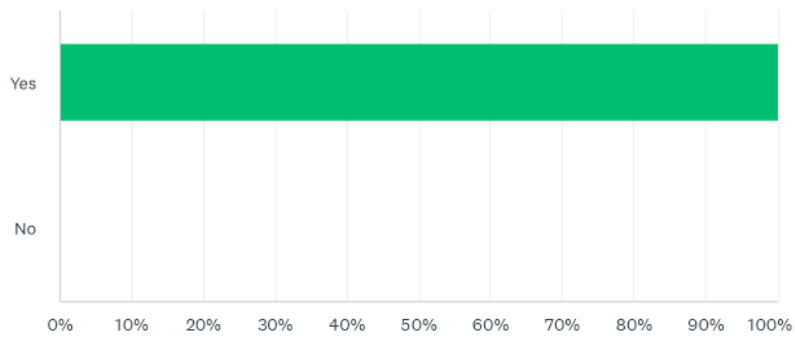
ANSWER CHOICES	RESPONSES
1 = Very Ineffective	0.00% 0
2 = Ineffective	0.00% 0
3 = Neither Effective or Ineffective	0.00% 0
4 = Effective	20.00% 1
5 = Very Effective	80.00% 4
TOTAL	5

WHAT ARE THE REASONS FOR YOUR RANKING?
Staff are very knowledgeable and will answer questions appropriate and with respect to the Committee members
While acknowledging that no report can be perfect to everyone's eye, the reports are in general informative, precise, and update especially the financial side of things. Can see that a lot of effort has been put in to generate the reports and observes that subsequent reports on risks internal audits cover previously highlighted concerns. Likewise, overall there is improvement in other reports as well.
Given that there have until recently two vacancies in the executive team I believe the staff have done an exceptional role in covering this gap. Again COVID has been challenging
Staff bring comprehensive reports to the committee from all areas including finance, assets and infrastructure and internal audit. All staff are extremely helpful and provide clear verbal presentations to support their written reports. When further clarification is sought by members, staff provide additional details in a timely manner.

Audit Committee Self-Assessment 2021

Q17 Does the Committee assure itself that the Executive take responsibility for risk identification and control, and give formal assurance through reporting that key risks are being adequately managed?

Answered: 5 Skipped: 0



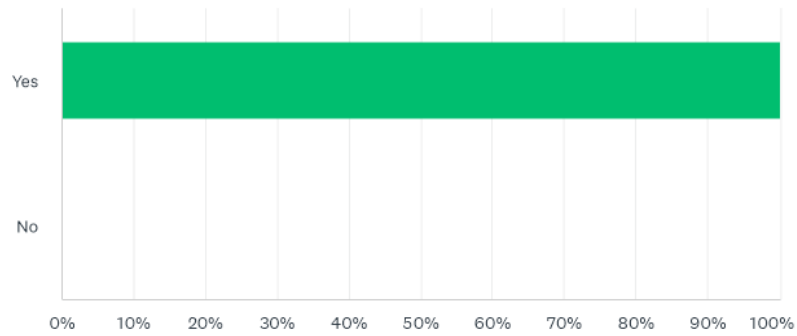
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
However, formal risk management initiatives in place in terms of actual risk assessments and effectiveness of mitigation controls maybe an area that AC needs further clarity.
These items are part of the work program and are on the agenda for the committee to consider
Formal reporting is followed up at each meeting and if deadlines have been extended or not met, clarification is sought to ensure that any risks are managed effectively and are not creating exposure to the council. Clear direction has been given for follow up of 'high risk' items, a recent example is the availability and accessibility of keys and vehicles at council depots, which was actioned immediately.

Audit Committee Self-Assessment 2021

Q18 Is the Committee satisfied that there is an effective program in place to ensure that risk management becomes an integral part of the way in which Council conducts business?

Answered: 5 Skipped: 0



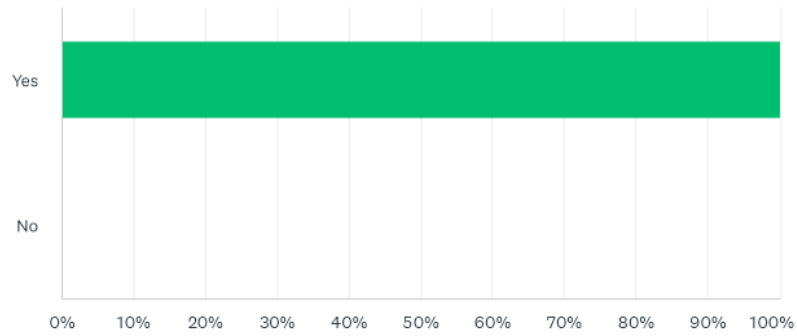
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
<p>It appears that the basics are there, with reports on risk register reviews and audits undertaken focusing on strategic risk areas. However, how closely the risk management is appropriately embedded in the actual Council processes, may need to be reviewed furthermore to conclude that the program is fully effective.</p>
<p>See 17 above</p>
<p>It is clear that risk management processes are being integrated into the business protocols. Regular internal audit processes are being carried out, and results have been positive which has reinforced that following correct procedure is part of day-to-day operations. The internal audit results hav reinforced that process and procedural changes that have been implemented over the past couple of years have been successfully integrated into the business.</p>

Audit Committee Self-Assessment 2021

Q19 Are internal audit findings and recommendations responded to in a timely and appropriate manner?

Answered: 5 Skipped: 0



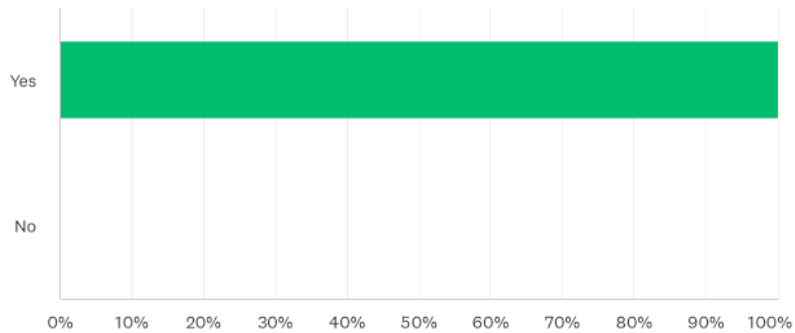
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
Whenever there is a deadline that is not met the staff fully canvas such issues before the committee - it should be noted that COVID has had an impact on deadlines.
The internal audit staff are very efficient and respond in a timely manner. The audit staff are very competent and I have full confidence that they are managing the internal audit responsibilities effectively.

Audit Committee Self-Assessment 2021

Q20 Does the Committee review the work of the external Auditor?

Answered: 5 Skipped: 0



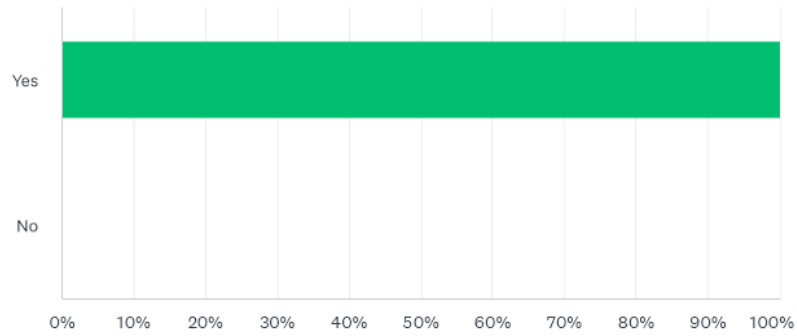
ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
This year, the External Audit was asked to clarify a couple items and the answers were appropriate and clear.
As per previous questions, these issues form part of the work program and are regular agenda items
Discussed at our last meeting.

Audit Committee Self-Assessment 2021

Q21 Does the Committee review and discuss the external Auditor's management letter?

Answered: 5 Skipped: 0



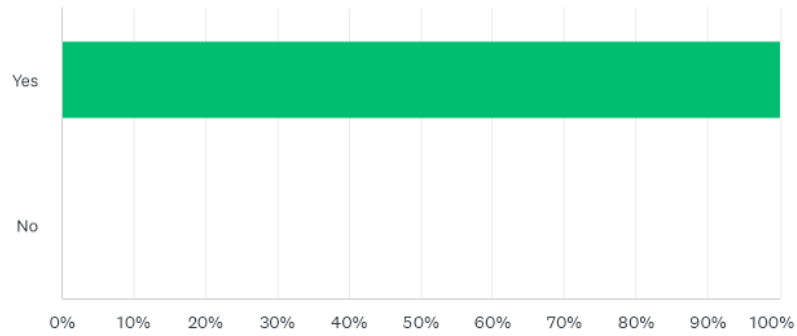
ANSWER CHOICES	RESPONSES
Yes	100.00% 5
No	0.00% 0
TOTAL	5

COMMENTS
See 20 above
Discussed at our last meeting.

Audit Committee Self-Assessment 2021

Q22 Is the Committee effective in managing and monitoring the relationship with the external Auditor?

Answered: 5 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	5
No	0.00%	0
TOTAL		5

COMMENTS
This is a difficult one to answer as the Committee don't see the interactions between the Auditors and the staff. The External auditor appears to be satisfied with the staff responses when questioned by the committee
The committee meets in camera with the auditor annually and has every opportunity to ensure that this relationship is strong and healthy
The audit committee does not really manage and monitor the relationship with the Auditor, we really only receive a briefing from them when they have completed their audit for the council.

Audit Committee Self-Assessment 2021

Q23 Do you have any suggestions for improving any aspect of the Committee’s performance, role or functions?

Answered: 3 Skipped: 2

RESPONSES
<p>There have been times when a zoom meeting might be more beneficial to Committee and staff members. The last meeting we had was quite short and the external auditor was on zoom anyway, I felt this meeting could have been performed via zoom for time management purposes (less driving time), and Raffeeu Hussain who was unable to attend due to a cough, could have attended via zoom</p>
<p>It is recommended to update the AC TOR, following the recent changes to Act and regulations. The AC roles and responsibility is expanded now and it is important that the exact requirements in legislation are captured along with the expended contextual interpretations as in current TOR. Reference to s130A, review of reports under s48(1) is not included. It is perhaps good to rename AC to ARC as well.</p>
<p>No other suggestions.</p>

Yorke Peninsula Council Audit Committee Work Plan 2022						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-22 22nd	May-22 31st	Aug-22 30th	Oct-22 25th	Nov-22 29th	
1. Financial Reporting						
1.1 Review General Purpose Financial Statements				X		Following external audit but prior to Council endorsement
1.2 Review asset revaluations						Asset Revaluations not due until 2022/23 Ensure up to date and soundly based, including having particular regard to local conditions:- > whether land values reflect current local market; > whether infrastructure asset values reflect local replacement costs and the condition of existing assets; > in accordance with policies PO124 Asset Accounting Policy & PO128 Asset Management Policy; > whether an infrastructure asset condition audit has been undertaken recently to assist in making this judgement.
1.3 Review methodology and approach to Depreciation				X		As part of asset revaluations and financial statements
1.4 Quarterly Budget Reviews - information only	X	X			X	For information only generally after adoption by Council due to timing
2. Internal controls						
2.1 Review progress on Council's Internal Financial controls self-assessment testing		X		X		Status report provided on internal controls self assessment testing
2.2 Review Council's internal control policies and procedures						Review of Internal Control Policy (PO156) and Procedure (PR150) are due for periodic review in September 2023 and May 2025. Updates to this policy and procedure will be undertaken as required in response to legislative updates and provided to Audit Committee.
3. Risk Management Systems						
3.1 Risk External Audit (conducted by LGAWCS biennially)					X	Next audit due Nov 2022
3.2 Assess the appropriateness of the Council's response to the auditor's findings and recommendations						Due in Feb 2023
3.3 Review Council's Risk Management Implementation Plan	X	X	X		X	
3.4 Review Council's Strategic Risk Register (in line with Strategic Management Plan)						Due for review post next LG election in 2022 in line with Strategic Management Plan

Yorke Peninsula Council Audit Committee Work Plan 2022						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-22	May-22	Aug-22	Oct-22	Nov-22	
	22nd	31st	30th	25th	29th	
4. Public Interest Disclosure (previously Whistleblowers)						
4.1 Review Council's Public Interest Disclosure requirements		X				Public Interest Disclosure Policy PO171 and Procedure PR152 due for periodic review in October 2022. Updates to this policy and procedure will be undertaken as required in response to legislative updates and provided to Audit Committee.
4.2 Ensure staff are informed of and trained in these policies			X			Following review, training implemented 2023
5. Internal Audit						
5.1 Review proposed annual internal audit work program and outcomes of past work					X	Proposed upcoming Internal Audit Plan to be presented to Audit Committee for consideration
5.2 Consider any internal audits conducted	X	X	X	X		
5.3 Review the status and follow up work of any outstanding audit actions (relating to internal audit, internal control self-assessments and external audit management letters)	X	X	X	X		Reports provided on progress made against matters raised by Council's external and internal auditor
6. External Audit						
6.1 Meet with Council's external auditor to: > invite presentation of their audit methodology and risk assessments within the audit plan; > discuss any qualifications raised in the most recent audit or comments made in the accompanying audit management letter; > assess the appropriateness of the proposed Council response to matters so raised; and > invite comment on the financial systems and affairs of the Council having regard to comparable benchmarks.				X		
6.2 Review effectiveness of external audit				X		
6.3 Review audit findings/ management representation letters			X	X		
6.4 Assess the appropriateness of the Council's response to the auditor's findings and recommendations			X	X		
6.5 Oversee action to follow up on matters raised by the external auditor			X	X		

Yorke Peninsula Council Audit Committee Work Plan 2022						
Activity	Timeframe					Notes
	Completed		Current Deferred			
	Feb-22 22nd	May-22 31st	Aug-22 30th	Oct-22 25th	Nov-22 29th	
7. Reporting						
7.1 Report annually to Council: > activities of the Committee's work program and the results of a self-assessment of performance for the preceding calendar year including whether it believes any changes to its Terms of Reference are needed; > outlining any training needs; > advising future work program proposals; and > inviting comment from Council on all of the above.	X					X
8. Strategic, Financial and Management Planning						
8.1 Review Strategic Management Plan						Due for review post next LG election in November 2022
8.2 Review Long Term Financial Plan	X					Updated annually in conjunction with adoption of Annual Business Plan and Budget
8.3 Review Asset Management Plans/Strategy						Updated post asset revaluations. Asset revaluations not due until 2022/23.
8.4 Review appropriateness of the range and content of Council policies and strategies	X	X	X	X	X	As per review timeframes and legislative requirements - ongoing
8.5 Review Annual business plan, budget and fees and charges		X				In conjunction with public consultation period
9. Other matters						
9.1 Adopt/review Audit Committee annual workplan	X	X	X	X	X	Updated for each meeting
9.2 Reports on other relevant matters	X	X	X	X	X	Ongoing as the need arises



Yorke Peninsula Council

Audit and Risk Committee

Terms of Reference

1. Establishment

The Audit and Risk Committee (the Committee) is ~~established~~ required under Section 126 of the Local Government Act 1999 (the Act).

2. Objective

The objective of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of business risk, corporate and financial governance and legal compliance, related to financial reporting and audit initiatives, the internal control system and the audit functions. The Committee acts as a source of advice to Council and the Chief Executive Officer (CEO) in relation to these matters.

The Committee will:

- enhance the communication between the external auditor and the Council;
- assist the management of business risks to ensure the protection of Council assets;
- monitor the effectiveness of audit and corporate and financial governance functions;
- enhance the integrity of the financial reporting of the Council; and
- review the effectiveness of the Council's internal controls and risk management systems

3. Authority

The Committee is appointed by the Council as part of a sound corporate and financial governance structure.

The role of the Committee is to review, consider and make recommendations to the Council in relation to the activities as described in these Terms of Reference (TOR) to assist the achievement of the organisation objectives in an efficient and effective manner.

The Committee has the authority to require any information, it sees as relevant to its activities, from any Councillor, the Chief Executive Officer or Council's External Auditor, each of whom are required to respond to such enquiries.

The Committee is authorised to obtain independent professional advice where considered necessary following consultation with the Chief Executive Officer.

The Committee has no authority to act independently of the Council and has no delegated authority.

4. Membership

- 4.1. Members of the Committee are appointed by Council. The Committee shall consist of five members, with three Elected Members of Council and two independent members.
- 4.2. Nominations for membership, from the Elected Members shall be sought by the Council and where the number of nominations is greater than the number of positions available, a vote by secret ballot shall be undertaken using a preferential voting system.
- 4.3. Independent member(s) of the Committee:
 - shall be individuals (not corporations or an organisation);
 - have recent and relevant financial, business, accounting, risk management, corporate governance or internal audit skills and experience;
 - have no conflicts of interest (as per Division 3 of the Act);
 - preferably have experience in formal meeting procedures; and
 - have an understanding of the Local Government Act and Regulations

A selection panel of at least four (4) persons shall review and make recommendation for endorsement to Council of the independent member to be appointed. The panel will comprise of at least three (3) Elected Members (preferably those on the Audit Committee), the Director Corporate and Community Services and the ~~Chief Executive Officer~~CEO.

- 4.4. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision.

The Chairperson/~~Presiding Member~~ has a deliberative vote but in the event of an equality of votes, does not have a casting vote.

The ~~Chief Executive Officer~~CEO and other employees as directed by the Chief Executive Officer may attend any meeting as observers and/or be responsible for preparing papers for the Committee.

- 4.5. The Council's external Auditor may be invited to attend meetings of the Committee.
- 4.6. The appointment of Elected Members to the Committee shall be for the period of the current Council term.
- 4.7. Independent members shall be appointed for a period of up to four (4) years, commencing part-way through an election cycle, so that their terms overlap each Council election and provide some continuity. Appointees may be reappointed by Council.
- 4.8. The Council shall appoint the Chairperson/~~Presiding Member~~ of the Committee from the endorsed members of the Committee. The Principal Member/Mayor of Council cannot be Chairperson/Presiding Member of the Committee.
- 4.9. All members of the Committee shall be subject to the Register of Interests provisions of the Local Government Act 1999, Chapter 5, Part 4, Division 2.

- 4.10. Independent members of the Committee are ~~P~~ublic ~~O~~fficers for the purpose of the Independent Commissioner Against Corruption Act 2012 and ~~Division 4 of Part 7 (Offences relating to Public Officers) of the Criminal Law Consolidation Act 1935 and are~~ subject to the provisions of ~~those Act~~the Criminal Law Consolidation Act 1935, ~~Ombudsman Act 1972 and Public Interest Disclosure Act 2018~~, including reporting requirements.

- 4.11. All members of the Committee shall act honestly and with reasonable care and diligence, not make improper use of information acquired as a result of being a member of

the Committee and must disclose an interest if they have an interest in a matter that is before the Committee in accordance with the Local Government Act 1999, Chapter 5, Part 4, Divisions 1 and 3.

~~4.11.4.12.~~ All members of the Committee, even independent members must, comply with the Code of Conduct for Council Members.

~~4.12.4.13.~~ Where a member resigns or decides not to continue as a member of the Committee, a new member shall be appointed consistent with ~~these Terms of Reference~~ this TOR.

5. Administration and Resources

5.1. The ~~Chief Executive Officer~~ CEO shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

6. Quorum

6.1. The quorum necessary for the transaction of business shall be 50% of the number of members of the Committee plus one. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

7. Meetings

7.1. The Committee shall meet at least four (4) times a year at appropriate times in the reporting and audit cycle and otherwise as required.

7.2. The Chairperson shall call a meeting at the written request of the Council's External Auditor or any three (3) Members of the Audit Committee.

7.3. In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. The agenda and minutes of the Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Local Government Act, are also required to be made available to the public.

8. Notice of meetings

8.1. Ordinary meetings of the Committee will be held at times and places determined by Council or, subject to a decision by Council, the Committee.

8.2. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the ~~C~~committee ~~and observers,~~ no later than three (3) clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.

8.3. A special meeting of the Committee may be called in accordance with the ~~Local Government Act 1999.~~ Local Government Act 1999.

9. Minutes of Meetings

9.1. The ~~Chief Executive Officer~~ CEO shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of the ~~Local Government (Procedures at Meetings) Regulations 2013~~ Act and supporting Regulations.

9.2. Minutes of Committee meetings shall be circulated within five (5) days after a meeting to all members of the Committee ~~and to all members of the Council~~ and will (as appropriate) be available to the public.

10. Role of the Committee

10.1. Strategic, Financial and Management Planning

10.1.1. The Committee shall review and provide information and recommendations in relation to the Council Strategic Management Plan, Long Term Financial Plan, Asset Management Plans and Annual Business Plan.

10.2. Financial reporting

10.2.1. The Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain and make sure that they present a fair and accurate record of the affairs of the Council.

10.2.2. The Committee shall review and challenge where necessary:

10.2.2.1. the consistency of and/or any changes to accounting policies;

10.2.2.2. the methods used to account for significant or unusual transactions where different approaches are possible;

10.2.2.3. whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

10.2.2.4. the clarity of disclosure in the Council's financial reports and the context in which statements are made;

10.2.2.5. all material information presented with the financial statements;

10.3. Internal controls and risk management systems

The Committee shall:

10.3.1. review the adequacy and effectiveness of the Council's internal controls and risk management systems; and

10.3.2. review and recommend the approval, where appropriate, of any material to be included in the annual report concerning internal controls and risk management.

10.4. Public Interest Disclosure

The Committee shall:

10.4.1. review the Council's arrangements for making and dealing with appropriate Disclosures of Public Interests ~~its employees to raise concerns, in confidence, about possible wrong-doing in~~ financial reporting and other financial matters; and

10.4.2. ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

10.5. Internal audit

The Committee shall:

- 10.5.1. monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system.
- 10.5.2. consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
- 10.5.3. review all high level reports on the Council's operations from the internal auditors.
- 10.5.4. review and monitor management's responsiveness to the findings and recommendations of the internal auditor.
- 10.5.5. where appropriate meet ~~the Internal Auditor~~with internal audit at least once a year, without management being present, to discuss any issues arising from the internal audits carried out.

10.6. External audit

The Committee shall:

- 10.6.1. consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor.
- 10.6.2. oversee Council's relationship with the external auditor including, but not limited to:
 - 10.6.2.1. recommending the approval of the external auditor's remuneration and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 10.6.2.2. recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - 10.6.2.3. assessing the auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
 - 10.6.2.4. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);
 - 10.6.2.5. monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
 - 10.6.2.6. assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process;
- 10.6.3. ~~meet as needed with the external auditor.~~The Committee shall meet the external auditor at least once a year, without management being present; to discuss the external auditor's report and any issues arising from the audit;
- 10.6.4. review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement;

10.6.5. review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:

10.6.5.1. a discussion of any major issues which arose during the external audit;

10.6.5.2. any accounting and audit judgements; and

10.6.5.3. levels of errors identified during the external audit.

10.6.6. review the effectiveness of the external audit.

10.6.7. review the management letter and management's response to the external auditor's findings and recommendations.

11. Reporting responsibilities

11.1. The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its Terms of Reference where in its view action or improvement is needed.

11.2. A copy of the Committee minutes shall be provided by way of an information report to forwarded to Council within five (5) days, for inclusion inat the next Ordinary Meeting of Council.

12. Other matters

The Committee shall:

12.1. have access to reasonable resources in order to carry out its duties;

12.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

12.3. give due consideration to the Local Government Act 1999 and supporting Rregulations made under the Local Government Act, 1999;

12.4. oversee action to follow up on matters raised by the external auditors.

13. Review and Self-Assessment

13.1. The Committee shall conduct an annual Rreview and self-assessment of its own performance, The aim of the Rreview is to ensure that it is operating at maximum effectiveness and provide an opportunity to recommend any changes to Council that are considered as necessary.

13.2. The Rreview shall be conducted at least once per year, following the completion of the the aAnnual external aAudit and report the outcome reported to Council.

13.3. The Rreview is to include consideration of the Terms of ReferenceTOR and recommendations for changes to them.

13.4. The Chief Executive OfficerCEO is to furnish the Committee with the information necessary to perform the Rreview.

14. Fee

The sitting fee per meeting to be paid to the independent member(s) of the Committee shall be set by Council and is only payable after attendance of meetings on provision of a tax invoice or statement of claim. In addition to the sitting fee a reimbursement for mileage (kms travelled to and from the meeting) is also payable on provision of a tax invoice or statement of claim. Reasonable charges for attendance (other than mileage) may also be paid provided these charges are approved by the ~~Chief Executive Officer~~ CEO in advance.

Version No	Issue Date	Description of Change
1.0	October 2016	New Document.
2.0	December 2019	Annual Update
<u>3.0</u>	<u>December 2021</u>	<u>Annual Update</u>

8.5 SEPTEMBER QUARTERLY BUDGET REVIEW 2021/2022**Document #:** 21/128934**Department:** Corporate and Community Services**PURPOSE**

To receive Council's endorsed September quarterly budget review (as at 30 September 2021) for Council's 2021/2022 Budget and associated financial statements, ratios and changes.

RECOMMENDATION

That the Audit Committee receive the Council endorsed 2021/2022 September Budget Review changes as presented in the attached Summary of Changes, Statement of Comprehensive Income and Uniform Presentation of Finances and receive the updated Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Financial Indicators (Ratios).

LINK TO STRATEGIC PLAN**Goal:** 5 Responsible Governance**Strategy:** 5.1 Openness and transparency of reporting Council's performance

5.2 Effective leadership and informed decision making

5.3 Meet all legislative requirements and compliance with Council's internal controls

5.5 Undertake effective risk management

BACKGROUND

Regulation 9(1) (b) of the Local Government (Financial Management) Regulations 2011 requires that Council undertake one comprehensive budget review each financial year. This review must include preparation of four principal financial statements (excluding notes) and show a revised full year forecast of each item in the budgeted financial statements compared to estimates set out in the original budget.

Council's policy PO142 Budget Reporting and Amendment requires quarterly budget reviews i.e. September, December and March. This means Council undertakes two (2) additional budget reviews more than required by the Regulations. This is the first (as at 30 September 2021) of the three (3) quarterly budget reviews for the 2021/2022 financial year.

This budget review was endorsed by Council at its meeting on Wednesday, 10 November 2021.

DISCUSSION

Budget managers in all directorates completed a review of their 2021/2022 budgets as at 30 September 2021 and all adjustments allowed in accordance with policy PO142 have been included in the attached documents (Attachments 1 - 7).

Budgets were reviewed taking the following into consideration (as applicable):

- Additional income likely to be generated or received;
- Income and expenditure to date and forecasts for the remainder of the year;
- New grants and contributions;
- Changes to user and statutory fee income forecasts;
- Review of staffing levels to those originally budgeted;

- Changes due to amendments in legislation;
- Changes to Government fees and charges;
- Council decisions made since the adoption of the original budget;
- Known COVID-19 related impacts and/or decisions made in that regard; and
- Status of capital projects taking into account projects rolled over from 2020/2021 for completion in the current financial year (refer Council decision in August 2021).

A full list of adjustments with reasons for the changes is attached to this report (Attachment 1).

Budgeted Operating Surplus/ (Deficit)

As a result of endorsed first quarterly (September) budget review adjustments and previously endorsed budgets for projects/expenditure rolled over from 2020/2021, Council's forecast Operating Deficit for 2021/2022 is \$0.275m. This is an improvement of \$44,000 to the original 2021/2022 forecast Operating Deficit.

The negligible improvement to Council's budgeted operating bottom line can be attributed to a net increase in income. While Council's operating income is forecast to increase \$0.57m, operating expenditure is also forecast to increase \$0.53m. This includes unbudgeted Supplementary Local Roads grant income of \$0.405m received in 2021/2022, all budgeted expenditure rolled over from 2020/2021 and endorsed adjustments in this review. The major adjustments endorsed are listed later in this report.

It should be noted that in previous years Council's budget has been adjusted at the first quarter budget review, to remove the portion of Financial Assistance Grant (FAG) allocations for the current year, paid in advance in the prior year. This has not been done this year assuming that like previous years the advance payment of FAG will continue and Council will continue to receive approximately the budgeted amount of grants each year regardless of timing. In September each year Council is advised of its allocation including any adjustments based on indexation and other factors. Council's 2021/2022 allocation has been set and has resulted in approximately \$9,843 more income compared to budget in 2021/2022, pending finalisation of Council's 2022/2023 allocation advance payment.

Major Impacts

Listed below are the major impacts (generally >\$25k) due to adjustments endorsed during this budget review.

- **Leased Caravan Parks – operating income** - \$28,572 additional lease income due to higher occupancy and revenue in 2020/2021.
- **Community Wellbeing and Participation Grant – operating income & expenditure** – \$80,000 to be paid to Council by PHN Country SA for payment onto SYP Community Hub for disaster recovery and resilience projects/activities related to the 2019 bush fires.
- **Supplementary Local Road Funding – operating income** – \$0.406m in supplementary local road grant funding received from the Commonwealth Government. Not in Council's original budget.
- **Northern & Yorke Landscape Board Grant - operating income & expenditure** - \$15,000 total project cost funded \$10,000 through grant and \$5,000 by Council.
- **Yorke town Airstrip Grant – capital income & expenditure** - \$0.2m in Commonwealth funding not being received for runway lighting project. Grant application not successful.
- **Port Clinton Seawater Inundation – capital income** – \$0.192m grant funding for the seawater inundation project received in advance in 2020/2021 rolled over to 2021/2022 to reflect both income and expenditure in 2021/2022. Total project budget of \$0.315m had already been rolled over earlier.
- **Pt Rickaby Caravan Park – capital expenditure** – \$0.1m approved by Council for water supply upgrade.

- **LRCIP 2 Grant Programme – capital & operating expenditure** - \$141,741 in unspent grant funding on various projects not completed in 2020/2021 not rolled over to 2021/2022 previously. Funds now being rolled over to ensure project completion.

More detailed information on the changes to Council's proposed Operating Deficit (and income and expenditure budgets) is available in the attached reports and statements in particular the Budgeted Statement of Comprehensive Income (Attachments 1 - 7).

Budgeted Capital Expenditure

Council's proposed capital expenditure budget after the endorsed first quarter (September) budget review adjustments and previously adopted budgets for projects/expenditure rolled over from 2020/2021, is \$18.7m. This includes the initially adopted budget of \$15.6m to which projects/expenditure rolled over from 2020/2021 adopted by Council worth \$3.1m were added in August 2021. Adjustments of \$42,000 were endorsed in this budget review.

Details of all capital adjustments can be found in the reports and updated Statements in particular the Budgeted Statement of Cash Flows (Attachments 1 - 7).

Of the proposed budget of \$18.7m, \$15.9m is budgeted to be spent on renewal and replacement of existing assets while \$2.8m is budgeted to be spent on upgrade of existing assets and acquisition of new assets.

Budgeted Cash Flow & Net Lending/ (Borrowing)

Following the endorsed adjustments in this budget review, endorsed roll over expenditure being included in this year's budget and adjustment of opening balances in line with 2020/2021 audited General Purpose Financial Statements, Council's forecast closing cash and cash equivalents as at 30 June 2021 is \$5.0m which is an increase of approximately \$2.5m to the original adopted budget. This increase can be attributed to a better than expected closing cash position as at 30 June 2021 primarily due to the net impact of grants received but not spent, projects rolled over to 2021/2022 and increased income due to COVID-19 related Tourism activity.

The proposed end of year Net Borrowing position has increased from the originally adopted \$2.7m to \$5.8m which is a total increase of \$3.1m. This is primarily due to budgets rolled over from 2020/2021 the majority of which were for LRCIP grants received with projects yet to be completed.

More detail on the movements in net lending/ (borrowing) for the financial year can be found in the Budgeted Uniform Presentation of Finances (Attachment 6).

Budgeted Financial Indicators (Ratios)

As a result of endorsed changes in this budget review and inclusion of projects/expenditure rolled over from 2020/2021, Council's Financial Indicators have had some movement.

Council's Operating Surplus Ratio is forecast to be -0.8%, an improvement of 0.1% compared to the original adopted Budget. The reasons for this have been detailed earlier in this report. The forecast ratio is slightly below Council's LTFP target of breakeven or 0%.

The Net Financial Liabilities Ratio has decreased from 28% forecast originally to 20%. The variance is due to the higher than expected closing cash position as at 30 June 2021 following finalisation of the 2020/2021 Financial Statements. The forecast ratio remains well within Council's LTFP target of 100%.

Council's Asset Renewal Funding Ratio is forecast to be 149%, a 25% increase to the original forecast. The increase is primarily due to projects/expenditure rolled over from 2020/2021 for completion in 2021/2022.

This ratio will be achieved if Council completes all budgeted capital renewal projects in 2021/2022. The forecast ratio is more than Council's current LTFP minimum target of 100%.

More information on Council's Financial Indicators can be found in Attachment 7.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Corporate Management Team
- Manager Financial Services
- Budget Managers
- Accountant – Financial Management
- Accountant – Financial Operations

In preparing this report, the following External Parties were consulted:

- Nil

POLICY IMPLICATIONS

PO142 Budget Reporting and Amendment Policy

BUDGET AND RESOURCE IMPLICATIONS

Budget and resource implications are as detailed in this report and as presented in the attached reports and statements (Attachments 1 – 7).

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Council's budget is a fundamental instrument of accountability and an essential pre-requisite to deciding the annual rate impost on the community. As such it is important that material variations compared with the original budget be disclosed and explained.

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

1. **Proposed Summary of Changes - September Budget Review 2021-2022** [↓](#)
2. **Budgeted Statement of Comprehensive Income 2021-2022** [↓](#)
3. **Budgeted Statement of Financial Position 2021-2022** [↓](#)
4. **Budgeted Statement of Cash Flows 2021-2022** [↓](#)
5. **Budgeted Statement of Changes in Equity 2021-2022** [↓](#)
6. **Budgeted Uniform Presentation of Finances 2021-2022** [↓](#)
7. **Budgeted Financial Indicators (Ratios) 2021-2022** [↓](#)

YORKE PENINSULA COUNCIL 2021/2022 BUDGET PROPOSED SUMMARY OF CHANGES - SEPTEMBER (QUARTER 1) BUDGET REVIEW			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
OPERATING INCOME			
Rates	1	\$ 7,595	Total general rates raised for 21/22 greater than budgeted. Increase due to new assessments and dwellings finalised after adoption of rates.
	2	\$ 6,432	Net increase in CWMS annual service charge income resulting from adjusting the original adopted budget to reflect actual income raised.
	3	\$ 408	Net increase due to minor adjustments (individually less than \$5k) to various budget lines.
User Charges	4	\$ 6,300	Yorketown Hall tenants (dental rooms) rental income not originally budgeted.
	5	\$ 28,572	Compared to budget set for 21/22 this is the net increase in lease income from caravan parks leased privately and to Progress Associations. Ardrossan \$3,100 up; Price \$672 down; Edithburgh \$15,680 up; Coobowie \$7,991 up and Stansbury \$2,473 up.
	6	\$ 9	Net increase due to minor adjustments (individually less than \$5k) to various budget lines.
Grants, Subsidies & Contributions	7	\$ 14,104	Regional Transport Subsidies Programme grant from Green Industries SA used to fund recycling contract expenditure. Equivalent increase to expenditure budget. Also refer to note 17 below.
	8	\$ 80,000	Community Wellbeing and Participation Fund grant auspiced by Council. PHN Country SA pays Council throughout 21/22 which is then paid onto SYP Community Hub. Not originally budgeted. \$80k was also received and paid in 20/21. Also refer to note 15 below.
	9	\$ 405,549	Supplementary local roads funding received in 21/22 but not originally budgeted. Council was not aware that we would get this at the time of 21/22 budget finalisation.
	10	\$ 9,843	Net adjustment to Financial Assistance Grant 21/22 allocation. Roads component is \$40,096 higher than budgeted while general component is \$30,253 lower. Net impact is \$9,843 more income.
	11	\$ 10,000	Northern & Yorke Landscape Board Grassroots grant. Total project cost is \$15k with \$5k being funded from existing Council operating budget. Project not originally budgeted.
OPERATING EXPENDITURE			
Employee Costs	12	-\$ 20,971	Net decrease in People, Culture and Safety business unit salaries budget to fund increased use of casual agency staff and increase in hours for permanent part-time staff to fill existing vacancies. Also refer note 25 below.
	13	\$ 23,723	Workers Compensation premium budget increased (9%) to match amount payable in 21/22. Budget was set using 20/21 data, rebates and ratios. 21/22 premiums were calculated using a higher applicable %, rebate entitlement was 6% lower and loss ratio used in calculating premiums increased by 11%.
	14	-\$ 2,173	Net decrease due to minor adjustments (individually less than \$5k) to various budget lines.
Materials, Contracts & Other	15	\$ 80,000	Payment to SHP Community Hub for the Community Wellbeing and Participation Fund grant auspiced by Council. PHN Country SA pays Council throughout 21/22 which is then paid onto SYP Community Hub. Not originally budgeted. \$80k was also received and paid in 20/21. Also refer to note 8 above.
	16	\$ 17,846	Net increase to insurance budget based on actual premiums payable in 21/22. Insurances included are Public Liability, Assets and Plant & Machinery. Original budget was \$0.51m.
	17	\$ 14,104	Recycling contractor budget increased to reflect Regional Transport Subsidies Programme grant from Green Industries SA. Also refer to note 7 above.

YORKE PENINSULA COUNCIL 2021/2022 BUDGET PROPOSED SUMMARY OF CHANGES - SEPTEMBER (QUARTER 1) BUDGET REVIEW			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	18	-\$ 8,571	Libraries operating expenditure budget transferred to capital projects to cover replacement of furniture and desktop computers. These were not originally budgeted. No additional funds required so nil impact to cash.
	19	\$ 14,288	Unsealed roads maintenance budget increased to fund dust suppressant trial on North Coast Rd. Total cost of trial (including materials, equipment hire and freight) is \$22,755 of which \$8,467 is funded from existing maintenance budget with the balance (\$14,288) taken from patch work (south) materials capital budget.
	20	-\$ 5,000	Parsons Beach drainage capital project. Total cost \$20,000 of which \$5,000 taken from stormwater drainage maintenance budget with the remaining \$15,000 funded from Parsons Beach land sale income. Also refer to note 39 below.
	21	\$ 15,000	Northern & Yorke Landscape Board Grassroots grant project. Total project cost is \$15k with \$5k being funded from existing Council operating budget and \$10,000 via grant funding. Project not originally budgeted.
	22	-\$ 7,860	20/21 unspent disabled access projects budget incorrectly rolled over to 21/22. Returning funds back to general revenue. Full \$25,000 annual 21/22 budget allocation remains in the budget.
	23	\$ 25,000	21/22 disabled access projects annual budget was initially budgeted as capital expenditure. Should have been budgeted as operating expenditure hence this adjustment corrects that error. \$25,000 removed from capital expenditure & reallocated against operating. No additional funding required hence no change to cash bottom line. Also refer to note 37 below.
	24	\$ 18,400	Port Vincent Foreshore Caravan Park remedial works (replace cement annexe blocks plus excavation) required as a result of emergency electrical works undertaken in 20/21. Unbudgeted originally.
	25	\$ 20,971	Increased expenditure on external agency staff to cover permanent staff vacancies. Funded from reduction in budgeted salaries. Also refer note 12 above.
	26	\$ 11,390	Increased staff training budget to cover short falls. Funded from existing under spends in various other operating budget lines hence no additional funding required.
	27	\$ 35,281	Unspent funding for various LRCIP 2 grant funding programme projects budgeted in 20/21 but not completed was not rolled over to 21/22. Budget being adjusted to ensure funding is available for expenditure. Walk the Yorke \$8,000, Coastal Management Strategy \$21,681 and Camping reserves upgrades \$5,600.
	28	-\$ 26,808	Net decrease due to minor adjustments (individually less than \$5k) to various budget lines.
CAPITAL INCOME			
Amounts Received Specifically for New Assets	29	-\$ 200,000	Yorke town Airstrip Runway Lighting project grant application unsuccessful. Originally budgeted as capital income. Also refer to note 38 below.
	30	\$ 192,000	Pt Clinton Seawater Inundation Levee Bank project grant received in advance in 20/21 rolled over to 21/22. Adjusting budget to reflect recognition of income in 21/22. Total unspent project expenditure budget of \$315,456 was rolled over to 21/22 from 20/21.
CAPITAL EXPENDITURE - RENEWAL			
Transport Infrastructure	31	-\$ 14,288	Funds from patch work (south) materials capital budget transferred to unsealed roads maintenance budget to fund dust suppressant trial on North Coast Rd. Total cost of trial (including materials, equipment hire and freight) is \$22,755 of which \$8,467 is funded from existing maintenance budget. Also refer to note 19 above.
Other Assets	32	\$ 8,571	Replacement of furniture and desktop computers not originally budgeted. Funded from existing operating budget. No additional funds required so nil impact to cash. Also refer to note 18 above.

YORKE PENINSULA COUNCIL 2021/2022 BUDGET PROPOSED SUMMARY OF CHANGES - SEPTEMBER (QUARTER 1) BUDGET REVIEW			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	33	\$ 50,033	Beach stairs replacement project funded via LRCIP 2 grants. Original allocation was not enough to cover entire capital works hence increase to budget required. Additional budget funded from underspends in various other LRCIP 2 grant funded projects such as Walk the Yorke \$8,000, Coastal Management Strategy \$21,681, Camping reserves upgrades \$5,600 and bush camping toilet upgrades \$14,752. Net impact to Council is nil as all expenditure is funded within total grant allocation.
Buildings & Structures	34	\$ 100,000	Pt Rickaby caravan park water supply upgrade. Approved by Council at Council meeting on 8/9/21. To be funded from general revenue in 21/22 and to be repaid in 22/23 from Caravan Parks funding model.
	35	\$ 65,100	Shelters & Structures LRCIP 2 grant funded project (Red Shed in Pt Julia next to jetty) budgeted for in 20/21 but not completed in 20/21. Unspent funds were not rolled over to 21/22 in error. This allocation in 21/22 budget will ensure funds are available for completion of the project.
	36	\$ 10,847	Net increase due to minor adjustments (individually less than \$5k) to various budget lines.
CAPITAL EXPENDITURE - NEW/UPGRADE			
Transport Infrastructure	37	-\$ 25,000	Disabled access annual budget allocation transferred to operating budget line which is the correct classification for this. Also refer to note 23 above.
	38	-\$ 200,000	Yorketown Airstrip runway lighting grant application unsuccessful hence project removed from 21/22 budget. Also refer to note 29 above.
Stormwater Infrastructure	39	\$ 20,000	Parsons Beach drainage capital project budget allocation. Total cost \$20,000 of which \$5,000 taken from stormwater drainage maintenance budget with the remaining \$15,000 funded from Parsons Beach land sale income held in reserve. Also refer to note 20 above.
Other Assets	40	-\$ 14,752	LRCIP 2 unspent grant funding for bush camping toilet upgrades transferred to beach stairs replacement project to cover short fall in budget. Net impact to Council is nil as all expenditure is funded within total grant allocation.
	41	\$ 41,360	Walk the Yorke projects funded via LRCIP 2 grant funding programme in 20/21 budget were not rolled over in error. Unspent funds should have been rolled over to 21/22 for project completion.

YORKE PENINSULA COUNCIL 2021/2022 BUDGET BUDGETED STATEMENT OF COMPREHENSIVE INCOME					
	2021/2022 Revised Budget	2021/2022 September Budget Adjustments	2021/2022 Rolled Over Budget Adjustments	2021/2022 Adopted Budget	<i>Notes</i>
	\$('000)	\$('000)	\$('000)	\$('000)	
INCOME					
Rates	24,373	14		24,359	1 - 3
Statutory Charges	378			378	
User Charges	4,491	35		4,456	4 - 6
Grants, subsidies, contributions	5,243	519		4,724	7 - 11
Investment Income	106			106	
Reimbursements	153		4	149	
Other Income	169			169	
Total Income	34,913	568	4	34,342	
EXPENSES					
Employee costs	9,859			9,859	12 - 14
Materials, contracts & other expenses	14,209	204	323	13,682	15 - 28
Depreciation	10,833			10,833	
Finance Costs	287			287	
Total Expenses	35,188	204	323	34,661	
OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(275)	364	(319)	(319)	
Amounts received specifically for New or Upgrade assets	2,082	(8)		2,090	29 - 30
Asset disposal and fair value adjustments	0			0	
NET SURPLUS/(DEFICIT)	1,807	356	(319)	1,770	
Other Comprehensive Income					
Changes in revaluation surplus - IPP&E	0			0	
Total Other Comprehensive Income	0	0	0	0	
TOTAL COMPREHENSIVE INCOME	1,807	356	(319)	1,770	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2021/2022 BUDGET BUDGETED STATEMENT OF FINANCIAL POSITION					
	2021/2022 Revised Budget \$(’000)	2021/2022 September Budget Adjustments \$(’000)	2021/2022 Rolled Over Budget Adjustments \$(’000)	2021/2022 Adopted Budget \$(’000)	<i>Notes</i>
ASSETS					
Current Assets					
Cash & Equivalent Assets	4,986	938	1,518	2,530	
Trade & Other Receivables	1,772	(3)		1,775	
Inventories	421	(90)		511	
Total Current Assets	7,179	845	1,518	4,816	
Non-Current Assets					
Financial Assets	341			341	
Infrastructure, Property, Plant & Equipment	282,990	(185)		283,175	
Total Non-Current Assets	283,331	(185)	0	283,516	
Total Assets	290,510	660	1,518	288,332	
LIABILITIES					
Current Liabilities					
Trade & Other Payables	2,359	48		2,311	
Borrowings	1,495			1,495	
Provisions	2,342	(87)		2,429	
Total Current Liabilities	6,196	48	0	6,235	
Non-Current Liabilities					
Trade & Other Payables	35	28		7	
Borrowings	7,726	(1)		7,727	
Provisions	219	(39)		258	
Total Non-Current Liabilities	7,980	(12)	0	7,992	
Total Liabilities	14,176	36	0	14,226	
NET ASSETS	276,334	624	1,518	274,105	
EQUITY					
Accumulated Surplus	(13,718)	1,492		(15,210)	
Asset Revaluation Reserve	286,700			286,700	
Other Reserves	3,352	737		2,615	
TOTAL EQUITY	276,334	2,229	0	274,105	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2021/2022 BUDGET BUDGETED STATEMENT OF CASH FLOWS					
	2021/2022 Revised Budget \$('000)	2021/2022 September Budget Adjustments \$('000)	2021/2022 Rolled Over Budget Adjustments \$('000)	2021/2022 Adopted Budget \$('000)	Notes
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Receipts</i>					
Operating Receipts	24,221	(102)		24,323	1 - 3
Statutory Charges	383	2		381	
User Charges	4,515	40		4,475	4 - 6
Grants, subsidies, contributions	4,778	103		4,675	7 - 11
Investment Receipts	108	1		107	
Reimbursements	159	7		152	
Other Income	100	(57)		157	
<i>Payments</i>					
Employee Costs	(9,771)	68		(9,839)	12 - 14
Materials, contracts & other expenses	(13,894)	(160)		(13,734)	15 - 28
Finance Costs	(287)			(287)	
Net Cash provided by (or used in) Operating Activities	10,312	(98)	0	10,410	
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Receipts</i>					
Amounts Specifically for New/Upgraded Assets	2,082	(8)		2,090	
Sale of Renewed/Replaced Assets	294		31	263	
Repayments of Loans by Community Groups	104			104	
<i>Payments</i>					
Expenditure on Renewal/Replacement of Assets	(15,889)	(220)	(2,421)	(13,248)	31 - 36
Expenditure on New/Upgraded Assets	(2,806)	178	(649)	(2,335)	37 - 41
Net Cash Provided by (or used in) Investing Activities	(16,215)	(50)	(3,039)	(13,126)	
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Receipts</i>					
Proceeds from Borrowings	3,143			3,143	
<i>Payments</i>					
Repayments of Borrowings	(907)	1		(908)	
Net Cash provided by (or used in) Financing Activities	2,236	1	0	2,235	
Net Increase/(Decrease) in cash held	(3,667)	(147)	(3,039)	(481)	
Opening cash, cash equivalents or (bank overdraft)	8,654	5,643		3,011	
Closing cash, cash equivalents or (bank overdraft)	4,986	5,496	(3,039)	2,530	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2021/2022 BUDGET BUDGETED STATEMENT OF CHANGES IN EQUITY					
2021/2022 Revised Budget	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	(15,525)	286,700	3,352	274,526	
Net Surplus/ Deficit for Year	1,807	0	0	1,807	
Total Comprehensive Income	1,807	0	0	1,807	
Balance at end of period	(13,718)	286,700	3,352	276,334	
2021/2022 Budget Adjustments	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	1,455	0	737	0	
Net Surplus/ Deficit for Year	37	0	0	37	
Total Comprehensive Income	37	0	0	37	
Balance at end of period	1,492	0	737	37	
2021/2022 Adopted Budget	Accumulated Surplus \$('000)	Asset Revaluation Reserve \$('000)	Other Reserves \$('000)	Total Equity \$('000)	Notes
Balance at end of previous reporting period	(16,980)	286,700	2,615	274,526	
Net Surplus/ Deficit for Year	1,770	0	0	1,770	
Total Comprehensive Income	1,770	0	0	1,770	
Balance at end of period	(15,210)	286,700	2,615	274,105	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2021/2022 BUDGET BUDGETED UNIFORM PRESENTATION OF FINANCES					
	2021/2022 Revised Budget	2021/2022 September Budget Adjustments	2021/2022 Rolled Over Budget Adjustments	2021/2022 Adopted Budget	Notes
Operating Revenues	34,913	568	4	34,342	1 - 11
<i>less Operating Expenses</i>	(35,188)	(204)	(323)	(34,661)	12 - 28
Operating Surplus/(Deficit) before Capital Amounts	(275)	364	(319)	(319)	
Less: Net Outlays on Existing Assets					
Capital Expenditure on Renewal/Replacement of Existing Assets	(15,889)	(220)	(2,421)	(13,248)	31 - 36
<i>less Depreciation, Amortisation & Impairment</i>	10,833	0	0	10,833	
<i>less Proceeds from Sale of Replaced Assets</i>	294	0	31	263	
	(4,762)	(220)	(2,390)	(2,153)	
Less: Net Outlays on New and Upgraded Assets					
Capital Expenditure on New/Upgraded Assets	(2,806)	178	(649)	(2,335)	37 - 41
<i>less Amounts Specifically for New/Upgraded Assets</i>	2,082	(8)	0	2,090	29 - 30
<i>less Proceeds from Sale of Surplus Assets</i>	0	0	0	0	
	(724)	170	(649)	(245)	
Net Lending / (Borrowing) for Financial Year	(5,761)	314	(3,358)	(2,717)	

Note: Totals may not add due to rounding

YORKE PENINSULA COUNCIL 2021/2022 BUDGET BUDGETED FINANCIAL INDICATORS (RATIOS)				
	2021/2022 Revised Budget	2021/2022 September (including roll overs) Budget Adjustments	2021/2022 Adopted Budget	Notes
Operating Surplus Ratio (OSR)	(0.8%)	(0.1%)	(0.9%)	1 - 28
Net Financial Liabilities Ratio (NFLR)	20%	8%	28%	
Asset Renewal Funding Ratio (ARFR)	149%	25%	124%	31 - 36

Note: Totals may not add due to rounding

8.6 RISK MANAGEMENT ACTIVITY REPORT**Document #:** 21/133165**Department:** Corporate and Community Services**PURPOSE**

To provide the Audit Committee with an update on Council's Risk Management activities.

RECOMMENDATION

That the report be received.

LINK TO STRATEGIC PLAN**Goal:** 5 Responsible Governance and Leadership**Strategy:** 5.5 Undertake effective risk and emergency management

5.6 Continuous improvement of Council processes

BACKGROUND

The Audit Committee assists Council in meeting its responsibilities for the management of risks. This report provides a status update on the risk management activities of Council's administration for the purpose of keeping the Audit Committee informed about the risks associated with Council's business and how these risks are being assessed, controlled, monitored and reviewed.

DISCUSSION

Key Risk Management Activities undertaken from June 2021 to November 2021:

1. Business Continuity Management Awareness training session was conducted by Local Government Risk Services on 23 September 2021 with the Business Recovery Team members and owners. This session refreshed responsible officers on Council's Business Continuity Plan, their roles and responsibilities, determining our critical functions and the important elements of the plan to ensure business continuity during a disruption event.
2. Council had a representative attend the Zone Emergency Support Team (ZEST) Yorke Mid North exercise held in Port Pirie on 10 November 2021.
3. Council had a representative at the Yorke Mid North Zone Emergency Management Committee meeting on 17 November 2021 (via MS Teams).
4. In preparation for the bushfire season, Council ran iResponda training sessions (ordinary operations in extraordinary situations) for all staff facilitated by the Local Government Functional Support Group (LGFSG). This training ran over three days, 23 to 25 November 2021 and provided staff with information upon which Local Government workers can work in a safe, consistent and supported way during emergency incident operations. The sessions included iResponda Essentials, Bushfire and Bushfire Plant modules.
5. A new Risk Management Plan was developed with actions being due for completion by the end of 2022 (Attachment 1).
6. Continued response activities to the dynamic and evolving nature of the Coronavirus (COVID-19) Pandemic. The Council Risk team have continued to act quickly and support the Corporate Management Team to ensure a "best practice" approach is taken in the prevention, mitigation and response to COVID-19 risks including:

- Responding to ongoing changes in the State Government restrictions and COVID-Ready Plans.
- COVID-19 Risk Assessment regularly reviewed against State Government restrictions and plans with ongoing assessment of compliance.
- Ensuring COVID-Safe Plans are created within our area of responsibility and compliance is occurring.
- Completing general reporting to the LGFSG on operational matters impacted by COVID-19.
- Attendance at LGFSG Operational Briefing Sessions.

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Chief Executive Officer
- Director Corporate and Community Services
- Manager People Culture and Safety
- Manager Financial Services
- Assets Manager
- Leader Systems and Technology
- Governance Officer
- Senior Safety Advisor
- Financial Management Accountant

In preparing this report, the following external parties were consulted:

- Nil

POLICY IMPLICATIONS

PO091 Risk Management Policy

PO027 Business Continuity Policy

PO178 Community Emergency Management and Disaster Recovery Policy

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

Local Government Act 1999

Civil Liability Act 1936

Local Government (Public Health Emergency) Amendment Act 2020

South Australian Public Health Act 2011

Statutes Amendment (Local Government Review) Act 2021

It is essential to ensure that Council have systematic procedures and practices in place to identify, evaluate, treat and monitor risk in all Council activities to ensure that risks associated with these activities are appropriately assessed, controlled, managed, monitored and reviewed.

ATTACHMENTS

1. Attachment - Risk Implementation Plan 2021-2022 - Audit Committee - 30/11/2021 [↓](#)

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Yorke Peninsula Council

Risk Implementation Action Plan 2021/2022													Version:	1.0	
													Issued:	Nov-21	
Item	Action	Responsible Person	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
1	Implement risk management procedure.	Governance Officer													
2	Implement risk management procedure, when developed, through staff training.	Training Administration Officer													
3	Procurement - Finalise roll out of Vendor Panel (contractor management system) - 3g - Risk Evaluation - Implement an organisation wide electronic contractor register.	Manager Financial Services													
4	Finalise roll out of Contracts Monitor (contractor management system) - 3g - Risk Evaluation - Implement an organisation wide contract management system to track and monitor contract/or milestones and deliverables	Manager Financial Services													
5	Procurement - Integrate existing risk management systems into procurement/project processes (ensuring WHS consideration) via procurement systems implementation training - 1c, 3b, 3.8.5.	Manager Financial Services													
6	Procurement - finalise procedure review/implementation for all internal processes - 3a.	Manager Financial Services													
7	Procurement - implement pre-purchase risk assessment (plant/equipment/substances) via procurement systems implementation training 3b, 3.8.5.	Manager Financial Services													
8	Procurement - implement policies/procedures through staff (role relevant) training - 3d.	Manager Financial Services													
9	Integrate existing risk management systems into strategic and operational planning processes 1c.	Director Corporate and Community Services													
10	Integrate risk management into the asset management planning processes - 2d, 2f.	Asset Manager													
11	3f - Risk Evaluation - Update purchase order terms and conditions within Authority to reflect the most recent issued by LGA.	Financial Management Accountant													
12	Commence development of draft IT Disaster Recovery Plan incorporating Operational Security Plan - all systems in place but not documented.	Leader Systems and Technology													
	Shows when action is planned														

This Evaluation/Report is the controlled version.
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8.7 ASSET MANAGEMENT UPDATE - VERBAL

Document #: 21/133658

Department: Assets and Infrastructure Services

PURPOSE

To keep Council informed in regard to Asset Management.

RECOMMENDATION

That the verbal report be received.

LINK TO STRATEGIC PLAN

Goal: 2 Community Connected through Infrastructure

Strategy: 2.1 Develop and deliver on Asset Management Plans for all asset classes
2.4 Explore provision of new infrastructure

BACKGROUND

DISCUSSION

COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

CONSULTATION PROCESS

POLICY IMPLICATIONS

BUDGET AND RESOURCE IMPLICATIONS

RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS

ATTACHMENTS

Nil

9 GENERAL BUSINESS

10 NEXT MEETING

11 CLOSURE