



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

**Date:** Tuesday, 30 May 2023  
**Time:** 3:00pm  
**Location:** Council Chambers  
Minlaton Town Hall  
57 Main Street  
Minlaton

# **AGENDA**

## **Audit and Risk Committee Meeting**

**30 May 2023**

A handwritten signature in blue ink, appearing to read 'Daniel Griffin', is positioned above the printed name.

**Daniel Griffin**

**ACTING DIRECTOR CORPORATE & 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

<b>1</b>	<b>Welcome by Chairperson</b> .....	<b>5</b>
<b>2</b>	<b>Present</b> .....	<b>5</b>
<b>3</b>	<b>Leave of Absence</b> .....	<b>5</b>
<b>4</b>	<b>Apologies</b> .....	<b>5</b>
<b>5</b>	<b>Conflict of Interest</b> .....	<b>5</b>
<b>6</b>	<b>Minutes of Previous Meeting – for Confirmation</b> .....	<b>5</b>
<b>7</b>	<b>Visitors to the Meeting</b> .....	<b>5</b>
<b>8</b>	<b>New Business</b> .....	<b>7</b>
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8.3	March Quarterly Budget Review 2022/2023.....	36
8.4	Proposed Rating Models 2023/2024 .....	59
8.5	External Auditor Audit Plan 2022/2023.....	74
8.6	Internal Audit Activity Report .....	88
8.7	Scheduled Policy and Procedure Review Register.....	147
8.8	Asset Management Update.....	151
8.9	Policy Review - PO128 Asset Management Policy.....	153
<b>9</b>	<b>New and Emerging Risks / Issues</b> .....	<b>166</b>
<b>10</b>	<b>General Business</b> .....	<b>166</b>
<b>11</b>	<b>Next Meeting</b> .....	<b>166</b>
	Tuesday 29 August 2023	
<b>12</b>	<b>Closure</b> .....	<b>166</b>



**1 WELCOME BY CHAIRPERSON**

Meeting declared open

**2 PRESENT**

**3 LEAVE OF ABSENCE**

Nil

**4 APOLOGIES**

Nil

**5 CONFLICT OF INTEREST**

**6 MINUTES OF PREVIOUS MEETING – FOR CONFIRMATION**

Audit and Risk Committee Meeting - 21 February 2023

**7 VISITORS TO THE MEETING**

# REPORTS

## 8 NEW BUSINESS

### 8.1 AUDIT AND RISK COMMITTEE WORK PLAN 2023

**Document #:** 23/50777

**Department:** Corporate and Community Services

#### PURPOSE

To consider and endorse an updated work plan for 2023.

#### RECOMMENDATION

That the Audit and Risk Committee endorse the updated 2023 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 and Risk Committee Terms of Reference, the objective of the 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 and Risk 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 the work plan assists in ensuring the objectives of the Committee are achieved. The 2023 work plan was endorsed by the Committee at its meeting on 6 December 2022.

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

The following changes are proposed:

- Item 1.2 has been updated to note receipt of draft revaluation (spreadsheet) by Council staff and delay to presenting final revaluation report till the August 2023 meeting (originally March 2023).
- Item 2.1 has been deferred to the October 2023 meeting pending outcome of liaison with Council's new auditors in relation to Council's proposed schedule for assessment of controls (internal controls testing) document.
- Item 2.2 has been updated to reflect presentation and endorsement of Internal Control Policy (PO156) and Procedure (PR150) at the February 2023 meeting (originally scheduled for October 2023).
- Item 4.3 has been amended to include earliest appointment date for new independent member.
- Item 8.2 has been altered to include formal reporting to the committee on Council's most recently endorsed Long Term Financial Plan which was the subject of a presentation to the committee at its February 2023 meeting.
- Item 8.3 changed to reflect deferral of endorsement of the Land, Buildings and Structures revaluation the August 2023 meeting.

## **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
- Executive Services Support Officer

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

- Nil

## **POLICY IMPLICATIONS**

Audit and Risk Committee Terms of Reference

## **BUDGET AND RESOURCE IMPLICATIONS**

The work plan and the resulting actions are 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 and Risk Committee strengthens the credibility of the completed work and reduces risk to Council.

Local Government Act 1999, Chapter 8.

## **ATTACHMENTS**

1. **Audit and Risk Committee Work Plan 2023 - Updated** [!\[\]\(9560d9aa812eb21dfbefb805fa4b474e\_img.jpg\)](#) [!\[\]\(8686fbde1711ab118e00c60fc66443c2\_img.jpg\)](#)



Yorke Peninsula Council Audit and Risk Committee Work Plan 2023						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-23 21st	May-23 30th	Aug-23 29th	Oct-23 31st	Nov-23 28th	
<b>1. Financial Reporting</b>						
1.1 Review General Purpose Financial Statements				X		Following external audit but prior to Council endorsement  Land, Buildings and Structures Revaluation as at 1 July 2022 to be undertaken with final report delayed to August 2023 (originally March 2023). A draft valuation (spreadsheet) has recently been received and is current being review by Council staff.  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.
1.2 Review asset revaluations		X	X			> 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
<b>2. Internal controls</b>						
2.1 Review progress on Council's Internal Financial controls self-assessment testing		X		X		Status report provided on internal controls self assessment testing. May 2023 reporting deferred following full review of the internal control library and updated risk assessments. A proposed schedule has been provided to the External Auditors for review and we await response.  Updates to the Internal Control Policy (PO156) and Procedure (PR150) was endorsed at the February meeting. Future updates to this policy and procedure will be undertaken as required in response to legislative updates and provided to the Committee.
2.2 Review Council's internal control policies and procedures	X					

Yorke Peninsula Council Audit and Risk Committee Work Plan 2023						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-23 21st	May-23 30th	Aug-23 29th	Oct-23 31st	Nov-23 28th	
<b>3. Risk Management Systems</b>						
3.1 Risk External Audit (conducted by LGAWCS biennially)					X	The scheme is currently undertaking a review of the systems and our audit to occur in November 2023.
3.2 Assess the appropriateness of the Council's response to the auditor's findings and recommendations						Due in Feb 2024
3.3 Review Council's Risk Management Implementation Plan	X	X	X		X	Plan to be created once 2023 review is undertaken in November 2023. Report on progress in 2024.
3.4 Annual Desktop Review of Council's Strategic Risk Register and Operational Risk Register			X			Due for review following November 2022 LG Elections in line with review of Strategic Management Plan. Review SMP due within 2 years after LG Election (i.e. - before November 2024, date TBA, current SMP spans period 2021-2025).
3.5 Mandated Update to Strategic Risk Register						
<b>4. Public Interest Disclosure (previously Whistleblowers)</b>						
4.1 Review Council's Public Interest Disclosure requirements						Public Interest Disclosure Policy PO171 and Procedure PR152 were endorsed at December 2022 Council meeting. Next review due December 2026.
4.2 Ensure staff are informed of and trained in these policies						Training has been provided to Council Staff and Elected Members (through new term induction) to ensure compliance. Further training to be provided should further amendments to legislation or policy require.
4.3 Review Independent Member Appointments						Mr. Rob Reiman - appointment expiry 30 November 2024 Mr. Hussain Rafeeu - appointment expiry 30 November 2024
4.3 Appoint Additional Independent Member to Committee	X		X			The process to appoint an additional independent member will commence in early 2023 for appointment prior to the 30 November 2023 deadline.
<b>5. Internal Audit</b>						
5.1 Review proposed annual internal audit work program and outcomes of past work					X	Proposed upcoming Internal Audit Plan to be presented to the Committee for consideration

Yorke Peninsula Council Audit and Risk Committee Work Plan 2023						
Activity	Timeframe					Notes
	Completed		Current	Deferred		
	Feb-23 21st	May-23 30th	Aug-23 29th	Oct-23 31st	Nov-23 28th	
5.2 Consider any internal audits conducted	X	X	X	X	X	Reports provided on progress made against matters raised by Council's external and internal auditor
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	

Yorke Peninsula Council Audit and Risk Committee Work Plan 2023						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-23 21st	May-23 30th	Aug-23 29th	Oct-23 31st	Nov-23 28th	
<b>6. External Audit</b>						
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		
<b>7. Reporting</b>						
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 financial 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			<p>Committee decision at February 2022 meeting was to align reporting with the financial year (and Council's Annual Report legislative reporting requirements) change to be reflected in Terms of Reference at next review.</p> <p>2022 annual review (including review of Terms of Reference) is therefore scheduled for February 2023. A further review will take place in August 2023 covering the 6 month period January 2023 to June 2023 which then aligns process with the financial year.</p>

Yorke Peninsula Council Audit and Risk Committee Work Plan 2023						
Activity	Timeframe					Notes
	Completed Current Deferred					
	Feb-23 21st	May-23 30th	Aug-23 29th	Oct-23 31st	Nov-23 28th	
<b>8. Strategic, Financial and Management Planning</b>						
8.1 Review Strategic Management Plan						Due for review following November 2022 LG Elections. Review due within 2 years after LG Election (i.e. - before November 2024, date TBA, current SMP spans period 2021-2025).
8.2 Review Long Term Financial Plan	X	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. Land, Buildings and Structures revaluation to be endorsed at August 2023 meeting. Asset Management Plan to be updated following endorsement.
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
<b>9. Other matters</b>						
9.1 Adopt/review the 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 AUDIT AND RISK COMMITTEE ANNUAL REPORT 2022

**Document #:** 23/49892

**Department:** Corporate and Community Services

### PURPOSE

For the Audit and Risk Committee to review its draft Annual Report for the 2022 calendar year prior to being presented to Council for consideration in accordance with Clause 13 of the Committee's Terms of Reference.

### RECOMMENDATION

That the Audit and Risk Committee recommend for endorsement to Council:

1. The Committee's Annual Report for the 2022 calendar year; and
2. The updated Terms for Reference as presented.

### 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

### BACKGROUND

Clause 13 of the Audit and Risk 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 for the period 1 January 2022 – 31 December 2022 has been undertaken and at its meeting on 21 February 2023 the Committee endorsed the results of this annual review and self-assessment, its 2022 Work Plan and the updated Terms of Reference (TOR). The results of the review and self-assessment and the updated TOR have now been incorporated into the Committee's draft Annual Report.

### DISCUSSION

#### 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. This is done via the attached Annual Report (refer Attachment 1). A draft is provided for the Committee's consideration and if endorsed will be presented to Council at its June 2023 meeting for endorsement.

#### Terms of Reference

The Committee's TOR were reviewed in line with recent changes to legislation and the updated TOR were endorsed by the Committee at its February 2023 meeting. They will need to be endorsed by Council before they officially become the TOR for the Committee. They will be included as part of the Committee's 2022 Annual Report to Council to be considered by them at their June 2023 meeting.

The updated version with track changes is attached to this report as Attachment 2 and without track changes as Attachment 3.

## COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

## CONSULTATION PROCESS

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

- Manager Financial Services
- Executive Assistant to Director Corporate and Community Services

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

- Nil

## POLICY IMPLICATIONS

Audit and Risk Committee Terms of Reference

## BUDGET AND RESOURCE IMPLICATIONS

Costs associated with the operation and administrative support required by the Audit and Risk 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 - Chapter 8

Local Government (Financial Management) Regulations 2011 – Part 5

## ATTACHMENTS

1. **Audit and Risk Committee Annual Report 2022** [↓](#) 
2. **Terms of Reference - Audit and Risk Committee Updated 30/05/2023 (Track Changes)** [↓](#)
3. **Terms of Reference - Audit and Risk Committee Updated 30/05/2023 (No Track Changes Version)** [↓](#) 

**YORKE PENINSULA COUNCIL AUDIT AND RISK COMMITTEE  
ANNUAL REPORT FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022**

This report presents a summary of the Committee's activities undertaken and recommendations made during the period 1 January 2022 to 31 December 2022.

**Conduct of Meetings**

The Committee met on five (5) occasions during the year with summaries as below.

Date	No of Members Attending
22 February 2022	4
31 May 2022	5
30 August 2022	4
25 October 2022	3
6 December 2022	3

Committee Member	No of Meetings Attended
Hussain Rafeeu	4/5
Robert Reiman	4/5
Cr Leanne O'Brien*	3/4
Cr Adam Meyer	3/5
Cr Tania Stock	4/5
Cr Alan Headon*	1/1

\*Change of Elected Member on Committee due to 2022 Council Elections.

**Committee Activities**

The table sets out the matters addressed by the Committee during the year.

Principal Issues Examined	Comment(s)	Recommendation(s) to Council
Internal Audit	Review audits undertaken and Recommendations actioned. Considered 2022-2023 Internal Audit Plan.	Received and noted with minor Amendments in some instances. 2-year Plan endorsed.
Internal Control	Review updates to internal controls and recommendations actioned	Contents noted



External Audit	Review interim and balance date audits, opinions, and reports. Also reviewed balance date external audit attendance information requirements.	Received and management's responses endorsed. Comments and actions referred to CMT.
Long Term Financial Plan (LTFP)	Review updated and Council endorsed LTFP	Received
Budget Reviews	Quarters 2 (Dec-21) and 3 (Mar-22) for 21/22, Quarter 1 (Sep-22) and 21/22 roll overs into 22/23 budget.	Received
Annual Work Plan	Prepare and review progress of 2022 including any changes and create 2023 plan	Endorsed
Risk Management	Review and update on various matters, audits and progress on recommended actions. Review of Council's Organisational Risk Register.	Received. Comments referred to staff.
Asset Management	Review of and update on various matters including Network Level Heavy Vehicle Route Assessment and Risk Analysis.	Received. Comments referred to Council and CMT.
Annual Business Plan	Review draft ABP, Budget and Fees and Charges	Received
Capital Valuations and Rating Models	Review of indicative capital valuations and Council endorsed rating model for rates generation in 2022/2023	Received. Comments referred to CEO.
Policies & Procedures	Endorsed reviews of multiple policies and procedures and suggested further actions. Also considered new policies.	Received. Comments and actions referred to CMT and Council.
General Purpose Financial Statements	Review statements, notes, management representation letter and risk response questionnaire	<ul style="list-style-type: none"> <li>➤ CEO &amp; Presiding Member sign the Certification of Auditor Independence.</li> <li>➤ Receive and note the Management Representation letter.</li> <li>➤ Recommend to Council that the audited Statements for 2021/2022 be endorsed.</li> </ul>
Committee Annual Review and Self-Assessment	Review and self-assess Committee's performance for the 2022 calendar year	<ul style="list-style-type: none"> <li>➤ 2022 self-assessment results endorsed.</li> <li>➤ 2023 work plan endorsed.</li> </ul>

Treasury Management Performance	Review of treasury management activity and performance for 2021/2022 in accordance with legislation and policy PO139	Received and recommended to Council for endorsement
National Disability Insurance Scheme Surveillance Audit	Receive the external audit results in relation to the degree of compliance with relevant National Disability Insurance Scheme (NDIS) criteria for the Yorke Peninsula Leisure Options (YPLO) programme.	Received

### Training

Due to the 2022 Council Elections, all Elected Members (inclusive of those who sit on the Audit and Risk Committee) were required to conduct mandatory training which was held over a two (2) day period in December 2022. The training was delivered by Norman Waterhouse, UHY Haines Norton and Council Staff

Training included:

- Behaviour
- Civic
- Legal
- Integrated Strategic Management Planning and Performance
- Strategic Risk Management and Oversight (Audit and Risk Committee)
- Financial Management
- Overview of each Council Department

### Self-Assessment

The Committee undertook a self-assessment of its performance in accordance with its Terms of Reference (TOR). The opportunity to undertake this was offered to all Committee members in December 2022. It took account of factors such as:

- Work plan.
- Operating environment.
- Stage of maturity of Committee.
- Council's strategic directions.
- Council's risk and control environment; and
- Current and emerging trends and factors.

Four (4) Committee members provided completed self-assessment forms. The Committee's comments and observations resulting from its evaluation are summarised below:

- > All members agreed the Committee collectively have sufficient skills, experience, time and resources to undertake its duties.
- > All members agreed that they work constructively as a team and with attendees at the meetings. Comments noted that there is mutual respect between staff and the Committee.

- > All members confirmed that the relationship between the committee members strikes the right balance between challenge and mutuality. Members commented that it is good to see the Committee has a variety of skills and experiences. Members also noted that asking questions and seeking clarification takes place before informed decisions are made.
- > Most members (75%) agreed that frequency, timing, duration, venue and format enhance the Committee's effectiveness to allow sufficient time for discussion of agenda items. Member comments related to the need to take steps to address the issue of being able to conduct meetings by electronic means and that it is good to see that action is being taken to allow meetings to be held over "Zoom" or "Teams" to allow more flexibility to ensure that the Committee reaches a quorum at its meetings.
- > All members confirmed that reports for each meeting were sufficiently comprehensive and yet easily understood to make informed decisions. One member commented that when they do not understand, they feel comfortable to ask questions and seek clarification. One member commented that staff do an excellent job in providing comprehensive and clear reports.
- > All members agreed that presentations are an interesting and helpful way of informing members about various issues.
- > All members agreed that minutes prepared, distributed and followed up are effective and action items followed up in good time.
- > All members rated the Committee's overall efficiency and effectiveness as 'very effective'. The following comments were made:
  - Independent Members have excellent knowledge of audit processes and procedures and are able to offer advice in accordance with legislation. They are able to provide insights into the operations of other councils to ensure we are operating in a consistent manner within Local Government. Elected Members bring a broad range of skills to the Committee and provide a good balance of knowledge.
  - It is good to see that Members participate in the debate and discussion, and staff follow up to questions is very good.
  - The Committee is running smoothly and meeting the requirements of its function.
- > All members agreed that staff and Committee members conduct themselves in accordance with high standards of behaviour. One member provided comment that staff provide further advice when requested to clarify information provided in the report, they are willing to take questions on notice and respond efficiently to requests for further information.
- > All members rated the Presiding member's performance as 'very effective'. Members and noted the Presiding Member:
  - Is well prepared and chairs the meeting in a timely and professional manner.
  - Ensures all members have sufficient opportunity to join in debate and contribute to the Committee. Does not attempt to dominate debate; and
  - Is knowledgeable and conducts the meeting with respect and appropriate manner.
- > Committee members rated each other's performance as 'very effective'. Members commented that:
  - Members are actively interested in the issues and participate fully in discussions.

- All members are respectful to each other and staff.
- The independent member is very well versed with Local Government legislation and is able to offer relevant advice to the committee. The Elected Members bring a broad range of experience to the committee which is a good balance.
- > One member rated their performance as 'effective' while three rated it as 'very effective'.
- > The performance of staff in facilitating the Committee's role and function was rated as 'very effective' by all members. Comments included:
  - The staff support to the committee is excellent. Follow up questions from meetings are dealt with promptly and staff keep an open communication line with members.
  - Staff bring comprehensive reports to the Committee and provide further information when requested.
- > All members agreed that the Executive take responsibility for risk identification and control and give formal assurance through reporting that key risks are being adequately managed. Some comments made were:
  - Regular reports from the Internal Audit Staff provide updates on the checks and balances that are implemented to ensure that risk is being monitored and sufficiently managed.
  - This is dealt with formally at each meeting and is a permanent item on the agenda and a part of the Committee's work plan.
- > The Committee unanimously agreed 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. Feedback included:
  - The internal controls identify risks and how they are being managed along with who is responsible for them.
- > All four members confirmed that internal audit findings and recommendations are responded to in a timely and appropriate manner.
- > The Committee members confirmed that they review the external Auditor's work they also confirmed that they review and discuss the external Auditor's management letter. All members believed that the Committee was effective in managing and monitoring the relationship with the external Auditor noting they meet with the Auditor annually to discuss any issues.
- > Members provided the following suggestions to improve the Committee's performance, role or functions:
  - Recommend reviewing the timing in preparation of the financial reports as on some occasions, financial reports are taken to Council before the Audit and Risk Committee has endorsed them. The Audit and Risk Committee should review them in the first instance.
  - One member provided comment that the new Local Government Act amendments, which will come into effect November 2023, will further enhance the committee's effect with the appointment of a third independent member.

**Terms of Reference**

The Committee's TOR was reviewed during its 2022 annual self-review and assessment and changes are recommended in line with recent changes to legislation. Recommended changes are 'tracked' in the attached updated document (refer Attachment 2). The recommended changes were endorsed by the Committee at its meeting in February 2023. A full review will be conducted following the release of the LGA template.

The current TOR can be found on Council's website at:

<https://yorke.sa.gov.au/content/uploads/2022/03/Terms-of-Reference-Audit-Committee-1.pdf>

**Work Plan 2023**

The Committee's work plan for the period 1 January 2023 to 31 December 2023 was considered and endorsed by the Committee at its meeting on Tuesday, 6 December 2022.

Five (5) meetings of the Committee are scheduled in 2023 in the months of February, May, August, October and November. This will allow the Committee to undertake the activities in its work plan.

As has been current practice, the work plan will continue to be reviewed and updated at each Committee meeting.



**Yorke Peninsula Council**  
**Audit and Risk Committee**  
**Terms of Reference**

**1. Establishment**

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

**2. Objective**

The objective of the Audit and Risk 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~~ Elected Member, the ~~Chief Executive Officer~~ or Council's ~~e~~ 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 (5) members, with three (3) 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 Chapter 5, Part 4, Division 1 of the Act);
- • preferably have experience in formal meeting procedures; and
- • have an understanding of the Local Government Act and supporting 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 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 Committee member must vote on every matter that is before the Committee for a decision.

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

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

4.5. The Council's external aAuditor 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 of the Committee from the endorsed members of the Committee. The Principal Member/Mayor of Council cannot be Chairperson/Presiding Member of the Committee.

4.8.4.9. In the event that the Chairperson is not present at the meeting (or part thereof) an Acting Chairperson will be appointed by those Committee members who are present at the meeting.

4.9.4.10. 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 Subdivision 2.

4.10.4.11. Independent members of the Committee are Public Officers for the purpose of the Independent Commission Against Corruption Act 2012 and are subject to the provisions of

the Criminal Law Consolidation Act 1935, Ombudsman Act 1972 and Public Interest Disclosure Act 2018, including reporting requirements.

~~4.11.4.12.~~ 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 ~~(as per Chapter 5, Part 4, Division 1 of the Act)~~ in accordance with the Local Government Act 1999, Chapter 5, Part 4, Divisions 1 and 3.

~~4.12.4.13.~~ All members of the Committee, ~~even independent members,~~ must, comply with the ~~Code of Conduct for Council Members~~ integrity and behavioural requirements set out in Chapter 5, Part 4, Division 1 of the Act.

~~4.13.4.14.~~ Where a member resigns or decides not to continue as a member of the Committee, a new member shall be appointed consistent with this TOR.

## 5. Administration and Resources

5.1. The 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~~ external Auditor-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 ~~or,~~ 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 Committee 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 Act.

## 9. Minutes of Meetings

9.1. The 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 Act and supporting ~~Regulations~~regulations.

9.2. Minutes of Committee meetings shall be circulated within five (5) days after a meeting to all members of the Committee 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~~consider 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 Interest, 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 with internal auditor 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-conflicts of interest (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. 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 Council at 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 Act and supporting Regulationsregulations;
- 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 Review-review and self-assessment of its own performance, The aim of the Review-review 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 Review-review shall be conducted following the completion of the annual external audit and the outcome reported to Council.
- 13.3. The Review-review is to include consideration of the TOR and recommendations for changes to them.
- 13.4. The CEO is to furnish the Committee with the information necessary to perform the Reviewreview.

**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-at~~ meetings on the 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 CEO in advance.

<b>Version No</b>	<b>Issue Date</b>	<b>Description of Change</b>
1.0	October 2016	New Document
2.0	December 2019	Annual Update
3.0	December 2021	Annual Update
<u>4.0</u>	<u>May 2023</u>	<u>Annual Update</u>



## **Yorke Peninsula Council**

### **Audit and Risk Committee**

#### **Terms of Reference**

#### **1. Establishment**

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

#### **2. Objective**

The objective of the Audit and Risk 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 Elected Member, the CEO 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 CEO.

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 (5) members, with three (3) 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 Chapter 5, Part 4, Division 1 of the Act);
- preferably have experience in formal meeting procedures; and
- have an understanding of the Act and supporting 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 Committee), the Director Corporate and Community Services and the 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 Committee member must vote on every matter that is before the Committee for a decision.

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

The CEO and other employees as directed by the CEO may attend any meeting as observers and/or be responsible for preparing and presenting 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 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. In the event that the Chairperson is not present at the meeting (or part thereof) an Acting Chairperson will be appointed by those Committee members who are present at the meeting.

4.10. All members of the Committee shall be subject to the Register of Interests provisions of the Act, Chapter 5, Part 4, Subdivision 2.

4.11. Independent members of the Committee are Public Officers for the purpose of the Independent Commission Against Corruption Act 2012 and are subject to the provisions of the Criminal Law Consolidation Act 1935, Ombudsman Act 1972 and Public Interest Disclosure Act 2018, including reporting requirements.

- 4.12. 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(as per Chapter 5, Part 4, Division 1 of the Act).
- 4.13. All members of the Committee must comply with the integrity and behavioural requirements set out in Chapter 5, Part 4, Division 1 of the Act.
- 4.14. Where a member resigns or decides not to continue as a member of the Committee, a new member shall be appointed consistent with this TOR.

## **5. Administration and Resources**

- 5.1. The 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 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 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 or 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 Committee 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 Act.

## **9. Minutes of Meetings**

- 9.1. The 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 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 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 consider 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 Interest, 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 with internal auditor 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 conflicts of interest (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. 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 Council at 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 Act and supporting regulations;
- 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 review and self-assessment of its own performance, The aim of the review 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 review shall be conducted following the completion of the annual external audit and the outcome reported to Council.
- 13.3. The review is to include consideration of the TOR and recommendations for changes to them.
- 13.4. The CEO is to furnish the Committee with the information necessary to perform the review.

**14. Fee**

The sitting fee per meeting to be paid to the independent member of the Committee shall be set by Council and is only payable after attendance at meetings on the 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 CEO in advance.

<b>Version No</b>	<b>Issue Date</b>	<b>Description of Change</b>
1.0	October 2016	New Document
2.0	December 2019	Annual Update
3.0	December 2021	Annual Update
4.0	May 2023	Annual Update

**8.3 MARCH QUARTERLY BUDGET REVIEW 2022/2023****Document #:** 23/50723**Department:** Corporate and Community Services**PURPOSE**

To receive Council's endorsed March quarterly budget review (as at 31 March 2023) for Council's 2022/2023 Budget and associated financial statements, ratios and amendments.

**RECOMMENDATION**

That the Audit and Risk Committee receive the endorsed 2022/2023 March 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 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

**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) budget reviews more than required by the Regulations. This is the final, or third (as at 31 March 2023), of the three (3) quarterly budget reviews scheduled for the 2022/2023 financial year.

This budget was endorsed by Council at its meeting on Wednesday, 10 May 2023.

**DISCUSSION**

Budget managers in all directorates have completed a review of their 2022/2023 budgets as at 31 March 2023 with all adjustments allowed for, in accordance with policy PO142, being included in the attached documents (refer attachments 1 - 7).

Budgets have been 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
- Status of capital projects taking into account projects carried forward from 2021/2022 for completion in the current financial year (refer Council decision in August 2022)

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

### **Budgeted Operating Surplus/ (Deficit)**

As a result of proposed budget adjustments in this budget review, previously endorsed adjustments from the first and second quarter and unspent budgets rolled over from 2021/2022, Council's revised forecast Operating Surplus for 2022/2023 is \$0.7m.

This is an improvement of \$0.9m to the previously endorsed 2022/2023 forecast Operating Deficit at quarter two and an overall improvement of \$2.3m to the forecast Deficit at the start of the year. The improvement at quarter three can be attributed to largely to increases to statutory income \$0.2m, user charges income \$0.7m and investment income \$0.3m less increases to materials, contracts and other expenditure \$0.5m.

### **Major Impacts**

Listed below are the major adjustments (generally >\$25k) included in this Budget review.

#### **Operating Income**

- **Rate income: Waste management service charge** - \$32,000 increase due to change in practice of adding new services directly to rates assessments rather than invoicing as a user charge (corresponding \$19,000 decrease to user charges).
- **Statutory income: Building, planning and septic tank fees** - \$0.15m increase due to higher than anticipated number of development, building and septic applications compared to budget.
- **User charges: Council operated caravan parks** – \$0.35m increase due to greater level of occupancy than anticipated in the adopted 2022/2023 budget. It should be noted that additional operating costs have incurred as a result of increased patronage.
- **User charges: Council operated bush camping** - \$0.29m increase due to greater level of occupancy than anticipated in the adopted 2022/2023 budget. It should be noted that additional operating costs have incurred as a result of increased patronage.
- **User charges: YP Leisure Options** - \$42,632 increase to income based on forecasts to year (net positive increase after associated costs increases of \$24,470).
- **Grants, subsidies and contributions: Regional Transport Subsidies Program** - \$31,551 increase due to receipt of subsidy to off-set a portion of costs associated with provision of kerbside recycling services.
- **Grants, subsidies and contributions: Regional Airports Program (Minlaton Airstrip)** – \$0.14m decrease to grant funding due to savings in project costs. Note: related decrease to capital expenditure for project cost savings.
- **Investment income: Interest on deposits** – \$0.35m increase due to higher than anticipated cash balances (result of incomplete 2021/2022 projects rolled into 2022/2023) and significant increases to investment interest rates since the 2022/2023 budget was set.

#### **Operating expenditure**

- **Materials, contracts and other expenses: Diesel fuel** – \$0.18m increase to diesel fuel costs forecast to year end due to sustained price increase exceeding that foreseen at 2022/2023 budget formation.

- **Materials, contracts and other expenses: Contractual maintenance of plant and machinery** – \$0.16m increase to fund vehicle maintenance outsourced to contractors due to difficulty increasing the number of mechanics employed by Council.
- **Materials, contracts and other expenses: Council operated caravan parks** – \$84,871 increase to management fees relating to caravan parks due to increased level of income generated by the parks.

### Capital expenditure

- **New/upgrade: Sealing of North Coast Road (Stage 1)** – \$0.51m increase to fund increase cost following design amendments and project variations (refer attachment – Major capital expenditure adjustments explained).
- **New/upgrade: Regional airports program (Minlaton airstrip)** – \$0.29m decrease due to savings realised in upgrade of the Minlaton airstrip from a gravel surface to a bitumen sealed surface.
- **New/upgrade: Edithburgh stormwater Flooding** – \$44,977 increase to fund completion of both stages 1 and 2 of project including additional allowance required for use of heavy-duty vehicles to undertake rock breaking.
- **Renewal: Heavy vehicle access (Gardner Street and Fowler Terrace, Price)** – \$0.32m increase to fund project variations (refer attachment – Major expenditure adjustments explained).
- **Renewal: Clinton Road (emergency works)** – \$0.24m increase to undertake emergency heavy patching and stabilisation works on Clinton Road (refer attachment – Major capital expenditure adjustments explained).
- **Renewal: Reseal allocation** – \$0.24m decrease to fund Clinton Road (emergency works). Current year budget allocation for reseals able to be redirected to fund unbudgeted works as sealing contractor is unlikely to fulfil complete commitment prior to the end of financial year. Effectively reducing budget to be rolled over into 2023/2024 for reseal program.
- **Renewal: Black Point boat ramp** – \$0.19m decrease due to savings realised in undertaking renewal of Black Point Boat Ramp. Due to savings made on this grant funded project \$93,400 in grant funding received in advance was refunded to the funding body.
- **Renewal: Point Turton Caravan Park (Upper-level amenities)** – \$0.1m increase to budget to increase project budget to the level required to undertake project. Increase funded by bringing forward 2023/2024 Caravan Park Management Framework budget allocation.
- **Renewal: Outdoor workforce vehicle** - \$35,836 increase (net \$25,336 after trade-in) to fund changeover of aged outside worker utility.
- **Renewal: Regional commodity & freight roads** – \$57,727 increase to fund overspend on 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 (refer Attachments 1 - 7).

### Budgeted Capital Expenditure

Council's forecast capital expenditure after this budget review, previously endorsed quarterly reviews and previously adopted projects/budgets rolled over from 2021/2022, is \$25.4m. This includes the initially adopted budget of \$12m to which projects/expenditure rolled over from 2021/2022 worth \$8.3m were added in August 2022. Projects worth a further \$4.4m were added at the quarter one and two budget reviews. An increase of approximately \$0.6m is proposed 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 (refer Attachments 1 - 7).

Of the proposed budget of \$25.4m, \$16.5m is budgeted to be spent on renewal and replacement of existing assets while \$8.9m is budgeted to be spent on upgrade of existing assets and acquisition of new assets.

### **Budgeted Cash Flow & Net Lending/ (Borrowing)**

Following proposed adjustments in this budget review, previously endorsed quarterly budget reviews, roll over expenditure being included in this year's budget and adjustment of opening balances in line with 2021/2022 audited General Purpose Financial Statements, Council's forecast closing cash and cash equivalents as at 30 June 2023 is \$3.8m which is an increase of approximately \$0.6m to the original adopted budget. This increase can be generally attributed to a better than anticipated closing cash position at 2021/2022 year end plus increased cash flows provided through operating activities (\$1.2m) less the increased cash used by investing activities (\$8.9m) and financing activities (\$0.6m).

The proposed end of year Net Borrowing position will decrease by \$0.2m due to adjustments proposed this quarter. However, the original adopted Net Borrowing position of \$1.4m has increased by \$6.6m to \$8.0m over 2022/2023. This is due to budgets rolled over from 2021/2022 majority for grant projects yet to be completed (net impact negative \$3.4m) and net impact of increased to 2022/23 capital project budgets and associated grant income (net impact negative \$3.2m).

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

### **Budgeted Financial Indicators (Ratios)**

As a result of proposed changes in this budget review, previously endorsed September and December quarter adjustments and inclusion of expenditure rolled over from 2021/2022, Council's Financial Indicators have had some movement.

Council's Operating Surplus Ratio is forecast to be 1.8%, an improvement of 2.3% compared to Council's original adopted Budget. The reasons for this have been detailed earlier in this report.

The Net Financial Liabilities Ratio forecast is forecast to be 18.9%, a decline of 3% compared to Council's original adopted Budget. It remains well within Council's LTFP maximum target of 100%.

Council's forecast Asset Renewal Funding Ratio is 67.5%, a 24.5% increase to the original forecast. The increase is primarily due to projects/budgets rolled over from 2021/2022 for completion in 2022/2023. This ratio will be achieved if Council completes all budgeted capital renewal projects in 2022/2023. The forecast ratio is 32.5% lower than Council's 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

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 (refer 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 - March Budget Review 2022-2023** [↓](#) 
2. **Budgeted Statement of Comprehensive Income 2022-2023** [↓](#) 
3. **Budgeted Statement of Financial Position 2022-2023** [↓](#) 
4. **Budgeted Statement of Cash Flows 2022-2023** [↓](#) 
5. **Budgeted Statement of Changes in Equity 2022-2023** [↓](#) 
6. **Budgeted Uniform Presentation of Finances 2022-2023** [↓](#) 
7. **Budgeted Financial Indicators (Ratios) 2022-2023** [↓](#) 
8. **Major Capital Expenditure Adjustments Explained - March Budget Review 2022-2023** [↓](#) 



<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>OPERATING INCOME</b>			
<b>Rates</b>	1	\$ 4,984	Utilise savings in mandatory rebates (allocation not fully utilised) to cover increased accounting services costs (refer note 65)
	2	\$ 14,697	Increase budget for CWMS service charge income based on growth in service charge numbers between budget formation and processing of rates notices.
	3	\$ 32,000	Increase waste management income due to growth in number of services provided and shift to charge for new services via rates notices where possible as opposed to invoicing (reduction to user charges waste income). The balance of increase to waste management income used to increase waste expenditure budget (refer notes 14 and 71).
<b>Statutory Charges</b>	4	\$ 154,562	Net increase adjustment to statutory income budget across multiple Development Services income lines based on conservative forecast to year end result.
<b>User Charges</b>	5	\$ 22,790	Budgeted leased caravan park income increased to reflect actual annual income.
	6	-\$ 3,000	Decrease cemeteries income budget based on forecast year end result.
	7	\$ 287,000	Increase income budget for bush camping based on conservative forecast year end result. Portion of increase to be offset against increased costs in managing bush camping sites such as: additional cleaning, waste collection, bank fees and septic tank and dump point pump outs (refer note 51 and 67).
	8	-\$ 10,000	Reduce boat ramp permits income budget based on conservative forecast to year end result.
	9	\$ 6,583	Increase dog control income budget based on conservative forecast to year end result.
	10	-\$ 600	Decrease septic tank income line based on conservative forecast to year end result.
	11	-\$ 9,200	Decrease rental income for Yorketown Hall and Doctor's residence based on year to date results.
	12	\$ 32,653	YP Leisure Options income budget increase to reflect review of operations and forecast income to year end. A portion of this increased income has been applied to increase associated expenditure budgets (refer note 35 and 59)
	13	\$ 339,486	Increase income budgets across Council operated Caravan Parks to reflect actual income for year to date. Offset in part by increased Caravan Park management fee expenditure (refer note 66).
	14	-\$ 19,000	Decrease waste management income received through user charges to account for change in practice of charging directly for new services via rates notice where possible (refer note 3 and 71).
	15	\$ 22,500	Marion Bay Desalination Plant water sales increased to match forecast year end sales figure. Corresponding increase to Marion Bay Caravan Park water usage (refer note 72).
	16	\$ 7,000	Utilise increase in Point Turton Caravan Park income to cover increased cost of refuse collection due to increase patronage and price increases for waste collection (refer note 73).

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>				
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance	
<b>Grants, subsidies and contributions</b>	17	-\$ 2,796	Decrease grant funding on return of excess Australia Day grant due to cost savings on Australian Day celebrations (refer note 44)	
	18	\$ 20,000	Increase for funding received from SA Water for further water tower mural activity (refer note 53).	
	19	\$ 598	Increase YP Leisure Options grant income budget to reflect actual grant income received to third quarter.	
	20	\$ 31,551	Increase to budget on receipt of transport subsidy funding for waste recycling services. Corresponding increase to waste recycling expenditure budget requested (refer note 61).	
	21	\$ 26,980	Unbudgeted HR subsidies for trainees used to fund increased expenditure on staff training, protective clothing and other HR related activities (refer note 70).	
<b>Investment income</b>	22	\$ 344,379	Increase investment interest budget based on forecast interest to be received to year end.	
<b>Reimbursements</b>	23	\$ 9,600	Increased income on number of building applications to fund additional ICT equipment purchases to assist in building inspections (refer note 91).	
	24	\$ 8,523	Unbudgeted HR trainee subsidy income to be used to fund town hall evacuation map project (refer note 56).	
	25	\$ 9,492	Insurance reimbursement received in relation to jetty damage claim (refer note 49).	
	26	\$ 3,000	Unbudgeted HR income to fund to purchase of new air conditioner for Minlaton Town Hall facility new group room space.	
	27	\$ 25,196	increase development Services reimbursement income budget lines relating to building and development, environmental health, general inspectors, animal and fire control based on forecast to year end.	
	28	\$ 500	Increase reimbursement income in relation to use of Council Halls for year to date.	
	29	\$ 5,500	Unbudgeted reimbursement income received by Council in relation to Edithburgh Rural Zone Code amendment. Reimbursed funds required to be refunded to applicant, corresponding increase to expenditure to reflect refund relevant ratepayer (refer note 55).	
	<b>Other Income</b>	30	\$ 10,000	Increase income budget to account for funding received from LGRS to go towards expenditure on revaluations of buildings and structures (refer note 48).
		31	\$ 5,915	Adjust budget to account for insurance reimbursement for damage repairs to Minlaton Airstrip (refer note 47).
		32	\$ 16,944	Adjust budget to account for insurance reimbursement for damaged jetties (refer note 50).
33		-\$ 200	Decrease community library donation income with corresponding decrease to library expense budget (refer note 57).	
34		\$ 20,699	Unbudgeted Risk income utilised to fund playground inspections and bush fire kits (refer note 70).	
	35	\$ 9,381	Increase YP Leisure Options other income budget to reflect actual donations received to third quarter.	

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
<b>OPERATING EXPENDITURE</b>			
<b>Employee Costs</b>	36	\$ 3,326	Increase protective equipment expenditure, fully funded by increased HR related income (refer note 21).
<b>Materials, contracts &amp; other expenses</b>	37	\$ 4,050	Transfer from caravan park emergency fund budget to Port Rickaby Caravan Park budget fund installation of air-conditioner in Port Rickaby Caravan Park office (refer note 76).
	38	\$ 5,600	Transfer portion caravan park emergency fund budget to Point Turton Caravan Park to address emergency works to amenities (refer note 77).
	39	\$ 17,946	Reallocation of budget for Port Vincent Caravan Park Road Resurfacing to fund electrical works, repainting and recarpeting of managers residence on changeover of park managers (refer notes 78 and 79).
	40	\$ 957	Increase budget for LRCIP Phase 3 Stansbury Cemetery Fence Replacement funded by LRCIP Phase 3 Coastal Management Strategy budget reduction (refer note 92).
	41	\$ 178,800	Increase to diesel fuel budget forecast to year end due to sustained price increase exceeding that foreseen at 2022/2023 budget formation.
	42	\$ 1,646	Increase Port Vincent Caravan Park maintenance budget to fund replacement of failed septic pump. Funded by emergency works budget (refer note 82).
	43	-\$ 22,000	Reclassification of budget for Marion Bay boat ramp detailed design, development and cost plans for anticipated Tender and Stage 2 SABFAC application movement from operating to capital budget (refer note 93).
	44	-\$ 58,768	Decrease budgets across Executive Services for savings in relation to Australia Day Celebrations, 2022 local government elections, seminar and conference travel costs and Star Club officer support due to vacancy in role (refer note 17 and 90).
	45	-\$ 27,000	Reduce roadside weed control budget allocation to fund additional expenditure required to undertake both stage one & two of Edithburgh Stormwater Flooding (Park Terrace) project. Due to seasonal conditions full allocation for roadside weed control had not been expended (refer note 94).
	46	-\$ 17,977	Decrease allocation for stormwater drainage operating budget to fund additional expenditure required to undertake both stage one & two of Edithburgh Stormwater Flooding (Park Terrace) project (refer note 95).
	47	\$ 5,915	Adjust budget to account for insurance reimbursement for damage to Minlaton Airstrip (refer note 31).
	48	\$ 10,000	Increase expenditure budget to account for use of funding received from LGRS relating to partially offset revaluation costs (refer note 30).
	49	\$ 9,492	Increase budget to cover cost to repair damage to jetties, funded by insurance reimbursement (refer note 25).
	50	\$ 16,944	Adjust budget to account for insurance reimbursement for damaged jetties (refer note 32).

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	51	\$ 61,000	Increase bush camping operating expenditure budget to cover additional cleaning, bank fees for online bookings, waste management and septic management requirements due to increased patronage (refer note 7).
	52	-\$ 11,406	Decrease budget for Executive Services to fund purchase of video conferencing units and Teams Licences for Maitland office (refer note 96).
	53	\$ 20,000	Increase water tower mural budget due to receipt of unbudgeted contribution from SA Water towards activity (refer note 18).
	54	-\$ 57,727	Transfer portion of unspent budget allocation for consultants to conduct materials testing on unsealed roads to fund overspend on completed upgrade of Regional Commodity Freight Roads project (refer note 85).
	55	\$ 5,500	Unbudgeted reimbursement to rate payer in relation to rejected Edithburgh Rural Zone Code amendment (refer note 29).
	56	\$ 8,523	Unbudgeted HR trainee subsidy income to be used to fund town hall evacuation map project (refer note 24).
	57	-\$ 200	Decrease community library expenditure due to reduced donation income (refer note 33).
	58	-\$ 22,900	Transfer portion of unspent budget allocation for consultants to conduct materials testing on unsealed roads to fund a portion of overspend on North Coast Road (Stage 1) project (refer note 98).
	59	\$ 16,208	Increase YP Leisure Options operating expenditure budget due to increased service use (refer note 12 and 49).
	60	\$ 22,500	Increase to cleaning contractual budget to assist in covering increased costs in relation to school and public holiday cleaning.
	61	\$ 31,551	Budget increased to account for receipt of transport subsidy for waste recycling services (refer note 20).
	62	\$ 9,008	Increasing adjustment to fund balance of Council contribution to SA Water in relation to mains upgrades at Gardner St & Fowler Tce, Price.
	63	\$ 116,000	Increase to budget to fund vehicle maintenance costs outsourced to contractors due to difficulty securing the employment of a full quota of employed Council mechanics.
	64	\$ 10,000	Increase budget to fund emergency/unforeseen works at Maitland Childcare Facility to meet accreditation standards to operate as childcare facility. Future adjustment may be required once full scope of works has been costed (refer note 89).
	65	\$ 4,984	Increased budget for accounting services subscriptions, ad-hoc legal advice and grant acquittal audit fees, Funded by savings in mandatory rebates (refer note 1).
	66	\$ 84,871	Increase to Caravan Parks to management fees to reflect commission payable on adjusted income (refer note 13).

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	67	\$ 5,800	Increase dump point expenditure budget to cover additional septic management requirements due to increased use (refer note 7).
	68	\$ 14,622	Increase budget to fund unbudgeted increase to vehicle repair and maintenance contribution costs per service agreement with Care in Motion Community Care & Transport.
	69	\$ 1,990	Net increase due to minor adjustments across multiple Development Services budget lines.
	70	\$ 46,582	Increase to various HR and risk related expenditure budgets. Fully funded by increased HR and risk related income (refer notes 21 and 34).
	71	\$ 13,000	Increase to waste collection budget based on overall increase to match increased income (refer note 3 and 14).
	72	\$ 22,500	Increase expenditure line for water use for Marion Bay Caravan Park to match forecast water purchases from Desalination Plant to year end (refer note 15).
	73	\$ 7,000	Increase budget to fund cost of refuse collection increases (refer note 16).
<b>CAPITAL INCOME</b>			
<b>Sale of Renewed/Replaced Assets</b>	74	\$ 10,500	Increase vehicle trade-in income in relation to changeover one outside worker utility vehicle (refer note 87).
<b>Amounts Received Specifically for New/Upgrade Assets</b>	75	-\$ 143,651	Decrease grant income budget in relation to Regional Airports Program Round 1 project to upgrade the Minlaton Airstrip due to completion of the project underbudget. A reduction for the unspent capital component of the project is also to be requested (refer note 100).
<b>CAPITAL EXPENDITURE - RENEWAL</b>			
	76	-\$ 4,050	Transfer portion caravan park emergency fund budget to Port Rickaby Caravan Park budget fund installation of air-conditioner in Port Rickaby Caravan Park office (refer note 37).
	77	-\$ 5,600	Transfer portion caravan park emergency fund budget to Point Turton Caravan Park to address emergency works to amenities (refer note 38).
	78	-\$ 29,310	Reallocation of budget for Port Vincent Caravan Park road resurfacing to fund renewal of park cleaning van and works to managers residence on changeover of park managers works include electrical, painting and carpets (refer note 39).
	79	\$ 11,364	Create budget line to fund renewal of park cleaning van at Port Vincent Caravan Park funded from Port Vincent Caravan Park road resurfacing project (refer note 39).
	80	\$ 3,437	Increased budget for renewal of Stansbury Grandstand funded from Minlaton Town Hall renewal budget (refer note 81).
	81	-\$ 3,437	Reallocate portion of capital budget for Minlaton Town Hall to fund increased expenditure on Stansbury Grandstand (refer note 80).

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	82	-\$ 1,646	Transfer portion caravan park emergency fund budget to Port Vincent Caravan Park budget to fund replacement of failed septic pump (refer note 42).
	83	\$ 237,678	Budget increase to undertake emergency heavy patching and stabilisation works on Clinton Road (refer attachment – Major capital expenditure adjustments explained) (refer note 84).
	84	-\$ 237,678	Decrease to fund Clinton Road (emergency works). Current year budget allocation for reseals able to be redirected to fund unbudgeted works as sealing contractor is unlikely to fulfil complete commitment prior to the end of financial year. Effectively reducing budget to be rolled over into 2023/2024 for reseal program (refer note 83).
	85	\$ 57,727	Increase budget for upgrade of Regional Commodity Freight Roads project funded through transfer of unspent budget allocation for consultants to conduct materials testing on unsealed roads (refer note 54).
	86	-\$ 188,703	Decrease budget due to savings realised in undertaking renewal of Black Point Boat Ramp. Due to savings made on this grant funded project \$93,400 in grant funding received in advance was refunded to the funding body.
	87	\$ 316,769	Gardner St & Fowler Tce, Price increase to fund project variations (refer attachment – Major expenditure adjustments explained).
	88	\$ 35,836	Increase vehicle trade-in income in relation to changeover one outside worker utility vehicle (refer note 74).
	89	\$ 10,000	Increase budget to fund emergency/unforeseen works at Maitland Childcare Facility to meet accreditation standards to operate as childcare facility. Future adjustment may be required once full scope of works has been costed (refer note 64).
	90	\$ 10,108	Adjustment to fund purchase of elected member iPads (12.9" screen opted for over 11" screen). Increase funded by savings in election expenditure budget (refer note 44).
<b>CAPITAL EXPENDITURE - NEW/UPGRADE</b>			
	91	\$ 9,600	Utilise increased building application income in fund additional ICT equipment purchases to assist in building inspections (refer note 23).
	92	-\$ 957	Decrease budget for LRCIP Phase 3 Coastal Management Strategy to fund LRCIP Phase 3 Stansbury Cemetery Fence Replacement (refer note 40).
	93	\$ 37,000	Reclassification and increase to budget for Marion Bay boat ramp detailed design, development and cost plans for anticipated Tender and Stage 2 SABFAC application from operating to capital (refer note 43).
	94	\$ 27,000	Apply budget funds from roadside weed control budget allocation to fund additional expenditure required to undertake both stage one & two of Edithburgh Stormwater Flooding (Park Terrace) project (refer note 45).

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET SUMMARY OF PROPOSED CHANGES - MARCH (QUARTER 3) BUDGET REVIEW</b>			
Type	Note #	Amount Increase/ (Decrease)	Reason for Variance
	95	\$ 17,977	Apply budget funds from stormwater drainage operating budget allocation to fund additional expenditure required to undertake both stage one & two of Edithburgh Stormwater Flooding (Park Terrace) project (refer note 46).
	96	\$ 11,406	Increase budget to fund purchase of video conferencing units and Teams Licences for Maitland office (refer note 52).
	97	\$ 100,000	1m increase to budget to increase project budget to the level required to undertake project. Increase funded by bringing forward 2023/2024 Caravan Park Management Framework budget allocation.
	98	\$ 510,822	North Coast Road (Stage 1) increase budget to fund increased cost following design amendments and project variations (refer attachment – Major capital expenditure adjustments explained)
	99	\$ 1,954	Increase YP Leisure Options capital expenditure budget to fund purchase of iPads.
	100	-\$ 290,674	Decrease capital budget for Regional Airports Program Round 1 Grant Funded Project to upgrade the Minlaton Airstrip to match actual final expenditure (refer note 74).

YORKE PENINSULA COUNCIL 2022/2023 BUDGET BUDGETED STATEMENT OF COMPREHENSIVE INCOME							
	2022/2023 Revised Budget \$('000)	2022/2023 March Budget Adjustments \$('000)	2022/2023 December Budget Adjustments \$('000)	2022/2023 September Budget Adjustments \$('000)	2022/2023 Rolled Over Budget Adjustments \$('000)	2022/2023 Adopted Budget \$('000)	Notes
<b>INCOME</b>							
Rates	25,649	52				25,597	1-3
Statutory Charges	556	155			7	394	4
User Charges	5,317	676				4,641	5-16
Grants, subsidies, contributions	6,714	76	1,930	32	1,109	3,567	17-21
Investment Income	447	345		(1)		103	22
Reimbursements	249	62	20	28		139	23-29
Other Income	196	63	12	13		108	30-35
<b>Total Income</b>	<b>39,128</b>	<b>1,429</b>	<b>1,962</b>	<b>79</b>	<b>1,109</b>	<b>34,549</b>	
<b>EXPENSES</b>							
Employee costs	10,493	3	1	17		10,472	36
Materials, contracts & other expenses	16,481	536	187	74	1,455	14,229	37-73
Depreciation	11,116		1			11,115	
Finance Costs	331		17			314	
<b>Total Expenses</b>	<b>38,421</b>	<b>539</b>	<b>206</b>	<b>91</b>	<b>1,455</b>	<b>36,130</b>	
<b>OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS</b>	<b>707</b>	<b>890</b>	<b>1,756</b>	<b>(12)</b>	<b>(346)</b>	<b>(1,581)</b>	
Amounts received specifically for New or Upgrade assets	5,103	(144)	(667)		5,157	756	75
Asset disposal and fair value adjustments	0					0	
<b>NET SURPLUS/(DEFICIT)</b>	<b>5,810</b>	<b>746</b>	<b>1,089</b>	<b>(12)</b>	<b>4,811</b>	<b>(825)</b>	
<b>Other Comprehensive Income</b>							
Changes in revaluation surplus - IPP&E	0					0	
<b>Total Other Comprehensive Income</b>	<b>0</b>			<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>5,810</b>	<b>746</b>	<b>1,089</b>	<b>(12)</b>	<b>4,811</b>	<b>(825)</b>	

Note: Totals may not add due to rounding



YORKE PENINSULA COUNCIL 2022/2023 BUDGET BUDGETED STATEMENT OF FINANCIAL POSITION							
	2022/2023 Revised Budget \$('000)	2022/2023 March Budget Adjustments \$('000)	2022/2023 December Budget Adjustments \$('000)	2022/2023 September Budget Adjustments \$('000)	2022/2023 Rolled Over Budget Adjustments \$('000)	2022/2023 Adopted Budget \$('000)	Notes
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash & Equivalent Assets	3,791	193	(3,342)	(22)	3,792	3,170	
Trade & Other Receivables	1,908	49	(117)	4	246	1,726	
Inventories	479	15	7	2	31	424	
<b>Total Current Assets</b>	<b>6,178</b>	<b>257</b>	<b>(3,452)</b>	<b>(16)</b>	<b>4,069</b>	<b>5,320</b>	
<b>Non-Current Assets</b>							
Financial Assets	246				1	245	
Infrastructure, Property, Plant & Equipment	290,129	626	4,367	30	(1,310)	286,416	
<b>Total Non-Current Assets</b>	<b>290,375</b>	<b>626</b>	<b>4,367</b>	<b>30</b>	<b>(1,309)</b>	<b>286,661</b>	
<b>Total Assets</b>	<b>296,553</b>	<b>883</b>	<b>915</b>	<b>14</b>	<b>2,760</b>	<b>291,981</b>	
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade & Other Payables	3,715	105	452	21	887	2,250	
Borrowings	1,256		(264)			1,520	
Provisions	2,289		2	1	(56)	2,342	
<b>Total Current Liabilities</b>	<b>7,260</b>	<b>105</b>	<b>188</b>	<b>21</b>	<b>831</b>	<b>6,112</b>	
<b>Non-Current Liabilities</b>							
Trade & Other Payables	98	32	38	3	3	22	
Borrowings	5,805		(399)		(160)	6,364	
Provisions	194		(3)		(23)	220	
<b>Total Non-Current Liabilities</b>	<b>6,097</b>	<b>32</b>	<b>(364)</b>	<b>3</b>	<b>(180)</b>	<b>6,606</b>	
<b>Total Liabilities</b>	<b>13,357</b>	<b>137</b>	<b>(176)</b>	<b>24</b>	<b>651</b>	<b>12,718</b>	
<b>NET ASSETS</b>	<b>283,196</b>	<b>746</b>	<b>1,091</b>	<b>(10)</b>	<b>2,109</b>	<b>279,263</b>	
<b>EQUITY</b>							
Accumulated Surplus	(7,614)	746	1,089	(11)	1,351	(10,789)	
Asset Revaluation Reserve	286,700					286,700	
Other Reserves	4,110				758	3,352	
<b>TOTAL EQUITY</b>	<b>283,196</b>	<b>746</b>	<b>1,089</b>	<b>(11)</b>	<b>2,109</b>	<b>279,263</b>	

Note: Totals may not add due to rounding

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET BUDGETED STATEMENT OF CASH FLOWS</b>							
	2022/2023 Revised Budget \$('000)	2022/2023 March Budget Adjustments \$('000)	2022/2023 December Budget Adjustments \$('000)	2022/2023 September Budget Adjustments \$('000)	2022/2023 Rolled Over Budget Adjustments \$('000)	2022/2023 Adopted Budget \$('000)	<i>Notes</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<i>Receipts</i>							
Operating Receipts	25,471	50	48		(180)	25,553	1-3
Statutory Charges	574	149	3	7	19	396	4
User Charges	5,467	650	36		146	4,635	5-16
Grants, subsidies, contributions	5,709	92	2,437	35	(423)	3,568	17-21
Investment Receipts	446	341			3	102	22
Reimbursements	253	62	20	26	4	141	23-29
Other Income	211	127	47	24	(46)	59	30-35
<i>Payments</i>							
Employee Costs	(10,425)	(3)	27	(15)	22	(10,456)	36
Materials, contracts & other expenses	(16,686)	(504)	(246)	(69)	(1,612)	(14,255)	37-73
Finance Costs	(331)		(17)			(314)	
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>10,689</b>	<b>964</b>	<b>2,355</b>	<b>8</b>	<b>(2,067)</b>	<b>9,429</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<i>Receipts</i>							
Amounts Specifically for New/Upgraded Assets	5,103	(144)	(667)		5,158	756	75
Sale of Renewed/Replaced Assets	448	11			94	343	74
Repayments of Loans by Community Groups	91					91	
<i>Payments</i>							
Expenditure on Renewal/Replacement of Assets	(16,512)	(213)	(359)	22	(4,587)	(11,375)	76-90
Expenditure on New/Upgraded Assets	(8,895)	(424)	(4,008)	(52)	(3,751)	(660)	91-100
<b>Net Cash Provided by (or used in) Investing Activities</b>	<b>(19,764)</b>	<b>(770)</b>	<b>(5,034)</b>	<b>(30)</b>	<b>(3,086)</b>	<b>(10,845)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<i>Receipts</i>							
Proceeds from Borrowings	0		(756)			756	
<i>Payments</i>							
Repayments of Borrowings	(1,229)		92		16	(1,337)	
Repayment of Finance Lease Liabilities	0		1		(1)		
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(1,229)</b>	<b>0</b>	<b>(663)</b>	<b>0</b>	<b>16</b>	<b>(581)</b>	
<b>Net Increase/(Decrease) in cash held</b>	<b>(10,304)</b>	<b>194</b>	<b>(3,342)</b>	<b>(22)</b>	<b>(5,137)</b>	<b>(1,997)</b>	
<b>Opening cash, cash equivalents or (bank overdraft)</b>	<b>14,096</b>		<b>5,443</b>	<b>3,487</b>		<b>5,166</b>	
<b>Closing cash, cash equivalents or (bank overdraft)</b>	<b>3,793</b>	<b>194</b>	<b>2,101</b>	<b>3,465</b>	<b>(5,137)</b>	<b>3,170</b>	

Note: Totals may not add due to rounding

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET BUDGETED STATEMENT OF CHANGES IN EQUITY</b>					
<b>2022/2023 Revised Budget</b>	<b>Accumulated Surplus \$('000)</b>	<b>Asset Revaluation Reserve \$('000)</b>	<b>Other Reserves \$('000)</b>	<b>Total Equity \$('000)</b>	<b>Notes</b>
<b>Balance at end of previous reporting period</b>	(13,424)	286,700	4,110	277,386	
Net Surplus/ Deficit for Year	5,810	0	0	5,810	
<b>Total Comprehensive Income</b>	<b>5,810</b>	<b>0</b>	<b>0</b>	<b>5,810</b>	
<b>Balance at end of period</b>	<b>(7,614)</b>	<b>286,700</b>	<b>4,110</b>	<b>283,196</b>	
<b>2022/2023 Budget Adjustments</b>	<b>Accumulated Surplus \$('000)</b>	<b>Asset Revaluation Reserve \$('000)</b>	<b>Other Reserves \$('000)</b>	<b>Total Equity \$('000)</b>	<b>Notes</b>
<b>Balance at end of previous reporting period</b>	(3,460)	0	758	(2,702)	
Net Surplus/ Deficit for Year	6,635	0	0	6,635	
<b>Total Comprehensive Income</b>	<b>6,635</b>	<b>0</b>	<b>0</b>	<b>6,635</b>	
<b>Balance at end of period</b>	<b>3,175</b>	<b>0</b>	<b>758</b>	<b>3,933</b>	
<b>2022/2023 Adopted Budget</b>	<b>Accumulated Surplus \$('000)</b>	<b>Asset Revaluation Reserve \$('000)</b>	<b>Other Reserves \$('000)</b>	<b>Total Equity \$('000)</b>	<b>Notes</b>
<b>Balance at end of previous reporting period</b>	(9,964)	286,700	3,352	280,088	
Net Surplus/ Deficit for Year	(825)	0	0	(825)	
<b>Total Comprehensive Income</b>	<b>(825)</b>	<b>0</b>	<b>0</b>	<b>(825)</b>	
<b>Balance at end of period</b>	<b>(10,789)</b>	<b>286,700</b>	<b>3,352</b>	<b>279,263</b>	

*Note: Totals may not add due to rounding*

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET BUDGETED UNIFORM PRESENTATION OF FINANCES</b>							
	<b>2022/2023 Revised Budget</b>	<b>2022/2023 March Budget Adjustments</b>	<b>2022/2023 December Budget Adjustments</b>	<b>2022/2023 September Budget Adjustments</b>	<b>2022/2023 Rolled Over Budget Adjustments</b>	<b>2022/2023 Adopted Budget</b>	<b>Notes</b>
Operating Revenues	39,128	1,429	1,962	79	1,109	34,549	1-35
<i>less Operating Expenses</i>	(38,421)	(539)	(206)	(91)	(1,455)	(36,130)	36-73
<b>Operating Surplus/(Deficit) before Capital Amounts</b>	<b>707</b>	<b>890</b>	<b>1,756</b>	<b>(12)</b>	<b>(346)</b>	<b>(1,581)</b>	
<b>Less: Net Outlays on Existing Assets</b>							
Capital Expenditure on Renewal/Replacement of Existing Assets	(16,512)	(213)	(359)	22	(4,587)	(11,375)	76-90
<i>less Depreciation, Amortisation &amp; Impairment</i>	11,116	0	1	0	0	11,115	
<i>less Proceeds from Sale of Replaced Assets</i>	448	11	0	0	94	343	74
	<b>(4,947)</b>	<b>(202)</b>	<b>(358)</b>	<b>22</b>	<b>(4,493)</b>	<b>83</b>	
<b>Less: Net Outlays on New and Upgraded Assets</b>							
Capital Expenditure on New/Upgraded Assets	(8,895)	(424)	(4,008)	(52)	(3,751)	(660)	91-100
<i>less Amounts Specifically for New/Upgraded Assets</i>	5,103	(144)	(667)	0	5,157	756	75
<i>less Proceeds from Sale of Surplus Assets</i>	0	0	0	0	0	0	
	<b>(3,792)</b>	<b>(568)</b>	<b>(4,675)</b>	<b>(52)</b>	<b>1,406</b>	<b>96</b>	
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(8,033)</b>	<b>120</b>	<b>(3,277)</b>	<b>(42)</b>	<b>(3,433)</b>	<b>(1,402)</b>	

*Note: Totals may not add due to rounding*

<b>YORKE PENINSULA COUNCIL 2022/2023 BUDGET BUDGETED FINANCIAL INDICATORS (RATIOS)</b>						
	2022/2023	2022/2023	2022/2023	2022/2023	2022/2023	
	Revised Budget	March Budget Adjustments	December Budget Adjustments	September (including roll overs) Budget Adjustments	Adopted Budget	Notes
Operating Surplus Ratio (OSR)	1.8%	2.3%	4.2%	(0.1%)	(4.6)%	1-73
<i>Operating Surplus - \$'000</i>	<b>707</b>					
<i>Total Operating Income - \$'000</i>	<b>39,128</b>					
Net Financial Liabilities Ratio (NFLR)	18.9%	(1.0%)	(10.0%)	8.0%	21.9%	76-90
<i>Net Financial Liabilities - \$'000</i>	<b>7,412</b>					
<i>Total Operating Income - \$'000</i>	<b>39,128</b>					
Asset Renewal Funding Ratio (ARFR)	67.5%	0.9%	(1.4%)	25.0%	43.0%	76-90
<i>Asset Renewals - \$'000</i>	<b>16,512</b>					
<i>Asset Renewal Commitments per AMP - \$'000</i>	<b>24,470</b>					

Note: Totals may not add due to rounding

**MAJOR CAPITAL EXPENDITURE ADJUSTMENTS EXPLAINED**

**MARCH BUDGET REVIEW 2022-2023**

The table below presents the reasons for major expenditure variations of the following capital projects during the 2022/2023 year to date: North Coast Road (Stage 1); Heavy vehicle access (Gardner Street and Fowler Terrace, Price); and Clinton Road (Emergency Works).

FACT	REASON FOR OVERSPENDING	RESULTANT THIRD QUARTER BUDGET ADJUSTMENT
<b>NORTH COAST ROAD (STAGE 1)</b>		
2022/23 Approved budget \$1,791,823 (added at December Quarter Review)		Third quarter adjustment requested \$510,822 increase.  Total revised budget to be \$2,302,645 (i.e. Accepted tender price + variations)
Accepted tender price \$1,791,823 endorsed by Council at 21 September 2022 meeting.  September 2022 tender for concept design only and as such would need to be updated after detailed design per Council resolution 196/2022.  Note: Detailed design for NCR was completed in December 2022 and revised price for NCR Stage 1 was received 13 January 2023.  Council provided an updated contract and raised a purchase order for \$2,097,015.74 (ex GST) based on final detailed design and September 2022 Council endorsed \$1,791,823 Letter of Acceptance.		

FACT	REASON FOR OVERSPENDING	RESULTANT THIRD QUARTER BUDGET ADJUSTMENT
<p>Variation 1 – \$20,000 (approx.) for fencing pending result of request for quote.</p>	<p>Much of the rural fence line to the north (approximately 1km) was mixed up with vegetation in need of removal as part of the project.</p> <p>Fence removal and replacement was NOT priced in the construction contract. The onsite agreement made was for the contractor to remove fencing and absorb project delays at their cost. Council would incur the fence reinstatement costs.</p>	
<p>Variation 2 – \$76,732</p> <ol style="list-style-type: none"> <li>1. Ch1170 revision to road drainage to drain to the south rather than to the north through coastal reserve and over existing seawall. Note: Crown Lands response to questions and approvals re: drainage remain unanswered. Above interim solution necessitated additional culverts and soakage areas.</li> <li>2. In field provision of HDPE pipe vent of crossroad culvert exit points to ensure drainage at 3 culvert locations.</li> <li>3. Rock breaking at Ch 300 to facilitate culvert crossing of road.</li> </ol>	<p>2022/2023 Delivery program extremely compressed with insufficient time to review detailed design and resolve consultant design oversights before construction. (i.e. detailed design completed late December 2022, contractor repriced detailed design first 2 weeks of 2023, construction contract started end January 2023 to deliver by SLRP deadline of June 2023).</p>	
<p>Design – \$108,897</p> <p>Consultant detailed design and geotechnical analysis for Stages 1-3 to support project development for grant purposes and construction delivery.</p>	<p>Unbudgeted expenditure.</p>	

FACT	REASON FOR OVERSPENDING	RESULTANT THIRD QUARTER BUDGET ADJUSTMENT
<b>HEAVY VEHICLE ACCESS (GARDNER STREET AND FOWLER TERRACE, PRICE)</b>		
2022/2023 Adopted budget \$1,512,000		Third quarter adjustment requested \$316,769 increase.  Total revised budget to be \$2,133,419 (i.e. Accepted tender price + variations).  Total project costs up \$621,419 on original budget. Pursuing additional grant funding at 50% (approx. \$310,700) in relation to cost overrun.
Accepted tender price \$1,816,650, date of Council resolution 21/9/2022 resolution number 196/2022.  December quarter budget adjustment increase budget by \$304,650 per Council resolution 015/2023 dated 08/02/2023.		
Variation 1 - \$36,697.50 Replace existing broken kerb and channel along Gardner Street	Requirement was not picked up in design, is small in nature but was done to present a finished professional complete outcome.	
Variation 2 - \$9,410 Construction of reinforced spoon drain	Not identified in original design.	
Variation 3 - \$4,460 Backfill box culvert crossovers, SEPs and headwalls with cement treated quarry sand due to subgrade flooded with groundwater.		
Variation 4 - \$125,092.30 rock and geotextile bridging platform in place of saturated unsuitable subgrade material in Fowler Terrace.	This was what is known as latent condition whose risk of existence rests with Council.	



FACT	REASON FOR OVERSPENDING	RESULTANT THIRD QUARTER BUDGET ADJUSTMENT
Variation 5 - \$26,430 Extra 2% lime and cement stabilisation to failing subgrade (total area 1800m2).	As above.	
Variation 6 - \$6,162.50 Lower SA Water Cross Over near Price Pub.	Undertaken to ensure profiler and pavement work continued	
Variation 7 – \$6,134.50 Gardner Street surface drain - Effect table drain installation on Gardner Street.	Consultant design did not give enough attention to dealing with roadside table drainage needs and did not pick up utilities in the same locality. The variation work done negated extra expenditure of relocating Telstra and SA Water whilst providing better roadside drainage than was pre-existing and or was shown in consultant detailed design.	
Variation 8 - \$17,352 Gardner Street Intersections Bitumen Removal and Pavement & Spray Seal Works (110m2).	Not identified in original design	
Variation 9 - \$25,030 Remove and replace unsuitable foundation clay subgrade and replace with better quality material over additional depth in the HV tie down area at the end of Fowler Terrace.	This was what is known as latent condition whose risk of existence rests with Council.	
Variation 10- \$60,000 (cost estimate) Additional asphalt work towards the end of Fowler Terrace to deal truck access.	Whilst a pre-existing old stiff sealed surface well integrated into the base course worked at the location in the past, road levels had to change, and the screwing of triaxles have demonstrated that a fresh seal is not likely to last long (i.e. torn seal in places). The best remediation is 50mm of asphalt over milled roughened surface.	

FACT	REASON FOR OVERSPENDING	RESULTANT THIRD QUARTER BUDGET ADJUSTMENT
Variation - \$116,792.50 50% contribution to SA Water for relocation of old SA Water infrastructure in the way of works.	Inadequate information available at time of design and construction to precisely know the extent of this aged pipe risk and quantum until the limited fault rectification resources of SA Water were engaged. Council contributed 50% towards this SA Water work.	Works undertaken on SA Water infrastructure represent are not capital works by Council. Budget overspend funded through existing Assets and Infrastructure department operating budget allocations.
<b>CLINTON ROAD (EMERGENCY WORKS)</b>		
\$237,678- Heavy patching stabilisation after 2022 rains.	Unbudgeted item undertaken at Elected Members request.	Third quarter adjustment requested \$237,678 increase (with corresponding decrease to reseat budget).

**8.4 PROPOSED RATING MODELS 2023/2024****Document #:** 23/51001**Department:** Corporate and Community Services**PURPOSE**

To update the Audit and Risk Committee on indicative capital valuations and rating models for 2023/2024 to raise general rate revenue to fund Council's Annual Business Plan (ABP) and Budget.

**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

5.2 Effective leadership and informed decision making

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

5.4 Seek alternate income streams and ensure financial sustainability

**BACKGROUND**

Council currently raises rates for individual properties based on capital value i.e. value of land plus capital improvements. General rates (excluding service charges for waste collection, water, CWMS and Landscape levy) for a property consist of a fixed charge (\$410) plus a component of rates calculated by multiplying the capital value of the property by the rate in the dollar set by Council. Council has two (2) rates in the dollar - one for residential, commercial, vacant, industrial and other properties, and one for primary production.

**Property Valuations**

Updated property valuation data is provided to Council by the Valuer General (VG) on a weekly basis. The capital valuations for 2023/2024 supplied on 3 March 2023 have been used in calculating the rating model attached to this report. These valuations are only preliminary and final valuations used for setting and adoption of rates are normally received in June each year. Valuations will be formally considered for adoption by Council on Wednesday, 12 July 2023.

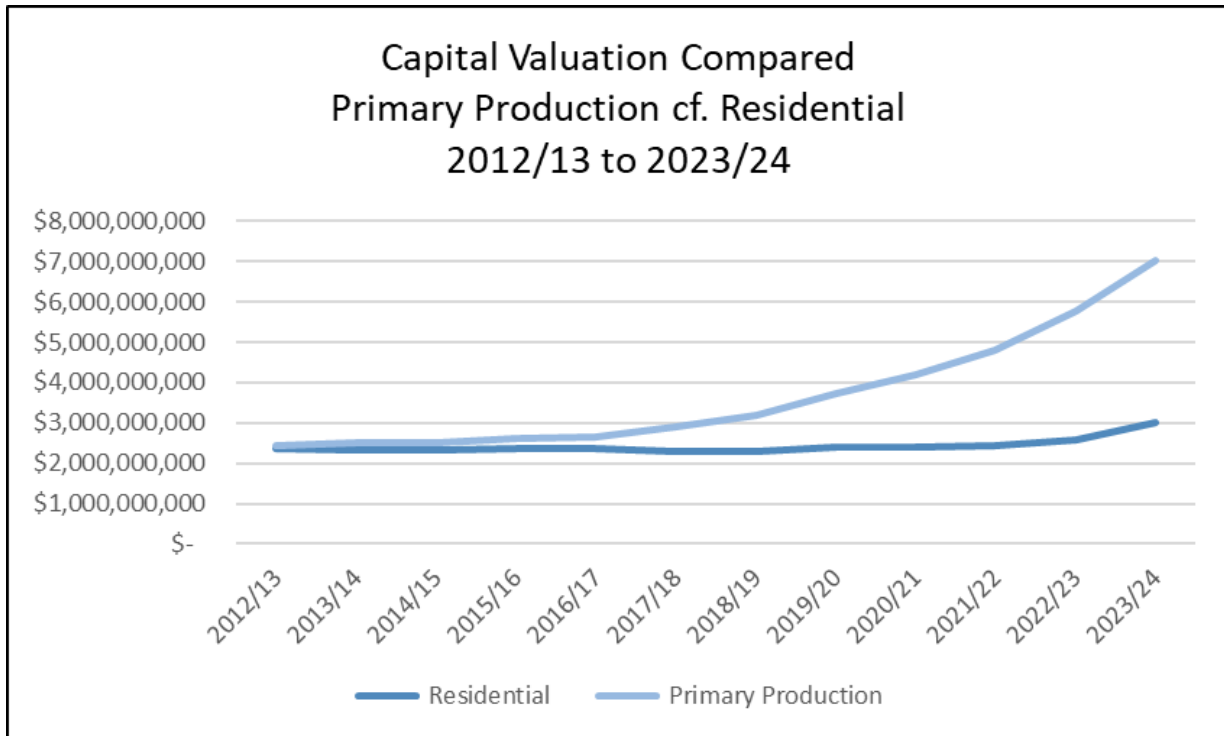
Elected members were provided with nine (9) models at an Information and Briefing Session on Wednesday, 19 April 2023. Following feedback and discussions an eventual four (4) models were then presented to Council for endorsement as their preferred model for raising rate revenue in 2023/24.

At the Special Council Meeting on Wednesday, 24 May 2023, Council endorsed model 4 (refer attachment 9) as the preferred model for raising rate revenue in 2023/2024. The publicly advertised 2023/2024 draft ABP and Budget will be based on the endorsed rating model.

**DISCUSSION**

While capital valuations do not influence the total amount of rates that need to be raised to fund Council's budget to provide services and infrastructure to the Community, they do impact the value of rates contributed by individual ratepayers and various land use categories i.e. Residential, Primary Production etc. Therefore, for the purposes of equity it is important that rates contributed by the ratepayers of a particular land use category in total are generally consistent with the capital valuations for that land use category.

For example, if the Residential land use category is valued at \$3.0b or 28.7% of the total rateable capital valuation (\$10.5b) in the Council area in 2023/2024, it would be fair to assume they should generally contribute at least 28.7% if not more of the total general rate income of \$22.49m required to fund the 2023/2024 Budget. The same equity principle when applied to all land use categories when setting rates in 2023/2024, shows that except for Primary Production and Residential, all other categories generally meet this principle. The inequity between Primary Production and Residential land use categories is not a one-off occurrence and has been more than a decade in the making. This is highlighted in the graph below, which compares the change in property valuations over the last 11 years (primary production growth of 190.4%; residential growth 27.1%). The preliminary valuations for 2023/2024 only increase this inequity.



**Capital Valuation and Rates Paid**

The table below highlights the inequity between valuations and total rates paid by land use as modelled for 2023/2024 based on preliminary valuations received from the VG and selection of Rating model 4 as the preferred model for raising rate revenue in 2023/2024.

Land Use Category	Rates Contribution	Valuations (% of total)	Gap
Residential	51.8%	28.7%	23.1%
Commercial	2.5%	1.4%	1.1%
Industrial	0.4%	0.2%	0.2%
Primary Production	39.5%	67.2%	-27.7%
Vacant Land	4.9%	2.1%	2.8%
Other	0.9%	0.4%	0.5%

From the table and graph above, it is evident that as the Primary Production valuations have increased significantly over the last decade, the total rates contributed by this land use category has remained constant resulting in other land use categories, in particular Residential ratepayers, footing a greater portion of the annual rates increase. The preliminary modelling for 2023/2024 in the table above shows that Primary Production ratepayers make up 67.2% of the total valuations of the Council area, however, will only pay 39.5% of the total general rates income (a gap of -27.7%). Residential ratepayers on the other hand make up 28.7% of the total valuations, however, will pay 51.8% of the total general rates income (a gap of +23.1%).

Based on the indicative capital values for 2023/2024, Primary Production valuations are forecast to increase 21.6% or \$1.25b, while Residential valuations are forecast to increase by 16.2% or \$419.8m, which will only serve to increase this gap and subsequently the inequity between valuations and rates paid across Residential and Primary Production land use categories.

In April 2021, representatives from the South Australian Local Government Grants Commission (SALGGC) presented to Elected Members. In its presentation, the SALGGC provided general information about the operations of the Commission and how Council's annual grant funding is calculated. They also stated that Council's future General Purpose Financial Assistance grant will reduce annually. This is primarily due to Council being paid more than their share in previous years and Council's Primary Production valuations being relatively greater than the State average, hence its increased ability to raise additional rates from Primary Production ratepayers. It is the Commission's view that, based on the formula calculation for Council, Primary Production rates are at least \$10m less than what they should be. Attachment 3 provides a summary of total rateable capital values for similar sized and like councils which at a high level explains the Commission's viewpoint. For the 2022/2023 financial year Yorke Peninsula Council had a total rateable value of \$8.75b and raised \$20.26m, Copper Coast Council's rateable value was roughly half of Yorke Peninsula Council at \$4.36b and raised \$21m, Barossa Council as another example has a rateable value of \$6.38b, nearly \$2.4b less than Yorke Peninsula Council, yet raised approximately \$9.8m more in general rates compared to Yorke Peninsula Council.

Further, in a recently released newsletter the Commission stated the following:

*"In relation to General Purpose Grants, the Commission has continued its recent practice of proactively addressing changes in assessed need for assistance. Councils with increasing relative need have received increases in funding of up to 40% and Councils with decreasing relative need have seen decreases in general purpose grants of between 1% and 10%."*

In line with the above statement, it has been Council's experience since 2016/2017 that the value of the general-purpose component of the financial assistance grant has reduced by an average of 4.5% year on year (attachment 4). In 2022-2023 the value of the general-purpose component of the financial assistance grant was 15% (or \$190,546) less than the prior year. Council has budgeted for further reductions to this grant in response to SALGGC advice.

### **Comparison to Other Councils**

To further highlight the disparity in Rates, especially Primary Production rates, between Yorke Peninsula Council and other similar Councils in South Australia, information has been sourced and compared for a Residential property with capital value of \$450,000 and a Primary Production property with capital value of \$5.0m. The attached tables (Attachment 1 and Attachment 2) clearly show the disparity. Primary Production rates in YPC are significantly lower when compared with the seven other similar Councils. This continuing trend will mean that other land use categories, especially Residential, will have to bear a greater share of future rate increases.

### **Rates Modelling**

As mentioned earlier four (4) models were considered by Council. Each model was developed using the following minimum parameters:

- Preliminary capital valuations received from the VG as at 3 March 2023;
- \$410 fixed charge (unchanged since 2017/2018);

- 3% (approximately \$0.6m) additional increase to total rate income compared to 2022/2023 borne entirely by Primary Production (PP) ratepayers to fund maintenance and renewal of rural roads and intersections and to assist in addressing entrenched inequity which is evident in Council’s historical rating methodology;
- Rate in the \$ adjusted to reflect movements in capital valuations.

	MODEL 1	MODEL 2	MODEL 3	MODEL 4
Increase in total rates income – funded by all ratepayers	5.0% (\$1.01m)	6.0% (\$1.22m)	7.0% (\$1.42m)	8.0% (\$1.62m)
Increase in total rates income – funded by PP ratepayers – in addition to increase above (quarantined for expenditure on rural roads)	3.0% (\$0.61m)	3.0% (\$0.61m)	3.0% (\$0.61m)	3.0% (\$0.61m)
<b>TOTAL INCREASE IN RATES INCOME – COMPARED TO 2022/23</b>	<b>\$1.63m</b>	<b>\$1.83m</b>	<b>\$2.03m</b>	<b>\$2.23m</b>
Total Rates Income Generated	\$21.89m	\$22.09m	\$22.29m	\$22.49m
<b>2023/24 Budget Operating Surplus – Forecast</b>	<b>\$0.12m</b>	<b>\$0.32m</b>	<b>\$0.52m</b>	<b>\$0.72m</b>

Note: totals in table above may not add due to rounding.

Historical movements in the ‘rate in the \$’ for Residential and Primary Production ratepayers reflective of the change in capital valuations can be found in Attachment 5.

Full details regarding the outcomes of the Rates modelling are available in Attachments 6 to 9.

**Capital Valuation Movements 2023/2024**

Preliminary capital valuations supplied by the VG as at 3 March 2023, are shown in the table below. The data shows that total valuations for rateable properties are forecast to increase by 19.5% or \$1.7b with \$1.25b of this increase being for Primary Production.

CAPITAL VALUATION CHANGES - 2023-2024						
LAND USE CATEGORY	2023-2024		2022-2023		VARIATION	
	\$	% of rateable value	\$	% of rateable value	\$	% increase in value
Residential	\$ 3,004,193,010	28.7%	\$ 2,584,402,428	29.5%	\$ 419,790,582	16.2%
Commercial	\$ 150,516,984	1.4%	\$ 141,766,211	1.6%	\$ 8,750,773	6.2%
Industrial	\$ 21,725,543	0.2%	\$ 20,680,756	0.2%	\$ 1,044,787	5.1%
Primary Production	\$ 7,019,018,266	67.1%	\$ 5,770,344,878	65.9%	\$ 1,248,673,388	21.6%
Vacant Land	\$ 217,073,685	2.1%	\$ 194,181,355	2.2%	\$ 22,892,330	11.8%
Other	\$ 41,979,979	0.4%	\$ 38,735,137	0.4%	\$ 3,244,842	8.4%
<b>Total Rateable</b>	<b>\$ 10,454,507,467</b>	<b>100%</b>	<b>\$ 8,750,110,765</b>	<b>100%</b>	<b>\$ 1,704,396,702</b>	<b>19.5%</b>
Non-rateable*	\$ 166,901,293	1.6%	\$ 161,627,175	1.5%	\$ 5,274,118	3.3%
<b>Total Valuations</b>	<b>\$ 10,621,408,760</b>		<b>\$ 8,911,737,940</b>		<b>\$ 1,709,670,820</b>	<b>19.2%</b>

\* Proportion of total valuation provided for non-rateable land as opposed to proportion of rateable valuations per all other categories.

On closer examination of the valuations in the table above, the following changes are worth noting:

- Primary Production valuations have increased by approximately 21.6% or \$1.25b equating to 73% of the total valuation increase based on recent land sales in the area and some subdivision of land.
- Residential properties have experienced an overall increase of 16.2% or approximately \$419.8m impacted by the significant increase in the property market and subsequent value of land.
- Commercial property valuations have increased \$8.8m or 6.2% rebounding due to initial positive economic conditions following prior negative impacts of COVID restrictions.
- Vacant land is forecast to increase in value by 11.8% or \$22.9m.
- Other property valuations experienced an 8.4% increase due to reclassification from vacant land to reflect houses under construction and not quite at the stage to be classified as residential.

It should also be noted that the total General Rates income required to fund the ABP and Budget in 2023/2024 is approximately \$22.49m (11.0% or \$2.23m more than 2022/2023) and is not set by area or land use category. It is set as the total amount to be generated from all ratepayers in the entire Council area, to ensure that Council can deliver services and provide infrastructure in line with its ABP, Long Term Financial Plan (LTFP), Strategic Management Plan and Asset Management Plan (AMP).

Changes in capital valuations do not influence the overall increase to total general rates required to be raised. Changes in capital valuations do however, impact individual rates calculated. Capital valuations are set by the VG and not by Council.

As stated earlier, further valuation updates will be received from the VG between the time of preparing this report and when Council adopts valuations and declares rates in early July 2023. This additional information may result in variations to the information presented in this report. Any significant changes will be brought to Elected Members' attention prior to adoption of capital valuations and setting of rates for 2023/2024. The total amount of general rate revenue to be raised for 2023/2024 will remain unchanged.

## **COMMUNITY ENGAGEMENT PLAN**

Level 2 - Consult

### **CONSULTATION PROCESS**

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

- Chief Executive Officer
- Senior Rates Officer
- Manager Financial Services
- Financial Management Accountant

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

- Valuer General

### **POLICY IMPLICATIONS**

Long Term Financial Plan 2024-2033

### **BUDGET AND RESOURCE IMPLICATIONS**

Budget implications associated with each of the four rating models presented in this report are detailed in the body of the report and its attachments. Council's current draft ABP and Budget are based on endorsement of rating model 4. Selection of an alternative rating model (rating model 1, 2 and 3) will weaken Council's financial performance.










**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Failure to raise the required level of rate income may result in Council being unable to fund the services and infrastructure in Council's proposed 2023/2024 draft ABP and Budget. This will most likely lead to the inability of Council to meet its financial sustainability targets as presented in its LTFP.

**ATTACHMENTS**

1. **Residential Rates Comparison 2022-2023** [↓](#) 
2. **Primary Production Rates Comparison 2022-2023** [↓](#) 
3. **Total Rateable Capital Values Summary 2022-2023** [↓](#) 
4. **Financial Assistance Grants (General Purpose Component) 2016-2017 to 2023-2024 (Forecast)** [↓](#) 
5. **'Rate in the \$' - Historical Analysis** [↓](#) 
6. **Attachment - Rating Model 1 - 8.0% Total General Rate Increase - 2023-2024** [↓](#) 
7. **Attachment - Rating Model 2 - 9.0% Total General Rate Increase - 2023-2024** [↓](#) 
8. **Attachment - Rating Model 3 - 10.0% Total General Rate Increase - 2023-2024** [↓](#) 
9. **Attachment - Rating Model 4 - 11.0% Total General Rate Increase - 2023-2024** [↓](#) 



## Residential Rates Comparison 2022/23 Financial Year

Council	Rate in the \$	Fixed Charge	Waste Collection	CWMS	General Rates on Res with CV \$450,000	Landscape Levy	Total Rates on a house worth \$450,000
Port Pirie Regional Council	0.00439300	\$565.00	\$258.00	\$478.00	\$1,976.85	\$78.66	<b>\$3,356.51</b>
Wakefield Regional Council	0.00410260	\$350.00	\$280.00	\$529.00	\$1,846.17	\$60.93	<b>\$3,066.10</b>
Adelaide Plains Council	0.00440940	\$123.20	\$172.00	\$692.00	\$1,984.23	\$36.92	<b>\$3,008.35</b>
Clare & Gilbert Valleys Council	0.00485300	\$0.00	\$225.00	\$465.00	\$2,183.85	\$68.18	<b>\$2,942.03</b>
Light Regional Council	0.00434200	\$0.00	\$323.00	\$580.00	\$1,953.90	\$37.62	<b>\$2,894.52</b>
Copper Coast Council	0.00292300	\$631.00	\$0.00	\$544.00	\$1,315.35	\$68.40	<b>\$2,558.75</b>
Barossa Council	0.00326500	\$400.00	\$247.00	\$362.00	\$1,469.25	\$39.56	<b>\$2,517.81</b>
<b>Yorke Peninsula Council</b>	<b>0.00277166</b>	<b>\$410.00</b>	<b>\$235.00</b>	<b>\$547.00</b>	<b>\$1,247.25</b>	<b>\$61.59</b>	<b>\$2,500.84</b>
Barunga West Council	0.00322000	\$394.00	\$0.00	\$500.00	\$1,449.00	\$54.90	<b>\$2,397.90</b>

# Primary Production Rates Comparison 2022/23 Financial Year

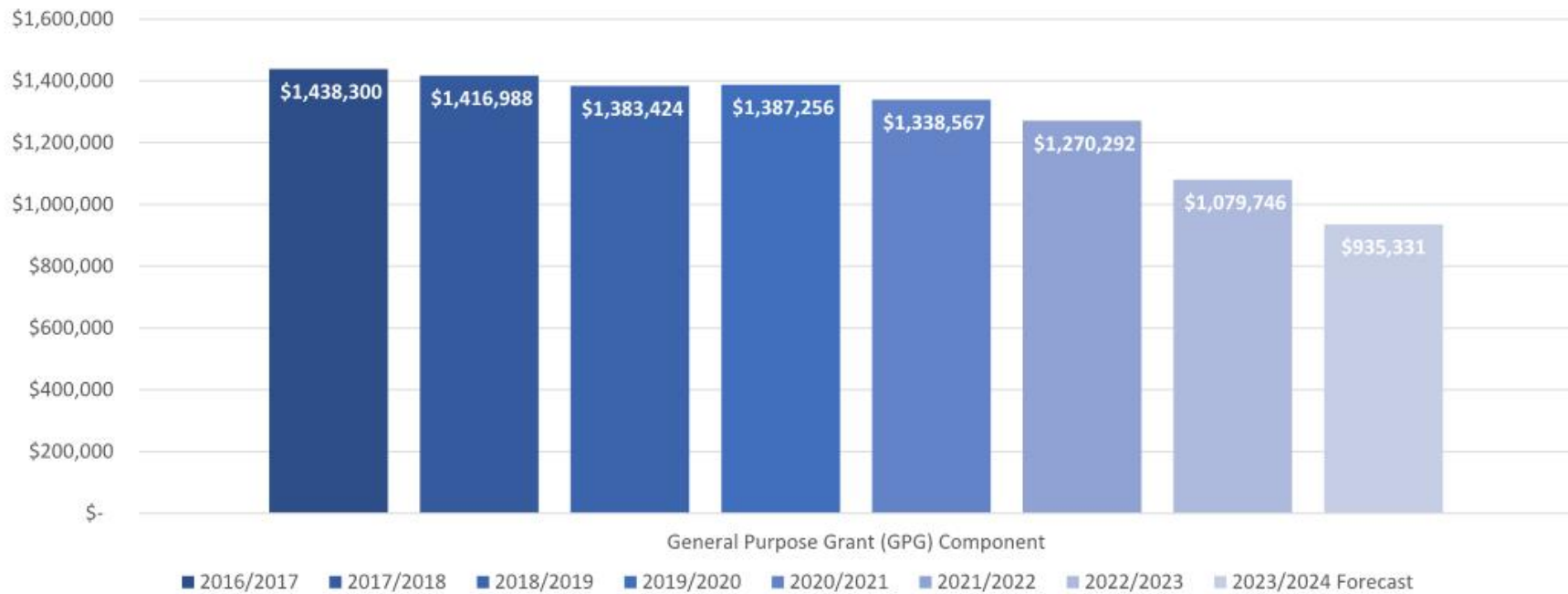
Council	Rate in the \$	Fixed Charge	Rates on PP with CV \$5,000,000	Landscape Levy	Total Rates on a Primary Production property worth \$5million
Adelaide Plains Council	0.00400865	\$123.20	\$20,043.25	\$410.20	\$20,576.65
Light Regional Council	0.00334300	\$0.00	\$16,715.00	\$418.05	\$17,133.05
Barossa Council	0.00323500	\$400.00	\$16,175.00	\$439.50	\$17,014.50
Clare & Gilbert Valleys Council	0.00275410	\$0.00	\$13,770.50	\$757.55	\$14,528.05
Copper Coast Council	0.00252600	\$631.00	\$12,630.00	\$760.00	\$14,021.00
Port Pirie Regional Council	0.00243800	\$565.00	\$12,190.00	\$874.00	\$13,629.00
Wakefield Regional Council	0.00247121	\$350.00	\$12,353.05	\$679.95	\$13,383.00
Barunga West Council	0.00162500	\$394.00	\$8,125.00	\$610.00	\$9,129.00
<b>Yorke Peninsula Council</b>	<b>0.00122610</b>	<b>\$410.00</b>	<b>\$6,130.50</b>	<b>\$684.35</b>	<b>\$7,224.85</b>

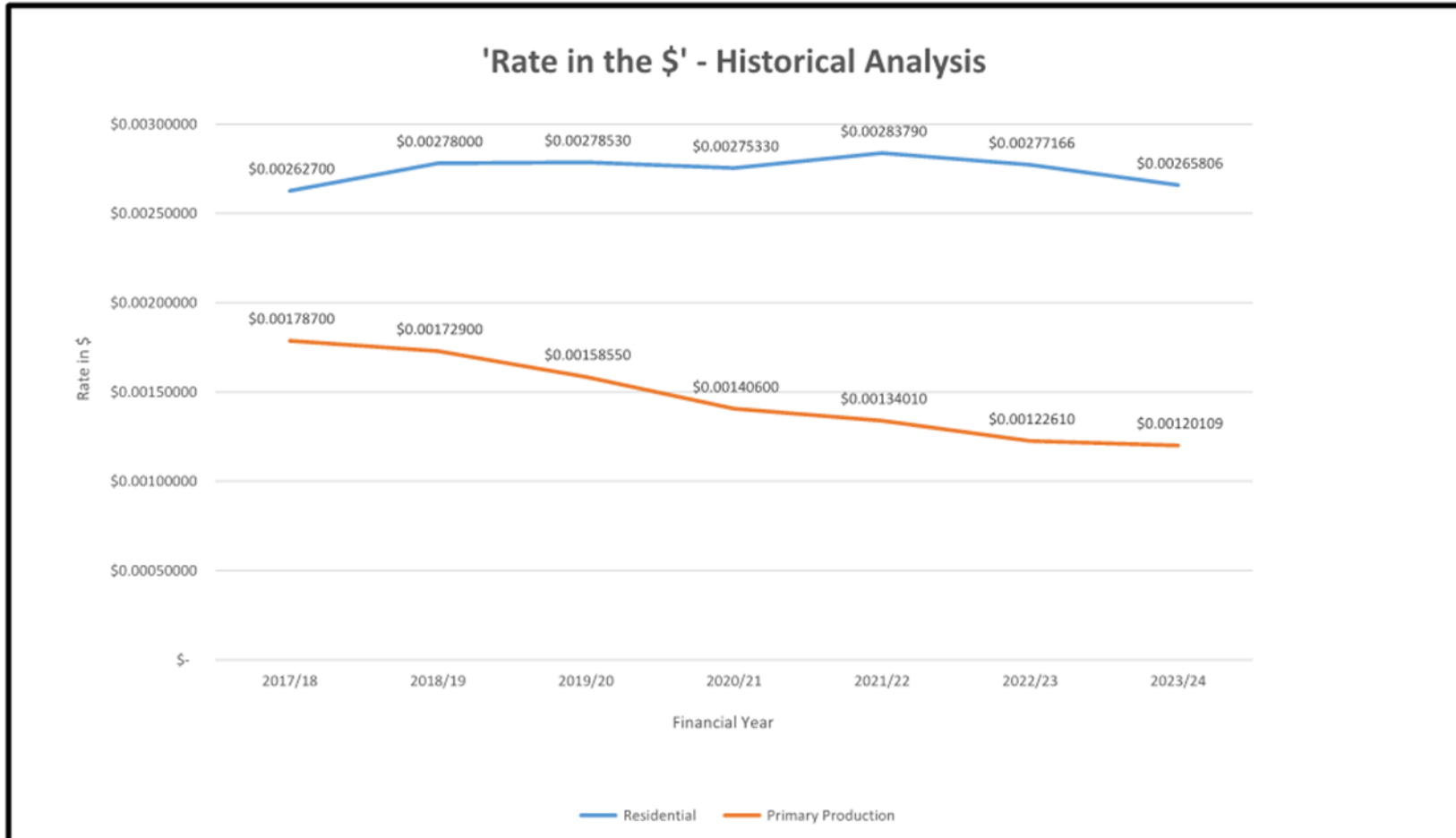
# Total Rateable Capital Values 2022/23 Financial Year Summary

Council region	Rateable Land Value	Rates Raised
Yorke Peninsula Council	\$8.75B	\$20.26m
Barossa Council	\$6.38B	\$30.08m
Copper Coast Council	\$4.36B	\$21.00m
Light Regional Council	\$4.28B	\$22.27m
Clare & Gilbert Valleys Council	\$3.43B	\$12.57m
Wakefield Regional Council	\$3.00B	\$9.84m
Port Pirie Regional Council	\$2.73B	\$20.30m
Adelaide Plains Council	\$2.41B	\$11.00m
Barunga West Council	\$1.9B	\$5.44m



# Financial Assistance Grants 2016/17 to 2023/24





**RATING MODEL 1 - 2023-2024 - 8.0% TOTAL GENERAL RATE INCREASE**

Option 1				2022/23 Raised					2023/24 Proposed Rates					Variance							
Rate Increase		5.0% 3.0%		# Fixed Charges at \$410	Rates from Fixed Charges	Rates from Cents in \$	Total Rates income	Percentage of overall Rates	# Fixed Charges at \$410	Rates from Fixed Charges	Cents on \$	Rates from Cents in \$	Total Rates income	Increase in Total Rates	Increase in Total Rates	Percentage of overall Rates	Percentage change to Total Rates Paid	Number of Rateable Assessments	Avg increase per assessment	Avg Rates	
Primary Production	Additional Increase	CV 2022/23	CV 2023/24 @ current																		CV % Inc
Land Use	CV 2022/23	CV 2023/24 @ current																			
Non Rateable	\$ 161,627,175	\$ 166,901,293	3.26%				-														
Residential	\$ 2,584,402,428	\$ 3,004,193,010	16.24%	8,910	3,653,100	7,163,085	10,816,184.83	53.4%	8,917	\$ 3,655,970	0.256278714	\$ 7,699,107.21	11,355,077	538,892	4.98%	51.88%	-1.51%	9,005	\$ 60	\$ 1,261	
Commercial	\$ 141,766,211	\$ 150,516,984	6.17%	420	172,200	392,928	565,127.74	2.8%	422	\$ 173,020	0.256278714	\$ 385,742.99	558,763	6,365	-1.13%	2.55%	-0.24%	468	-\$ 14	\$ 1,194	
Industry	\$ 20,680,756	\$ 21,725,543	5.05%	54	22,140	57,320	79,460.02	0.4%	54	\$ 22,140	0.256278714	\$ 55,677.94	77,818	1,642	-2.07%	0.36%	-0.04%	62	-\$ 26	\$ 1,255	
Primary Production	\$ 5,770,344,878	\$ 7,019,018,266	21.64%	1,128	462,480	7,075,020	7,537,499.85	37.2%	1,126	\$ 461,660	0.116114045	\$ 8,150,066.05	8,611,726	1,074,226	14.25%	39.35%	2.14%	2,860	\$ 376	\$ 3,011	
Vacant	\$ 194,181,355	\$ 217,073,685	11.79%	1,269	520,290	538,205	1,058,494.69	5.2%	1,285	\$ 526,850	0.256278714	\$ 556,313.65	1,083,164	24,669	2.33%	4.95%	-0.28%	1,507	\$ 16	\$ 719	
Other	\$ 38,735,137	\$ 41,979,979	8.38%	227	93,070	107,361	200,430.63	1.0%	226	\$ 92,660	0.256278714	\$ 107,585.75	200,246	185	-0.09%	0.91%	-0.07%	248	-\$ 1	\$ 807	
<b>TOTAL</b>	<b>\$ 8,911,737,940</b>	<b>\$ 10,621,408,760</b>	<b>19.18%</b>	<b>12,008</b>	<b>4,923,280</b>	<b>15,333,918</b>	<b>20,257,198</b>	<b>100%</b>	<b>12,030</b>	<b>\$ 4,932,300</b>		<b>16,954,494</b>	<b>21,886,794</b>	<b>1,629,596</b>	<b>8.04%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>14,150</b>			

**RATING MODEL 2 - 2023-2024 - 9.0% TOTAL GENERAL RATE INCREASE**

Option 2			2022/23 Raised						2023/24 Proposed Rates					Variance					
Rate Increase	6.0%	CV % Inc	# Fixed Charges at \$410	Rates from Fixed Charges	Rates from Cents in \$	Total Rates income	Percentage of overall Rates	# Fixed Charges at \$410	Rates from Fixed Charges	Cents on \$	Rates from Cents in \$	Total Rates income	Increase in Total Rates	Increase in Total Rates	Percentage of overall Rates	Percentage change to Total Rates Paid	Number of Rateable Assessments	Avg increase per assessment	Avg Rates
Primary Production Additional Increase	3.0%																		
Land Use	CV 2022/23	CV 2023/24 @ current																	
Non Rateable	\$ 161,627,175	\$ 166,901,293	3.26%				-												
Residential	\$ 2,584,402,428	\$ 3,004,193,010	16.24%	8,910	3,653,100	7,163,085	10,816,184.83	53.4%	8,917	\$ 3,655,970	0.259454562	\$ 7,794,515.82	11,450,486	634,301	5.86%	51.84%	-1.56%	9,005	\$ 70 \$ 1,272
Commercial	\$ 141,766,211	\$ 150,516,984	6.17%	420	172,200	392,928	565,127.74	2.8%	422	\$ 173,020	0.259454562	\$ 390,523.18	563,543	1,585	-0.28%	2.55%	-0.24%	468	-\$ 3 \$ 1,204
Industry	\$ 20,680,756	\$ 21,725,543	5.05%	54	22,140	57,320	79,460.02	0.4%	54	\$ 22,140	0.259454562	\$ 56,367.91	78,508	952	-1.20%	0.36%	-0.04%	62	-\$ 15 \$ 1,266
Primary Production	\$ 5,770,344,878	\$ 7,019,018,266	21.64%	1,128	462,480	7,075,020	7,537,499.85	37.2%	1,126	\$ 461,660	0.117445657	\$ 8,243,532.10	8,705,192	1,167,692	15.49%	39.41%	2.20%	2,860	\$ 408 \$ 3,044
Vacant	\$ 194,181,355	\$ 217,073,685	11.79%	1,269	520,290	538,205	1,058,494.69	5.2%	1,285	\$ 526,850	0.259454562	\$ 563,207.58	1,090,058	31,563	2.98%	4.93%	-0.29%	1,507	\$ 21 \$ 723
Other	\$ 38,735,137	\$ 41,979,979	8.38%	227	93,070	107,361	200,430.63	1.0%	226	\$ 92,660	0.259454562	\$ 108,918.97	201,579	1,148	0.57%	0.91%	-0.08%	248	\$ 5 \$ 813
<b>TOTAL</b>	<b>\$ 8,911,737,940</b>	<b>\$ 10,621,408,760</b>	<b>19.18%</b>	<b>12,008</b>	<b>4,923,280</b>	<b>15,333,918</b>	<b>20,257,198</b>	<b>100%</b>	<b>12,030</b>	<b>\$ 4,932,300</b>		<b>17,157,066</b>	<b>22,089,366</b>	<b>1,832,168</b>	<b>9.04%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>14,150</b>	

**RATING MODEL 3 - 2023-2024 - 10.0% TOTAL GENERAL RATE INCREASE**

Option 3			2022/23 Raised						2023/24 Proposed Rates					Variance						
Rate Increase	7.0%	CV % Inc	# Fixed Charges at \$410	Rates from Fixed Charges	Rates from Cents in \$	Total Rates income	Percentage of overall Rates	# Fixed Charges at \$410	Rates from Fixed Charges	Cents on \$	Rates from Cents in \$	Total Rates income	Increase in Total Rates	Increase in Total Rates	Percentage of overall Rates	Percentage change to Total Rates Paid	Number of Rateable Assessments	Avg increase per assessment	Avg Rates	
Primary Production Additional Increase	3.0%																			
Land Use	CV 2022/23	CV 2023/24 @ current																		
Non Rateable	\$ 161,627,175	\$ 166,901,293	3.26%				-													
Residential	\$ 2,584,402,428	\$ 3,004,193,010	16.24%	8,910	3,653,100	7,163,085	10,816,184.83	53.4%	8,917	\$ 3,655,970	0.262630411	\$ 7,889,924.44	11,545,894	729,710	6.75%	51.79%	-1.60%	9,005	\$ 81	\$ 1,282
Commercial	\$ 141,766,211	\$ 150,516,984	6.17%	420	172,200	392,928	565,127.74	2.8%	422	\$ 173,020	0.262630411	\$ 395,303.37	568,323	3,196	0.57%	2.55%	-0.24%	468	\$ 7	\$ 1,214
Industry	\$ 20,680,756	\$ 21,725,543	5.05%	54	22,140	57,320	79,460.02	0.4%	54	\$ 22,140	0.262630411	\$ 57,057.88	79,198	-262	-0.33%	0.36%	-0.04%	62	\$ 4	\$ 1,277
Primary Production	\$ 5,770,344,878	\$ 7,019,018,266	21.64%	1,128	462,480	7,075,020	7,537,499.85	37.2%	1,126	\$ 461,660	0.118777268	\$ 8,336,998.16	8,798,658	1,261,158	16.73%	39.47%	2.26%	2,860	\$ 441	\$ 3,076
Vacant	\$ 194,181,355	\$ 217,073,685	11.79%	1,269	520,290	538,205	1,058,494.69	5.2%	1,285	\$ 526,850	0.262630411	\$ 570,101.51	1,096,952	38,457	3.63%	4.92%	-0.30%	1,507	\$ 26	\$ 728
Other	\$ 38,735,137	\$ 41,979,979	8.38%	227	93,070	107,361	200,430.63	1.0%	226	\$ 92,660	0.262630411	\$ 110,252.19	202,912	2,482	1.24%	0.91%	-0.08%	248	\$ 10	\$ 818
<b>TOTAL</b>	<b>\$ 8,911,737,940</b>	<b>\$ 10,621,408,760</b>	<b>19.18%</b>	<b>12,008</b>	<b>4,923,280</b>	<b>15,333,918</b>	<b>20,257,198</b>	<b>100%</b>	<b>12,030</b>	<b>\$ 4,932,300</b>		<b>17,359,638</b>	<b>22,291,938</b>	<b>2,034,740</b>	<b>10.04%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>14,150</b>		



**RATING MODEL 4 - 2023-2024 - 11.0% TOTAL GENERAL RATE INCREASE**

Option 4			2022/23 Raised						2023/24 Proposed Rates					Variance					
Rate Increase	8.0%	3.0%	# Fixed Charges at \$410	Rates from Fixed Charges	Rates from Cents in \$	Total Rates income	Percentage of overall Rates	# Fixed Charges at \$410	Rates from Fixed Charges	Cents on \$	Rates from Cents in \$	Total Rates income	Increase in Total Rates	Increase in Total Rates	Percentage of overall Rates	Percentage change to Total Rates Paid	Number of Rateable Assessments	Avg increase per assessment	Avg Rates
Primary Production Additional Increase	CV 2022/23	CV 2023/24 @ current																	
Land Use	CV 2022/23	CV 2023/24 @ current																	
Non Rateable	\$ 161,627,175	\$ 166,901,293	3.26%																
Residential	\$ 2,584,402,428	\$ 3,004,193,010	16.24%	8,910	3,653,100	7,163,085	10,816,184.83	53.4%	8,917	\$ 3,655,970	0.265806259	\$ 7,985,333.05	11,641,303	825,118	7.63%	51.75%	-1.64%	9,005	\$ 92 \$ 1,293
Commercial	\$ 141,766,211	\$ 150,516,984	6.17%	420	172,200	392,928	565,127.74	2.8%	422	\$ 173,020	0.265806259	\$ 400,083.56	573,104	7,976	1.41%	2.55%	-0.24%	468	\$ 17 \$ 1,225
Industry	\$ 20,680,756	\$ 21,725,543	5.05%	54	22,140	57,320	79,460.02	0.4%	54	\$ 22,140	0.265806259	\$ 57,747.85	79,888	428	0.54%	0.36%	-0.04%	62	\$ 7 \$ 1,289
Primary Production	\$ 5,770,344,878	\$ 7,019,018,266	21.64%	1,128	462,480	7,075,020	7,537,499.85	37.2%	1,126	\$ 461,660	0.12010888	\$ 8,430,464.21	8,892,124	1,354,624	17.97%	39.53%	2.32%	2,860	\$ 474 \$ 3,109
Vacant	\$ 194,181,355	\$ 217,073,685	11.79%	1,269	520,290	538,205	1,058,494.69	5.2%	1,285	\$ 526,850	0.265806259	\$ 576,995.44	1,103,845	45,351	4.28%	4.91%	-0.32%	1,507	\$ 30 \$ 732
Other	\$ 38,735,137	\$ 41,979,979	8.38%	227	93,070	107,361	200,430.63	1.0%	226	\$ 92,660	0.265806259	\$ 111,585.41	204,245	3,815	1.90%	0.91%	-0.08%	248	\$ 15 \$ 824
<b>TOTAL</b>	<b>\$ 8,911,737,940</b>	<b>\$ 10,621,408,760</b>	<b>19.18%</b>	<b>12,008</b>	<b>4,923,280</b>	<b>15,333,918</b>	<b>20,257,198</b>		<b>12,030</b>	<b>\$ 4,932,300</b>		<b>17,562,210</b>	<b>22,494,510</b>	<b>2,237,312</b>	<b>11.04%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>14,150</b>	

**8.5 EXTERNAL AUDITOR AUDIT PLAN 2022/2023****Document #:** 23/51222**Department:** Corporate and Community Services**PURPOSE**

To inform the Audit and Risk Committee with regards to the External Auditor's audit plan for the 2022/2023 financial year ended 30 June 2023.

**RECOMMENDATION**

That the report be received.

**LINK TO STRATEGIC PLAN****Goal:** 5 Responsible Governance**Strategy:** 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**

Council's External Auditors, Bentleys, have commenced Council's interim (internal control environment) audit providing Council staff with access to an online portal to facilitate transfer of requested information and through attendance at the Maitland Office between 26 to 28 April 2023 to conduct face-to-face discussions. An interim management letter will be provided to the Committee at the 29 August 2023 meeting.

Audit of Council's general purpose financial statements is scheduled for 25 to 28 September 2023 at Council's Maitland office.

**DISCUSSION**

The attached document (Attachment 1) from Bentleys outlines the key considerations, scope, audit approach, identified risks, engagement team and audit timetable in relation to the audit of Council's 2022/2023 general purpose financial statements and internal control environment.

**COMMUNITY ENGAGEMENT PLAN**

Level 1 - Inform

**CONSULTATION PROCESS**

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

- Manager Financial Services

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

- Bentleys SA Audit Partnership

**POLICY IMPLICATIONS**

Audit Committee Terms of Reference and Work Plan

**BUDGET AND RESOURCE IMPLICATIONS**

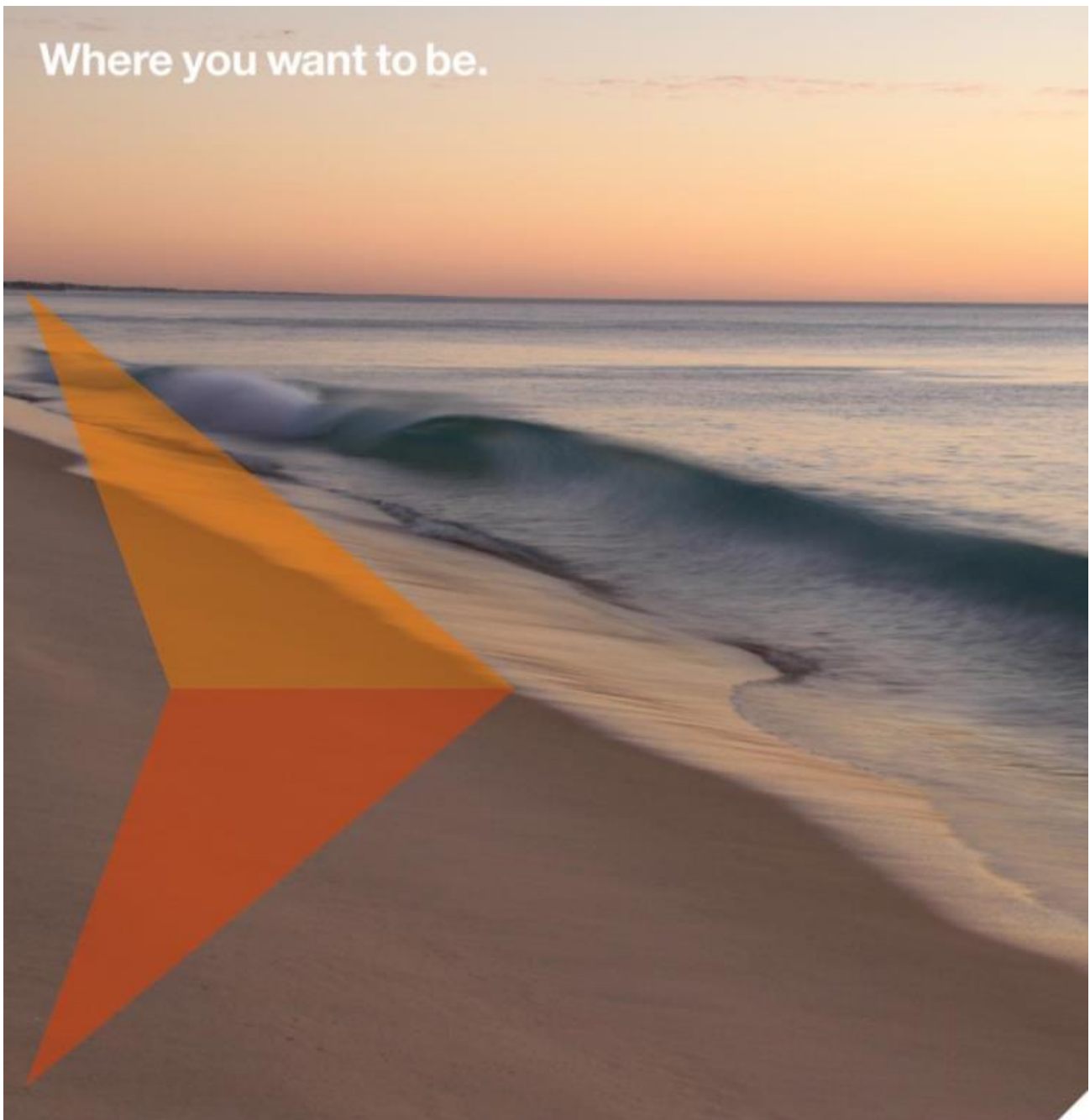
Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Not having adequate documentation as requested by the Auditors to undertake the audit may result in a delay in finalisation of the Annual Financial Statements.

**ATTACHMENTS**

1. **External Auditor - Audit Plan 2022/2023** [↓](#) 



**May 2023**

## Yorke Peninsula Council

Audit plan

David Papa, Partner  
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Telephone +61 8 8372 7900  
[dpapa@adel.bentleys.com.au](mailto:dpapa@adel.bentleys.com.au) | [bentleys.com.au](http://bentleys.com.au)

➤ Advisors    ➤ Accountants    ➤ Auditors

Yorke Peninsula Council // May 2023

## Executive summary

We are providing our key considerations for the audit of Yorke Peninsula Council for the year ending 30 June 2023.

Dear Mr Rob Reiman,

We have set out the key considerations in relation to our audit of Yorke Peninsula Council for the year ended 30 June 2023.

The scope of our work is as follows:

- Audit of the general purpose financial statements of the Council for 2023 in accordance with financial reporting requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.
- Audit of the internal control environment with the view of forming and publishing an opinion. This will include management's monitoring, assessment and implementation of controls.

We have set out our audit approach, the risks of material misstatement, the audit engagement team and timetable for the audit.

Sincerely,



David Papa

Partner, Business Advancement and Assurance  
+61 8 8372 7900  
[dpapa@adel.bentleys.com.au](mailto:dpapa@adel.bentleys.com.au)





Yorke Peninsula Council // May 2023

**Audit objective**

The overall objective of the audit is to express an opinion on the following two items per Section 129 of the Local Government Act 1999 which states:

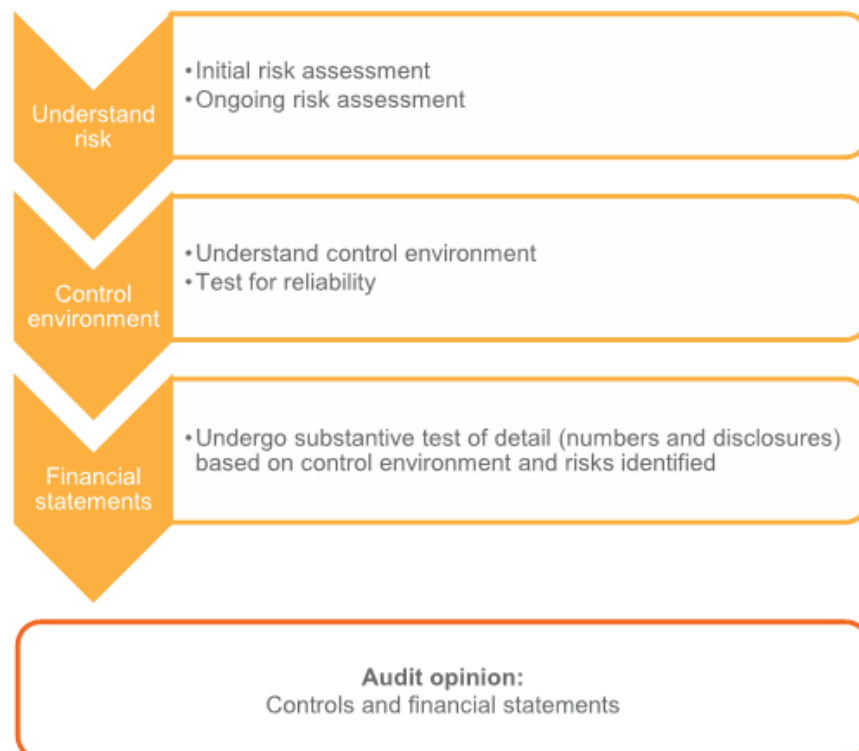
1. The auditor of a council must undertake an audit of:
  - a) the council's financial statements within a reasonable time after the statements are referred to the auditor for the audit (and, in any event, unless there is a good reason for a longer period, within 2 months after the referral), and
  - b) the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

**Audit approach**

Helping businesses achieve their goals and aspirations.

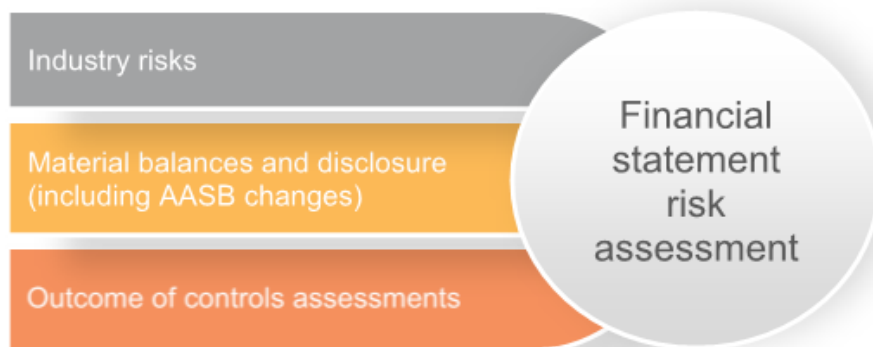
Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target "risk based" approach. This approach identified which key business areas we will focus on more during the audit for that financial year. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



### Financial Statement Risk Assessment Process

The key to our tailored audit approach is our risk identification methodology. We draw on our sector knowledge, understanding of your business (control) environment, technical training and years of audit experience to identify risks and design and develop a testing plan to provide you assurance.



Whilst we undertake a detailed risk assessment at the planning phase of our audits to design the audit plan for the reporting year, risk is an ongoing consideration throughout the audit process and will be assessed up until the day of signing our audit report.





**Outstanding Management Letter points**

Here we list the issues identified from previous engagements still to be cleared.

Listed below are issues identified from the previous auditor’s engagement which may not have been addressed.

**Area**

Outdated council order procedure

**Risk**

We note your response that new roles and delegations are updated in Civica Authority. However, outdated policies/procedures may result in newer staff members being provided with inaccurate council documents during their induction process.

**Status at conclusion of previous engagement**

To be addressed in 2023

**Area**

Asset revaluation of land and buildings

**Risk**

The Council’s Asset Management Plan and Long-Term Financial Plan could potentially be inaccurate if the newly revalued assets are not updated.

**Status at conclusion of previous engagement**

To be addressed in 2023





Outstanding  
Management  
Letter points

---

Area

Change in road resheeting methodology

---

Risk

The new methodology implemented by the Council may affect the unit rate of replacement costs of roads, which will impact the value that the Council records these infrastructure assets in the Statement of Financial Position.

---

Status at conclusion of previous engagement

To be addressed in 2023

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Yorke Peninsula Council // May 2023

**Identified audit risks**

We have identified the risks of financial statement material misstatement as part of our risk assessment procedures during the planning phase. The specific risks we wish to bring to your attention are as follows:

We have identified financial statement risk relating to this year’s audit.

**Area**

**Opening Balances**

**Risk**

We are required under the Auditing standard ASA 510 to form an audit opinion over the comparative figures as well as the current year. It is typical in the industry for an onboarding auditor to review the audit file of the previous auditor in accordance with this Standard.

We have contacted the previous auditor to request such a review in accordance with ASA 510, however they have not permitted access to their audit file. Where no access is provided, there are 2 options:

1. Perform testing over the comparative periods figures in order to gain comfort and comply with the requirements of the Auditing Standards. Please note, this is out of scope from our quote for audit services as we assume any previous auditors will provide access to their file in support of the ASA 510 requirement.
2. We qualify our audit report over opening balances in the 2023 financial statements.

**Area**

**Asset revaluation**

**Risk**

The revaluation assessment and timing process for land and building assets may be incorrect.

**Area**

**Revenue recognition**

**Risk**

There is a risk that grant revenue for capital works may be incorrectly recognised due to the majority roll over of 2022 capital works projects into 2023.



Identified audit risks

Area

**Internal controls**

Risk

Key internal controls may not be operating effectively, resulting in error or misstatement in management or statutory financial reporting.

Area

**Capital WIP**

Risk

There is a risk that capital WIP may contain material misstatements, errors, or omissions that could have a significant impact on the financial statements of the council. An inappropriate rate for overhead costs may be used.



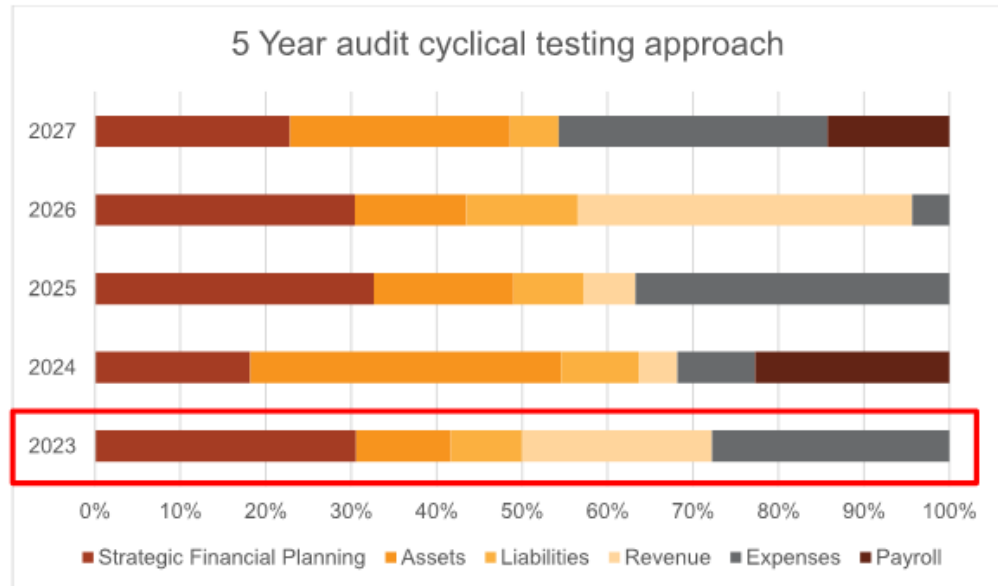


Yorke Peninsula Council // May 2023

### Key areas for testing

Based on our risk assessment procedures and our understanding of your business, we have allocated our time on the key business areas over the course of the audit engagement as follows:

Based on the previous issued raised in management letters, and the risk identified, we plan on focusing our audit testing on the following areas



Note: the above is subject to events or circumstances that may arise during the audit process, and changes in focus may result depending on any risks identified. All areas in the control environment will be tested at least 100% over a three-year period at most, depending on our risk assessment of that area. The above graph depicts the areas of our focus, allowing us to undertake a deeper level of understanding in the areas being focused on.





Yorke Peninsula Council // May 2023

Timing of work

We have agreed to the following audit timeline with management



*Note: Any delays in providing the required information in accordance with the above will result in us not achieving the agreed deadlines and potential further costs. Multiple adjustments made to the final trial balance or the financial report will also result in further costs.*



## Engagement Team

We have selected an engagement team with suitable experience for the sector

### Engagement leaders



David Papa  
Engagement Partner



David Francis  
Quality Control



Matthew Brunato  
Senior Manager

### Support staff



Selina Li  
Senior Auditor



Joey Carbone  
Senior Auditor



## Where you want to be

Address a critical business issue. Gain efficiency. Achieve strategic growth. Propel your organisation's success.

**Contact Bentleys.**

Bentleys is a network of independent advisory and accounting firms located throughout Australia, New Zealand and Asia. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Limited liability by a scheme approved under Professional Standards Legislation. Bentleys is a member of Allinial Global – an association of independent accounting and consulting firms.



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➤ Advisors    ➤ Accountants    ➤ Auditors

## 8.6 INTERNAL AUDIT ACTIVITY REPORT

**Document #:** 23/30044

**Department:** Executive Services

### PURPOSE

To provide the Audit and Risk 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

Internal Audit is an independent, objective, assurance and consulting function which examines and evaluates the processes of Yorke Peninsula Council (Council). This ensures compliance with Council policies and procedures and recommends improvements to enhance the effectiveness and efficiency of systems and processes.

The 2023 Internal Audit Plan (Plan) was approved at the December 2022 Audit and Risk Committee meeting. The Plan includes nine projects, but also allows for flexibility throughout the year.

### DISCUSSION

This report provides an update on Internal Audit activity performed from February 2023 to May 2023. The following activities have occurred:

- Completed testing relating to a requested Expiations Review. A final memorandum is provided in attachment 1.
- Completed testing relating to the Accounts Receivable Review. A final report is provided in attachment 2.
- Completed testing in relation to the Leisure Options Program – Worker Screening. A final report is provided in attachment 3.
- Reviewed and summarised the Ombudsman SA's report relating to employee recognition practices of a council. A summary memorandum is provided in attachment 4.
- Completed a full review of the internal control library and updated risk assessments. Timing of assessments will be discussed with the incoming External Auditors; a proposed schedule has been provided to the External Auditors for review.
- The status of agreed actions arising from internal and external audits have been followed up. An update on all outstanding actions is provided in attachment 5 and 6, detailing actions 'In Progress' and 'Completed' since the February 2023 Audit and Risk Committee meeting. The action updates have been provided by staff responsible for the implementation of the action.



The table below highlights the status of audit projects as per the approved 2023 Internal Audit Plan.

	<b>Project</b>	<b>Description</b>	<b>Status</b>	<b>Proposed Timing for Audit and Risk Committee Reporting</b>
1	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.  Specific scope will be developed in consultation with the Manager People, Culture & Safety.	Not started	November 2023
2	Selection and Recruitment Process	A review of key recruitment and selection controls addressing compliance with PR154 Recruitment and Selection Procedure.  The review will focus on role analysis, authorisation, recruitment processes and remuneration determination.	In Progress	August 2023
3	Financial Management – Accounts Receivable	A review of key accounts receivable controls including raising invoice process, debtor follow up (reporting and timeliness of debtor management process), credit notes and general ledger reconciliations.	Completed (May 2023)	N/A
4	Yorke Peninsula Leisure Options Program (YPLO) – Worker Screening	Verify YPLO Workers and Key Personnel have undertaken appropriate worker screening checks, via sample selection, in accordance with Council's PO177 YP Leisure Options Worker Screening Requirements Policy.	Completed (May 2023)	N/A
5	Cyber Security	Cyber Security Penetration Testing to be conducted annually by external consultant.  The engagement and management of this review is performed by Council's Leader Systems and Technology and Information Technology Team. A summary report, actions items and action status will be provided to the Audit and Risk Committee.	Not Started	October 2023
6	Internal Financial Controls	Manage the Internal Controls self-assessment process and report to Audit and Risk Committee. Perform independent verification of staff's self-assessment of internal financial controls.	In Progress	October 2023
7	Corporate Purchase Card and Employee Expense Reimbursement Compliance	Select a sample of corporate purchase card transactions and general staff reimbursements and verify that they are in accordance with PO084 Corporate Purchase Card Policy, PR115 Corporate Purchase Card Procedure and other relevant policies and procedures.	Completed (Feb 2023)	August 2023
8	Follow Up Agreed Actions	Continued follow up and reporting of agreed actions resulting from internal and external audits, internal control self-assessments and other external bodies.	Ongoing	Ongoing

	<b>Project</b>	<b>Description</b>	<b>Status</b>	<b>Proposed Timing for Audit and Risk Committee Reporting</b>
9	Chief Executive Officer (CEO) Requests	Allowance for special projects, investigations, follow-ups and requests by the CEO that may arise during the year.	Expiation Review Completed (May 2023)  Summary Ombudsman SA Report (May 2023)	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 and Community Services
- Director Development Services
- Executive Assistant to the Director Development Services
- Executive Assistant to the Director Corporate and Community Services
- Governance Officer
- Manager People, Culture and Safety
- Manager Financial Services
- Financial Management Accountant
- Leader Systems and Technology
- Information Technology Officer
- Executive Services Support Officer

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

- Nil

**POLICY IMPLICATIONS**

PR150 Internal Control Audit Procedure

PO091 Risk Management Policy

PO056 Internal Financial Control Policy

**BUDGET AND RESOURCE IMPLICATIONS**







Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act (SA) 1999

Statutes Amendment (Local Government Review) Act 2021

**ATTACHMENTS**

1. **Memo - Review of Expiation Notices - February 2023** [↓](#) 
2. **Report - Accounts Receivable - May 2023** [↓](#) 
3. **Report - NDIS Worker Screening - March 2023** [↓](#) 
4. **Memo - Ombudsman SA - Report into Employee Recognition Practices** [↓](#) 
5. **Register - Agreed Actions - In Progress - May 2023** [↓](#) 
6. **Register - Agreed Actions - Completed - May 2023** [↓](#) 

## YORKE PENINSULA COUNCIL

PRINCIPAL OFFICE:  
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ALL CORRESPONDENCE TO:  
PO Box 57, MAITLAND, SA 5573  
Telephone (08) 8832 0000  
Email: admin@yorke.sa.gov.au  
Website: www.yorke.sa.gov.au



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**MEMORANDUM**

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**To:** Andrew Cameron – Chief Executive Officer (CEO)

Audit and Risk Committee

**From:** Amanda Pitt - Business Improvement Officer

**Date:** 01/03/2023

**Subject:** Review of Expiation Notices

**Background**

Email correspondence was received from an Elected Member highlighting an administrative error in a recently issued expiation notice. As a result, the CEO requested that the Business Improvement Officer perform the following:

- Review all expiation categories within Council's SF034 Expiation Notice Form and ensure that any references to Legislation, Regulations, By Law and/or Acts are accurately recorded.
- Sample test a number of recently issued expiation notices and associated covering letters (from 1 January 2021 to 23 January 2023) to ensure that references to Legislation, Regulations, By Laws and/or Acts are accurately recorded.

Council's PO141 Enforcement Policy (Policy) sets out the Enforcement Principles, Decision Making Processes, Enforcement Options and Formal Actions. The Policy was referred to as part of this review process.

**Key Findings**

The Business Improvement Officer reviewed relevant documentation and held discussions with the Senior Compliance Officer and Senior Clerical Officer Development to understand the process for identifying, documenting and issuing expiation notices.

Council records and issues expiation notices using either of two forms:

1. SF034 Expiation Notice Form (Electronic Form) issued by administration staff; and
2. A book containing hardcopy template expiation forms (Hardcopy Form) typically issued on the spot by Rangers.

These forms list the most common offences expiated within the Council area. Both Electronic and Hardcopy Forms feature a blank section to enter in less common offences when they arise.

Internal Audit reviewed both Electronic and Hardcopy Forms and identified a number of issues with consistency between the two forms and referencing of specific offences. These were discussed with the Senior Clerical Officer Development, Senior Compliance Officer, Manager Building and Compliance and Director Development Services and are detailed below.

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Record No.

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### Electronic Form

This list contains the suggested changes to the Electronic Form to ensure more consistency between the two forms. We have included a snapshot of the suggested mark ups of the Electronic Form in attachment 1, highlighting these for ease of reference:

1. Ensuring consistency with heading and abbreviations across the four types of expiations.
2. Removing the 'SA' reference within the Australian Road Rules section to ensure consistency with Hardcopy form abbreviations.
3. Adding 'DCM Act' across all Dog and Cat Management Act Offences section to ensure consistency with Hardcopy form abbreviations.
4. Direct referencing and/or wording to the following offences:

Current Electronic Form Wording	Direct Wording / Reference from Legislation / Act / By Law or Hardcopy template
Stopping on a path, dividing strip or nature strip SA ARR197	Stopping on a path, dividing strip, nature strip, painted island or traffic island S197 ARR
Obstructing access to and from a footpath, ramp or driveway SA ARR 198	Obstructing access to and from a footpath, driveway etc. S198 ARR
Owning or keeping an unregistered dog S33	Owning or keeping an unregistered dog S33(2) DCM Act
A dog in any place without a collar and current Registration Disc S40	A dog in any place without a collar and current Registration Disc S42C(2) DCM Act
Set up Camp or stay overnight on Local Government land. By Law 2 Clause 4.12	Camp or stay overnight on Local Government land. By Law 2 Clause 4.12
Set up Camp or stay overnight on road. By Law 3 Clause 4.11	Camp or stay overnight on road. By Law 3 Clause 4.11
Fail to prevent or inhibit the spread of fire through the land. S105F(1)(b) F&ESA	Fail to prevent or inhibit fire on private land. S105F(1) F&ES Act
Light or Maintain fire in open S79(1) F&ESA	Light or maintain fire in the open air during the fire danger season S79(1) F&ES Act

Record No.

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- There are a number of Offences that are included in the Hardcopy Form that are not included on the Electronic Form. For example, eight (8) Local Nuisance and Litter Control Act 2016 Offences are listed on the Hardcopy Form, but not within the Electronic Form.

### Hardcopy Form

- From a review of the Hardcopy Form review we noted that within the By-Law expiations, Clause 4.12 and 4.11 the wording states "Camp or *sleep* overnight", rather than the direct By Law wording of "Camp or *stay* overnight".

### Sample Testing

It is understood that Rangers might not be able to issue expiations 'on the spot'. In this case, information and evidence is taken by the Rangers and provided to the Senior Clerical Officer Development to document the expiation notice using the Electronic Form and a covering letter providing some more details about the alleged offence/s. These documents are sent to the alleged offender via mail.

It is noted that only common offences are listed within the Electronic Form, therefore there are circumstances where the Electronic Form will need to be changed or added to when issuing an expiation. We performed sample testing of 20 recently issued expiations and associated covering letters to ensure that references to Legislation, Regulations, By Laws and/or Acts was accurately recorded.

Details of all expiations issued from 1 January 2022 to 23 January 2023 were extracted from the Authority finance application by the Senior Compliance Officer. There were 609 expiations issued for this period. Issues identified through this testing are listed below.

- One description of an offence in an expiation notice and cover letter was inconsistent with the language used in the referenced By Law 3 Clause 4.1.2.2. Where "road" is used in the By Law, was changed to "land" in the expiation notice and cover letter.
- One instance where an older version of the Hardcopy Form was used, resulting in the incorrect reference to a section of the By Law.
- One cover letter was addressed using initials and referred to section 105(5) of the F&ES Act and the attached expiation notice referenced section 105(1)(b) of the F&ES Act, with the correct section being 105(F).
- One reference to section 42(2) of the DCM Act in the expiation notice and cover letter was incorrect, where section 42A(2) is correct.
- Section 33 of the DCM Act was referenced three times for offences relating to unregistered dogs, where section 33(2) is correct (as per suggested changes to the Electronic Form above).

### Recommendations

Consider updating both the Electronic and Hardcopy form with suggested changes.

---

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**Attachment 1 – Snapshot of Suggested Changes to Electronic Form**

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 Telephone (08) 8832 0000  
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 Website: www.yorke.sa.gov.au

**SF034 Expiation Notice**

Expiation of Offences Act 1996

NOTICE NO:		PAY BY DATE:					
Expiation fee of Offence 1	\$	Expiation fee of Offence 2	\$	Expiation fee of Offence 3	\$	TOTAL	\$
To:							
Postal -							
Date of Issue:							
Issuing Officer:							
Date of Offence: Time:							
Location:							
Vehicle Reg. No.:							

**Australian Road Rules (ARR) Offences** \$

Stopping in parking area for people with disabilities <a href="#">SA-S203 ARR 197</a>	
Stopping on a road with a yellow edge line <a href="#">SA-S188 ARR 188</a>	
Stopping on a path, dividing strip, or nature strip, <a href="#">painted island or traffic island SA-S197 ARR 197</a>	
Obstructing access to and from a footpath, <a href="#">ramp or driveway etc. SA-S188 ARR 188</a>	
Stopping where "No Parking" sign applies <a href="#">SA-S188 ARR 188</a>	

**Other-By-Law Offences** \$

Launch a boat from a boat ramp without a permit / ticket. By Law 2 Clause 4.8	
<a href="#">Set-up</a> Camp or stay overnight on Local Government land. By Law 2 Clause 4.12	
<a href="#">Set-up</a> Camp or stay overnight on road. By Law 3 Clause 4.11	

**Dog & Cat Management Act Offences-1995 (DCM Act) Offences** \$

<b>2</b>	Owning or keeping an unregistered dog S33(2) <a href="#">DCM Act</a>	
	A dog deemed to be wandering at large S43(1) <a href="#">DCM Act</a>	
	A dog in any place without a collar and current Registration Disc <a href="#">S43(2) DCM Act</a>	
	Failure to remove dog faeces immediately S45A(8) <a href="#">DCM Act</a>	
	Dog attack / harass / chase a person, animal or bird S44(2) <a href="#">DCM Act</a>	
	Dog creating a nuisance by barking or otherwise S45A(5) <a href="#">DCM Act</a>	
	<a href="#">Failure to microchip a dog or cat S42A(1) DCM Act</a>	

**Fire & Emergency Services Act 2005 (F&ES Act) Offences** \$

Fail to comply with condition of a S81 Permit <a href="#">F&amp;ES Act S79(1) F&amp;ES Act</a>	
Fail to prevent or inhibit <a href="#">the spread of fire on through the private land. S105F(1)(b) F&amp;ES Act</a>	
Light or maintain fire in the open air <a href="#">during the fire danger season S79(1) F&amp;ES Act</a>	
Refuse or fail to comply with a S105F(5) F&ESA notice. <a href="#">S105F(8) F&amp;ES Act</a>	

**Other Offences** \$


Record No.



---

## Internal Audit Report

### Accounts Receivable Review

May 2023

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**For Distribution:**

Ben Thompson	Director Corporate and Community Services
Daniel Griffin	Manager Financial Services
Paul Lancaster	Senior Rates Officer
Debra Bray	Revenue Officer

**For Information:**

Andrew Cameron	Chief Executive Officer
----------------	-------------------------

**Background and Scope**

The Yorke Peninsula Council (Council) Internal Audit Plan 2023 includes a review relating to accounts receivable processes including raising of invoices, debtor management processes and the adjustment processes.

Council raises invoices for numerous services and activities including (but not limited to) leases, licenses and permits, development and planning, boat ramps, town hall and facility hire and water usage on Council operated water schemes. All types of charges are included within the Fees and Charges Register, which is endorsed by the Elected Body on an annual basis.

In FY22, Council's Accounts Receivable team was also required to be undertake the billing and invoicing of Yorke Peninsula Leisure Options (YPLO) clients that are part of the National Disability Insurance Scheme (NDIS).

Accounts receivable processes can present a high level of risk to Council if revenue is not invoiced appropriately and/or debts are not appropriately managed. Council has a number of related policies and procedures in place to support the accounts receivable process and these were utilised, and referenced to, as part of this review including:

- PO008 Bad Debts – Delegation of Authority
- PO048 Management and Recovery of Outstanding Debts
- PR003 Receipting Procedures.

This review incorporated the invoicing processes undertaken by the Accounts Receivable team but specifically focussed on NDIS and water usage types of invoicing due to the manual processes required in these areas.

This review did not include the rates revenue processes or collection of rates debt.

This document sets out the key findings of the review.



**Key Findings**

Internal Audit held discussions with Manager Financial Services, Senior Rates Officer and Revenue Officer as well as undertaking detailed testing of accounts receivable processes for invoicing, end of month reconciliation, adjustments and debtor management.

A number of minor and low risk issues were identified as part of the review, and these have been detailed in Appendix 1.

We noted that a number of processes for accounts receivable invoicing and managing adjustments are manual and many of the calculations or data required for invoicing is created and retained outside of the Authority financial application. Although many of the processes are manual and resource intensive, Internal Audit would like to commend the Accounts Receivable team on their record keeping processes. The areas that were tested were well documented, easily traced and evidence of approval and calculations were retained in the Records Management system.

**Internal Audit Opinion**

Based on the testing performed, Internal Audit is of the opinion that current accounts receivable control environment is effective.

**Amanda Pitt**

Business Improvement Officer

**Appendix 1 – Detailed Findings**

**1.1 NDIS Invoicing**

Council’s Accounts Receivable team is responsible for the billing and invoicing of YPLO clients that are part of the National Disability Insurance Scheme (NDIS).

The NDIS invoicing process is calculated outside of the accounts receivable Authority module. A complex excel spreadsheet has been created by Council’s finance team and involves multiple excel spreadsheet tabs including:

- A record of client details (Currently 18 active clients)
- A summary of total monthly charges for each service and each client.
- Two (2) individual tabs per client:
  1. A detailed breakdown of charges each month (for each service - date service attended, hours, rate, total value etc.)
  2. An individual summary (service, rate, combined hours and value).

Services offered to YPLO clients include various fun activities, tree propagation, woodshed, living skills, home visits and transport which are all charged at different rates. Transparency across all of the charges is required by legislation.

The spreadsheet is updated monthly by the YPLO Coordinator for the amount of hours a client has accessed a service and this information is used by the Accounts Receivable Officer to then invoice out clients within Authority.

Although our detailed testing of the NDIS invoicing spreadsheet did not identify any issues with the accuracy of the data and what had been invoiced in FY23, we understand that there have been issues in the past where data has altered in the spreadsheet after monthly invoicing had been finalised. Changes were not communicated to the Revenue Officer, resulting in services not being accurately invoiced until this issue was later discovered and the missed charges added to the upcoming monthly invoicing schedule.

When using spreadsheets without access controls there is a risk that data can be altered once invoicing occurs and / or formulas can be changed. We acknowledge the significant amount of work that has been undertaken to create the NDIS invoicing spreadsheet but need to highlight the risks associated with use of the excel spreadsheet.

Consequence	Likelihood	Risk Level
Minor	Possible	Low

**1.2 Recommendations**

The NDIS spreadsheet is reviewed and locked down to be accessed by only those limited users that require it. Formula or referenced driven cells are locked so that they can only be altered by the author. Furthermore, it is suggested that each month the excel spreadsheet record be finalised within the CM9 Records Management system once invoicing is complete and a new version is created for each month.

We understand that a new Enterprise Resource Planning (ERP) system project is currently being considered by Council. A new system may allow for more sophisticated invoicing processes, and this type of invoicing may be improved as part of that project.

**1.3 Management Responses**

**Management Response and Agreed Action:** Agreed, versioning on the CM9 document has commenced to reduce the risk of alterations once invoicing has occurred.

**Responsibility:** Revenue Officer, Deb Bray.

**Due Date:** Completed

**2.1 Debtor Management**

Council has PO048 Management and Recovery of Outstanding Debts Policy (Policy) in place to address both rates and general debts and is designed to provide a consistent approach to debt management and recovery. The Policy outlines the following debt collection process for amounts (that are not subject to dispute or financial hardship) which have been outstanding for 30 days past the due date for payment.

- 1) Reminder letter followed up with a phone call/email (where possible), requesting payment within fourteen (14) days or to contact Council to enter into a payment arrangement.
- 2) Notice of demand may then be issued after a further fourteen (14) days of non-payment. This notice of demand will state that failure to make payment in full or to enter into a payment arrangement may result in the commencement of legal action.
- 3) Legal Action if appropriate shall proceed thirty (30) days after the date of the notice of demand.

When undertaking testing of the debtor management process, it was noted that debtor statements are sent out which serves as a first reminder letter for sundry debtor accounts, however the further steps within the process have not been followed.

We completed detailed testing of debtor management process (20 samples in total) and this included nine (9) debtors with debt exceeding 90 days past the due date, and while we identified continuous follow up emails and phone calls to these debtors, only four (4) of these debtors were sent letters of demand, and no legal action has been pursued. We understand that Council’s Policy is that all reasonable steps will be taken to establish a payment arrangement or negotiate settlement of the outstanding debt before issuing a notice of demand.

We would like to note that our current systems do not allow customers to pay accounts receivable invoices using BPay, they can only utilise a credit card through Council’s website or over the phone. This has hindered customer payments in the past and is difficult to explain to customers as rates can be paid using BPay.

We noted that the commentary for debtors follow up are provided within the monthly trial balance reports, however in the reports we tested (July 2022 to January 2023 inclusive) not all are electronically signed by the Senior Rates Officer. Any follow up actions that need to occur, are diarised within the Senior Rates Officer’s personal calendar.

If debtor management Policy and processes are not followed or the Policy is out dated, there is a risk that amounts become unrecoverable. We note that the risk is low in relation to sundry debtors due to the immaterial amount, which is highlighted in the table below showing data as at end of April 2023:

Days Overdue	Total Debtors	Total Amount
Over 90 Days	59	\$7,960.80
90 Days	11	\$20,709.32
60 Days	9	\$5,618.40
30 Days	285	\$223,017.48
Current	17	\$33,267.73
<b>Total Owing</b>		<b>\$290,573.73</b>

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

**2.2 Recommendations**

1. It is recommended that the Policy requirements need to be reviewed and updated, to ensure that it is consistent with Council’s expectations and processes.
2. A consistent approach to documenting the review of the trial balance report should be implemented, in particular an electronic signature to be included.

Again, we understand that a new ERP may address these recommendations by offering improved debtor management systems that allow recording and follow up of debtors within the system and also that allows accounts receivable invoices to be paid using BPay.

**2.3 Management Responses**

**Management Response and Agreed Action:** Agreed  
**Responsibility:** Senior Rates Officer, Paul Lancaster  
**Due Date:** 31 March 2024

**3.1 Debtor Management Reporting**

Following from finding 3.1 above, it was identified that a monthly report of aged debtors is prepared by the Revenue Officer, showing graphically current debtors and an aging profile. It was noted there is no evidence that this report is reviewed by the Manager Financial Services.

Without independent review, there is a risk that aged debtors are not followed up or recovered in a timely manner.

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

**3.2 Recommendations**

A simple electronic sign off of the accounts receivable monthly aged debtors is performed by the Manager Financial Services to evidence independent review. Where appropriate, this type of information could be included in any overall aged debtors (including rates) reporting to CMT.

**3.3 Management Responses**

**Management Response and Agreed Action:** Agreed  
**Responsibility:** Manager Financial Services, Daniel Griffin  
**Due Date:** 30 June 2023

4.1 Debtor Master File Maintenance		
<p>Through discussions it was noted that there is no process to close out or review inactive debtor accounts. There are approximately 7,300 debtors' records currently active within the Authority financial application.</p> <p>Without regular review of debtors' master file accounts, there is a risk of redundant or inappropriate accounts being inaccurately utilised.</p>		
<b>Consequence</b>	<b>Likelihood</b>	<b>Risk Level</b>
Insignificant	Possible	Low
4.2 Recommendations		
<p>We note that as part of the new ERP software project, a significant data cleansing process will be undertaken before migration of any data into a new system, which will address this finding and risk.</p>		
4.3 Management Responses		
<p><b>Management Response and Agreed Action:</b> Agreed</p> <p><b>Responsibility:</b> Leader Systems and Technology, Wayne Simes</p> <p><b>Due Date:</b> 30 June 2024</p>		



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## Internal Audit Report

### National Disability Insurance Scheme Worker Screening Review

March 2023

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**For Distribution:**

Bobbi Pertini

Manager People, Culture and Safety

Tanya Walsh

YP Leisure Options Coordinator

**For Information:**

Andrew Cameron

Chief Executive Officer (CEO)

Ben Thompson

Director Corporate and Community Services

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## Executive Summary

### Background

Yorke Peninsula Council (Council) is a registered organisation providing services within the National Disability Insurance Scheme (NDIS). To fulfil the required conditions of registration, Council must establish compliance with a number of set NDIS Practice Standards.

SAI Global, an external audit consultant, conducted an audit of Council's NDIS service in 2020. The purpose of this audit was to summarise the degree of compliance with relevant criteria, based on the evidence obtained. This audit considered Council's policies, objectives, and continual improvement processes. One of the findings from this audit was ensuring that, where appropriate, Council's internal audit program includes a review of processes relating to the NDIS registration.

Yorke Peninsula Leisure Options (YPLO) is the program run by Council to offer NDIS services; therefore, an annual review of YPLO will be a standard inclusion within the Internal Audit Plan.

### Objectives & Scope

NDIS Practice Standards set out the governance and operational management responsibilities for NDIS providers. The Practice Standards require that registered NDIS providers ensure key personnel and other workers in certain types of roles have an appropriate worker screening clearance. This ensures that key personnel and workers in these roles do not pose an unacceptable risk to the safety and wellbeing of NDIS participants.

Council is responsible for identifying 'risk-assessed roles' and therefore, key personnel who are engaged in these roles must have a NDIS worker screening clearance. A risk-assessed role is one that:

- involves the direct delivery of specified support or services to a person with a disability;
- is likely to require 'more than incidental contact' and includes the opportunity to build rapport with people with a disability; and
- is a key personnel role (for example, CEO, Corporate Management Team or Elected Members).

The objective of this review is to ensure that Council and the YPLO program meets the NDIS Worker Screening requirements within the NDIS (Practice Standards – Worker Screening) Rules 2018.

### Key Findings

After initial discussions with the Manager People Culture and Safety and the YPLO Coordinator, it was explained that certain roles and key personnel at Council require worker screenings to be able to work with and/or make decisions relating to the YPLO Program. This review involved the testing of those key personnel positions at Council, who are engaged in risk-assessed roles, to ensure those individuals have a current NDIS worker screening clearance.

Council's PO177 YP Leisure Options Worker Screening Requirements Administrative Policy is current and outlines that 'under quality and safeguards arrangements, YPLO will risk assess all workers and key personnel to determine the applicable clearance requirements. All workers in a 'risk-assessed' role must have a clearance (or make an application for a clearance) before they can start work'.

The Manager People, Culture and Safety and the YPLO Coordinator undertook a YP Leisure Options Worker Screening Risk Assessment in April 2020 to identify which Council roles required a screening. The most recent review of the Risk Assessment was completed in March 2023.

Legal advice was also sought from Wallmans Lawyers in March 2020 to clarify if Elected Members and specific Council roles would be classed as 'key personnel' and the advice received supported this outcome.

Please see the table below of Council's risk-assessed roles.



Role	Type of Role	Total Number	Reason
Corporate Management Team (CMT)	Key personnel	4	Council's CEO and Directors all contribute to the executive decision making of Council. As such, applying a literal interpretation of the definition, they would be categorised as "key personnel" and would require screening.
Elected Body / Member / Mayor	Key personnel	12	<p>Whilst their involvement may only be occasional, Elected Members contribute to executive decision making at Council and the definition in the NDIS Act makes specific reference to members of the NDIS providers "governing body".</p> <p>Therefore, Elected Members also fall within the definition of "key personnel". Further, general information / FAQs published by the NDIS Commission indicates key personnel can include Board Members. Elected Members are the equivalent positions at Council.</p>
Employee	Key personnel	4	Includes the individual monitoring budget and reporting requirements for YPLO, individual responsible for day-to-day management of YPLO program and individuals who have a direct role in providing regular services to participants within YPLO.
Employee	Build rapport	6	Includes having a direct role in providing services to those utilising the program.
Volunteer	Direct delivery	15	Includes having a direct role in providing services to those utilising the program.

There are currently two acceptable types of disability sector clearance screenings in South Australia:

- Department of Human Services Disability Services Employment Screening Check (this type of screening will become obsolete once expired, therefore, all Council roles with this type of screening will expire in 2024). This type of screening is valid for three (3) years; and
- NDIS Worker Screening, valid for five (5) years.

An individual can apply for a new clearance if their existing screening is within three months of expiry.

We completed testing of all Council roles and individuals listed in the table above to confirm compliance with the NDIS Practice Standards.

There have been five (5) findings identified as part of the review. Details of these findings and recommendations are included in Appendix 1. A summary of the one 'moderate' finding is highlighted in the table below.

1. Worker Screening Clearance Non-Compliance

Internal Audit identified that four (4) risk-assessed roles did not have a current worker screening clearance and one risk-assessed role had an expired worker screening clearance.

These included two (2) Elected Members and two (2) Council employees. Of the two (2) Elected Members, one screening had been initiated in March 2023 and both the Council employee roles were also initiated in March 2023. One volunteer was also found to not have a worker screening clearance, however is not an active volunteer within YPLO due to health concerns.

The risks associated with a risk-assessed role not having a current worker screening clearance includes non-compliance with NDIS Practice Standards, loss of Council YPLO NDIS registration and possibly placing vulnerable clients in an unsafe environment.

Consequence	Likelihood	Risk Level
Minor	Possible	Moderate

**Internal Audit Opinion**

Based on the testing performed, Internal Audit is of the opinion that Council complies with the NDIS Practice Standards, however, there are some control improvements that have been identified and documented within Appendix 1 for consideration.

**Brianna Wood**  
Business Improvement Officer

**Appendix 1 – Detailed Findings**

1.1 Worker Screening Clearance Non-Compliance								
<p>The NDIS Commission Portal (Portal) contains tools for registered providers to manage their registration which includes using the Portal to renew registration, update registration details and add or remove registration groups. This Portal is where details relating to Council Worker Screening Clearances are stored.</p> <p>The overall process to submit for a Worker Screening Clearance places the onus on the individual and an employer cannot apply for one on an employee’s behalf. However, as an NDIS Provider, Council needs to be able to demonstrate ongoing compliance with NDIS Practice Standards (particularly governance and operational management).</p> <p>It was identified during testing that Worker Screening Clearance compliance was considered and documented for the upcoming year as part of the annual budget building review process. While this is a manual task within ElementSTAFF, it is important this information is consistently captured, reviewed and updated within Council’s training system.</p> <p>Testing identified that four (4) risk-assessed roles did not have a current worker screening clearance and one risk-assessed role had an expired worker screening clearance.</p> <p>These included two (2) Elected Members and two (2) Council employees. Of the two (2) Elected Members, one screening had been initiated in March 2023 and both the Council employee roles were also initiated in March 2023. One volunteer was also found to not have a worker screening clearance, however is not an active volunteer within YPLO due to health concerns.</p> <p>The risks associated with a risk-assessed role not having a current worker screening clearance includes non-compliance with NDIS Practice Standards, loss of Council YPLO NDIS registration and possibly placing vulnerable clients in an unsafe environment.</p>								
<table border="1"> <thead> <tr> <th>Consequence</th> <th>Likelihood</th> <th>Risk Level</th> </tr> </thead> <tbody> <tr> <td>Minor</td> <td>Possible</td> <td>Moderate</td> </tr> </tbody> </table>	Consequence	Likelihood	Risk Level	Minor	Possible	Moderate		
Consequence	Likelihood	Risk Level						
Minor	Possible	Moderate						
1.2 Recommendations								
<p>Council should have a system in place to identify risk-assessed roles (as well as any possible changes to employment and return to work) and steps are in place to ensure that a worker screening clearance is renewed and/or initiated prior to expiration.</p> <p>Council could explore the possibility of having automatic notifications flag when a clearance is due to expire within three (3) months and therefore that renewal process can be initiated.</p>								
1.3 Management Responses								
<p><b>Management Response and Agreed Action:</b> Agreed</p> <p><b>Responsibility:</b> Manager People, Culture &amp; Safety</p> <p><b>Due Date:</b> 30 April 2023</p>								

**2.1 NDIS Portal**

The NDIS Commission Portal (Portal) contains tools for registered providers to manage their registration and meet their obligations. Registered providers can use the Portal to renew registration, update registration details, add or remove registration groups, notify the NDIS Commission of changes and events, submit behaviour support plans and incident reports, and report uses of unauthorised practice.

During testing, it was identified that only one Council employee had access to the Portal.

If only one employee has access to the Portal, there is an increased risk that the management of worker screening clearances could become inefficient and overall compliance with NDIS Practice Standards declines.

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

**2.2 Recommendations**

Council should identify appropriate employee roles and grant them access to the NDIS Commission Portal. Within their role, these employees can then utilise the Portal database and familiarise themselves with its capabilities whilst also considering any possibility of complimenting Council's training system.

**2.3 Management Responses**

**Management Response and Agreed Action:** Agreed

**Responsibility:** Manager People, Culture & Safety

**Due Date:** Completed

3.1 Update Risk-Assessment		
<p>Testing found that the risk assessment document contained a number of volunteer names that are no longer active within the YPLO program. This means the document is out of date and not reflective of current Council employees and/or volunteers.</p> <p>There is an increased risk of the risk assessment document not being accurate and not reflecting Council employees requiring worker screening clearances.</p>		
<b>Consequence</b>	<b>Likelihood</b>	<b>Risk Level</b>
Insignificant	Possible	Low
3.2 Recommendations		
<p>To reduce ongoing administration work relating to the risk assessment document, it is recommended that Council employees are identified by role instead of by name and the risk assessment be updated annually.</p>		
3.3 Management Responses		
<p><b>Management Response and Agreed Action:</b> Agreed</p> <p><b>Responsibility:</b> Manager People, Culture &amp; Safety</p> <p><b>Due Date:</b> Completed</p>		

**4.1 Consolidate Volunteer Details**

At the time of testing, there were a small number of discrepancies, particularly for volunteer roles, within the risk assessment document. There were four (4) volunteers whose names were listed within the risk assessment document, however, they no longer take part in the YPLO program and determining when they ceased involvement required further investigation.

During the audit, it was explained that some volunteers prefer to complete hardcopy paperwork rather than submit an online form (some do not have an email account and, for some, the online application process creates anxiety). Therefore, it is important that this information is still captured within Council's records management system.

There is a risk that Council volunteer details are out of date and do not accurately reflect those working within the YPLO program.

Consequence	Likelihood	Risk Level
Insignificant	Possible	Low

**4.2 Recommendations**

Review all Council volunteer details to ensure information is up to date and those listed across Council's systems (ElementSTAFF, Content Manager and the NDIS Commission Portal) are still involved in the YPLO Program. If not, ensure this is documented within Council's records management system (for example, SF444 Volunteer Exit Checklist is completed) and ensure they are archived within the NDIS Commission Portal and any other applicable system.

This process could also form part of the annual review recommended in 3.2.

**4.3 Management Responses**

**Management Response and Agreed Action:** Agreed

**Responsibility:** Manager People, Culture & Safety

**Due Date:** 30 June 2023

5.1 Elected Member								
<p>One Elected Member has not submitted the worker screening clearance. Repeated attempts have been made by Council employees to encourage the Elected Member to initiate the process.</p> <p>It has been communicated that Elected Members play a critical part in decision making processes that may at times, affect the YPLO program. Under the National Disability Insurance Scheme Act 2013 (Act), a Governing Body (or Elected Body when considering Council's structure) is considered 'key personnel'. The Act requires all persons holding a position of 'key personnel' to hold an NDIS worker screening clearance. To ensure Council meet our legislative requirement and maintain our registration, all Elected Members, Council's Corporate Management Team, the People Culture and Safety staff, and YPLO volunteers are required to obtain a worker screening clearance with a copy being kept by Council's records department (which may be used as evidence when undertaking the NDIS audit process).</p> <p>As a decision maker of Council, the Elected Member will be unable to vote on any report or decision relating to the YPLO program.</p>								
<table border="1"> <thead> <tr> <th style="background-color: #1a3d54; color: white;">Consequence</th> <th style="background-color: #1a3d54; color: white;">Likelihood</th> <th style="background-color: #008000; color: white;">Risk Level</th> </tr> </thead> <tbody> <tr> <td>Insignificant</td> <td>Possible</td> <td style="background-color: #008000; color: white;">Low</td> </tr> </tbody> </table>	Consequence	Likelihood	Risk Level	Insignificant	Possible	Low		
Consequence	Likelihood	Risk Level						
Insignificant	Possible	Low						
5.2 Recommendations								
<p>To ensure the Elected Member recognises their role is considered as 'key personnel' and a decision maker of Council that may at times, affect the YPLO program. Ensure the Elected Member is aware that, until a worker screening clearance is obtained, they will be excluded from participating in any vote or decision relating to the YPLO program.</p>								
5.3 Management Responses								
<p><b>Management Response and Agreed Action:</b> Agreed</p> <p><b>Responsibility:</b> Manager People, Culture &amp; Safety</p> <p><b>Due Date:</b> Completed</p>								

## Appendix 2 – Responsibility Statement

This report was prepared in accordance with the scope document which was developed in consultation with the Client and the Australian auditing standards subject to the following limitations:

- Procedures were designed to provide limited assurance as defined by the Australian auditing standards, which recognizes that absolute assurance is rarely attainable due to such factors as the use of judgment in gathering and evaluating evidence and forming conclusions, the use of sample testing, and because much of the evidence available to the auditor is persuasive rather than conclusive in nature.
- Because of the inherent limitation of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Procedures were not designed to detect all weaknesses in control procedures and they were not performed continuously throughout the period and the tests performed are on a sample basis.
- Any projection of the evaluation of the controls procedures to future periods is subject to the risk the systems may become inadequate because of changes in condition, or the degree of compliance with them may deteriorate.
- The matters raised in the report are only those which came to the attention of the Internal Auditor during the course of performing procedures and are not necessarily a comprehensive statement of the weaknesses that exist or improvement that might be made. The Internal Auditor cannot, in practice, examine every activity and procedure, nor can they be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on the report to identify all weaknesses that exist in the systems and procedures under examination or potential instances of non-compliance that may exist.
- Any reliance placed on internal audit reports and associated working papers, by a third party, are that party's sole responsibility.



## YORKE PENINSULA COUNCIL

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**MEMORANDUM**

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**To:** Audit and Risk Committee  
**From:** Business Improvement Officer – Amanda Pitt  
**Date:** 15/05/2023  
**Subject:** Summary of Ombudsman SA Report – Report into Employee Recognition Practices (Redacted)

**Background**

As requested by the Chief Executive Officer (CEO), we have provided a summary of the Ombudsman SA's Report into Employee Recognition Practices (Redacted) (Report).

The Ombudsman recently conducted an investigation in relation to whether the employee recognition practices of a council amounted to maladministration in public administration. The Ombudsman raised concerns that some local councils may still have inappropriate employee recognition practices despite various reports into this issue by both the Ombudsman and the South Australian Auditor-General (AG) office.

A copy of the Report was sent to each South Australian Council CEO, encouraging them to reflect on whether the employee recognition practices of their Council are appropriate. A copy of the Report has been included at the conclusion of this memorandum as reference.

This memorandum is to advise the Audit and Risk Committee about the actions and work undertaken in 2020 and on an ongoing basis by Yorke Peninsula Council (YPC) in this area.

**Summary of Findings**

The Report outlined four different employee recognition practices that the council under investigation conducted:

- A biannual employee recognition function
- Employee service awards
- Staff incentive scheme
- Retirement gifts.

The Ombudsman reported that the total amount spent by the council on employee recognition, during the period under investigation (approximately 14 years), was \$60,301.52. The Ombudsman SA concluded that the expenditure comprised the substantial mismanagement of public resources.

The Report highlights that this is not the first time that the Ombudsman the AG has investigated agencies regarding their employee recognition practices.

In 2020, the AG tabled three separate reports on the Examination of Credit Card Use and Management within three publicly funded bodies (City of Charles Sturt, City of Playford and the Coorong District Council). The AG reports reiterated that all councils need 'to act responsibly when making decisions to spend public monies' and must 'seek to ensure its resources are used fairly, effectively and efficiently'.

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### Yorke Peninsula Council Processes

At the time the AG reports were published, the CEO requested that the Business Improvement Officer undertake a review of YPC's corporate purchase card policy and procedures and perform sample testing on the various types of expenditure. The purpose was to assess internal processes against the recommendations from the AG reports.

The results of this work and further actions required by YPC were reported to the Audit and Risk Committee on 26 May 2020. The key findings and actions that were taken included:

1. The Recognition of Staff Service (PO143) Administrative Policy (including years of service and resignation/retirement financial expenditure) ceased immediately.
2. Annual gift vouchers for Christmas purposes ceased immediately (these were distributed at the time to the outside workforce).
3. YPC did *not* allow for corporate purchase cards or expenditure to be utilised for sensitive types of expenditure, as outlined by the AG reports, including:
  - Entertainment
  - Internal hospitality (including employee morning teas, lunches etc)
  - Alcohol
  - Employee gifts
  - Social functions (including Christmas).

However, as result of the review, these requirements were specifically defined in policies and procedures to clearly establish 'appropriate' and 'inappropriate' types of expenditure.

4. Improvements to the corporate purchase card reconciliation form were developed to ensure that expenditure is adequately justified, including the business benefit and purpose to Council and the public (particularly relating to 'sensitive' expenditure).
5. The CEO's corporate purchase card expenditure is now reported to the Audit and Risk Committee on a regular basis.
6. A regular audit is now included in the Internal Audit Plan to conduct sample testing of corporate purchase card and employee expense reimbursement transactions.
7. YPC included wording into PO089 Elected Member Allowances and Benefits to formalise the allowable and non-allowable types of expenditure for Elected Members and the Mayor i.e., Mayoral or Council paid Christmas events and providing gifts to Elected Members.

These actions have all been completed and address the concerns raised in the Ombudsman's Report.

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**Report into Employee Recognition Practices (Redacted)**  
**Full investigation - *Ombudsman Act 1972***

<b>Complainant</b>	Ombudsman 'own initiative' investigation, section 13(2) of the <i>Ombudsman Act 1972</i>
<b>Agency</b>	[redacted]
<b>Ombudsman reference</b>	2022/02313
<b>Agency reference</b>	[redacted]
<b>Issue</b>	<b>Whether the employee recognition practices of the council amount to maladministration in public administration</b>

#### Jurisdiction

A complainant submitted a complaint to me under the *Ombudsman Act 1972*. I determined that an investigation of that complaint was not in the public interest.<sup>1</sup>

However, during the assessment of that complaint, it was brought to my attention that the council in question has certain generous employee recognition practices. In December 2022 I enquired with the council and established that this was correct.

In January 2023 I commenced an 'own initiative' investigation under section 13(2) of the *Ombudsman Act 1972*.

#### Investigation

My investigation has involved:

- assessing the information provided by the complainant
- seeking responses from the council
- considering previous investigations with similar factual circumstances
- considering the Code of Ethics for the South Australian Public Sector (**the Code of Ethics**)
- considering the 2016 'Reward and Recognition Good Practice Guide for South Australian Public Sector Managers' (**the Reward and Recognition Guide**)

<sup>1</sup> *Ombudsman Act 1972* section 12H(1)(c).

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- providing the council with my provisional report for comment, and considering its response
- preparing this report.

**Procedural fairness**

As this was an Own Initiative investigation, the only party that was provided with a copy of my provisional report was the council.

In response to my provisional report, the Chief Executive Officer (**CEO**) advised that he had given immediate effect to some of the foreshadowed recommendations. The employee recognition practices examined in this investigation have ceased. The CEO advised that the council will work through a process to determine an appropriate reward and recognition program using the Reward and Recognition Guide as the baseline, and will review and update the Human Resource Management Manual to reflect the new agreed program.

The CEO also made some submissions about whether the threshold for maladministration has been reached. I have considered the CEO's response and have addressed his submissions where necessary in the body of this report. Ultimately, the CEO's response did not persuade me to alter my conclusions.

**Background**

1. Commencing in 2008<sup>2</sup> the council implemented a range of employee recognition/staff appreciation practices.
2. The council CEO<sup>3</sup> provided the following explanation as to how the practice commenced:

The funding of an 'Employee Recognition' or 'Staff Appreciation' function was likely first considered as part of the process for the formulation of the 2008/2009 draft budget. In August 2007 Council received a rebate from the Local Government Association Workers Compensation Scheme of \$60,486 in recognition of Council's overall safety, rehabilitation and claims performance. The rebate amount was 40% more than the previous three year's rebates, and in acknowledgement of employees' efforts and commitment to improving safety and reducing Council's injury claims liabilities (which is a contributing factor to the amount of the rebate revenue received each year), Council agreed to include a budget allocation based on approximately 10% of the rebate to be used to hold an employee event in recognition of the employees outstanding performance in improving safety across the organisation.

Council also agreed to consider future budget allocations for a function to be held on a regular basis, at intervals of 18 to 24 months and to acknowledge the achievements of employees and their commitment to Council through Service Awards. Although considered as part of the budget formulation process, Council's support of an employee recognition function and service awards was formalised in 2011 when the Council endorsed the reviewed Human Resource Management Policy.

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<sup>2</sup> Three of the four different employee recognition schemes commenced in 2008. However, the fourth scheme commenced as early as 1990.

<sup>3</sup> The current CEO commenced at the council in 2020.

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3. The CEO explained that despite the inclusion of the employee recognition practice within the policy, the budget allocation was still considered and approved by Council each year and was not an automatic annual allocation.
4. I note that the council in fact had four different employee recognition practices, which I detail below.

*Biannual employee recognition function*

5. The council held a recognition function in 2008, 2010, 2011, 2013, 2016, 2018 and 2021. It appears that the function was usually a dinner, and that the expenditure related to venue hire, catering, transport and entertainment.
6. The following table sets out the amount spent at each function:

Financial year	Function expenditure
2008/09	\$5189
2009/10	\$5762
2011/12	\$6056
2012/13	\$4401
2015/16	\$5700
2017/18	\$6655
2021/22	\$3530

7. The total amount spent on employee recognition functions has been \$37,293.

*Employee service awards*

8. The employee service awards and gifts are given at the employee recognition function. As outlined above, the practice was formalised in 2011 within the council's Human Resource Management Policy. The practice was expanded in 2012, adding two new milestones and associated gifts.
9. In 2015, the council revoked the Human Resource Management Policy and replaced it with the Human Resource Management Manual. No practical changes were made to the employee service awards.
10. The milestones and associated gifts are as follows:
 

Bronze 5 years	Cheese plate/board and knife or equivalent gift to the value \$40
Silver 10 years	6 glasses and a wine set or coaster and a bottle of wine, champagne or spirit or equivalent gift to the value \$100
Gold 20 years	Engraved watch, 2 wine glasses and a bottle of wine, champagne or spirit or equivalent gift to the value \$200
Platinum 30 years	Gift equivalent to the value \$350
Diamond 40 years	Gift equivalent to the value \$500
11. Between 2008 and 2022, the council spent \$6,066 on employee service awards and gifts.

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*Staff incentive scheme*

12. In addition to the employee recognition function and service awards, in July 2008 the then CEO introduced a staff incentive scheme to reward staff who 'promote positive behaviour and innovation in the workplace, to assist the council to achieve its objectives.'
13. The scheme involved the nomination of an individual who meets one or more of the scheme criteria. The nomination must be supported by two members of staff and approved by the CEO and Senior Management.
14. The criteria referred to is as follows:
  - 1.1 Recognise an innovative change or idea which, when implemented has resulted in a significant efficiency and/or budgetary savings to Council
  - 1.2 Outstanding personal effort; (examples)
    - Supporting another staff member
    - Completion of a project on or ahead of time
    - Recognition of going the 'extra mile' for a customer
    - Recognition of making that extra effort for the benefit of Council or the community
15. The scheme was discontinued in 2020. Between 2008 and 2018, the council spent \$10,208 on the scheme.

*Retirement gifts*

16. In 1990 the council commenced the practice of giving a gift to employees leaving the council service. The value of the gifts was as follows:
  - 2-4 years service - \$50
  - 5-7 years service - \$75
  - 8-10 years service - \$100
  - 10 years or more - \$150
17. My investigation was provided with the Staff - Retirement Gifts - Officers and Employees Policy from 2001, being the earliest policy the council still had on record. However, the 2001 policy states that it replaces the Retirement Gifts Policy that was adopted on 7 February 1990.
18. Between 2001 and 2022, the council spent \$6734.52 on retirement gifts to 71 employees.

*CEO submissions in response to my notice of investigation*

19. The CEO indicated that the council continued to use the amount of the rebate received from the Local Government Association Workers Compensation Scheme as a guide to setting the amount for consideration of a budget allocation, in recognition of the fact that the rebate is directly related to the council employees' performance in relation to safety, rehabilitation and injury claims.
20. The CEO submitted that it is in the best interest of the community for the council to have an effective, efficient, committed and engaged employee group. However the CEO also indicated his appreciation for the fact that there are many ways that

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organisations acknowledge and celebrate the service and contributions of their employees, noting that councils are dealing with public money. The CEO indicated that he was reviewing a range of matters related to organisational management and performance.

**Relevant council policies**

21. The Human Resource Management Policy version 1 (2011) relevantly states:

24. SERVICE GIFTS

Council shall purchase a gift for employees who are leaving Council and have completed the following service period or more

- 2-4 years service - \$50
- 5-7 years service - \$75
- 8-10 years service - \$100
- 10 years or more - \$150

Gifts of a higher value may be purchased on a case by case basis, where Council or the CEO deems such value to be suitable to the length of service and the position/s held.

25. STAFF INCENTIVE AWARDS SCHEME

Council wishes to acknowledge and reward staff who promote positive behaviour and innovation in the workplace, to assist the Council to achieve its objectives.

Council will promote an ongoing Staff Incentive Awards Scheme. An annual budget will be allocated to give financial recognition through vouchers to employees. Nominations based on the current scheme criteria will be considered by the Senior Management Team from time to time.

26. STAFF RECOGNITION AWARDS FUNCTION

Council will support the budget allocation of a bi-annual function to recognise the achievements of staff and tenure of employment..

22. The Human Resource Management Policy version 2 (2012) added two additional tiers of staff incentive awards as detailed above (platinum and diamond).
23. The Human Resource Management Policy version 3 (2013) added an additional tier of service/retirement gifts, with a \$200 gift to be given for 20 years of service.
24. The Staff Incentive Awards Scheme policy (2008) sets out the available rewards:
- A - Dinner voucher for the value of \$100
  - B - Gift voucher \$50 - examples - Kmart, Massage, Bottleshop, Clothing shop, fishing shop
  - C - Other - \$ value as determined by the Management Team

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25. The Staff Incentive Awards Scheme - Employee of the Month policy (2011) describes the following changes to the scheme:

Nominees will be put forward at the first Management Team meeting each month, with the final decision on the recipient at the CEO's discretion...

For the 2011-2012 year, there will be an award presented to one employee each month, to be known as EMPLOYEE OF THE MONTH. The recipients name will be promoted on and [sic] Employee of the Month board in the three work locations and will received [sic] a gift voucher at a value as determined appropriate.

26. The Employee Recognition and Staff Incentive Awards Program policy (2014) describes the following changes to the scheme:

Managers will be allocated a number of gift cards to the value of \$50.00 (or other value as determined in line with an annual budget allocation) based on the number of full time equivalents in their works teams each financial year. The Manager has a discretion to award the gift card to an employee in their team, or another work areas team, if they believe that employee has met one or more of the scheme criteria. Employees may also make recommendation of recognition to management in relation to their peers.

Details of awards made are to be recorded on this form. Managers will advise the Senior Management Team at the next meeting if and who they have award [sic] a gift card to. The awards will generally be presented at team meeting level.



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### The Reward and Recognition Guide

27. I discuss the Reward and Recognition Guide in more detail below. However, I consider it would be useful to provide an overview of the Guide, and to outline examples of reward and recognition practices which are considered acceptable as per the Guide.

28. I acknowledge that the council is not a state government department and as such, the Guide does not strictly apply to it. However, the council is funded by ratepayers and has obligations to spend public money transparently and accountably. I consider that the information in the Guide is useful and can provide guidance to local councils.

29. The Guide outlines the following under 'What is Recognition' and 'Why is it Important?'

Employee recognition acknowledges and honours the positive contributions a person makes to their team, organisation or community. This can include their unique contribution, expertise, character, efforts and dedication to their work or achieving results.

The High Performance Framework notes that high performing organisations effectively engage their workforce, and that a key way of engaging employees is through recognising high performance...

Employee recognition provides an opportunity to acknowledge specific contributions or the value of the expertise and experience of an employee or a team. Both formal and informal recognition should be approached in a fair and ethical manner.

Employee recognition is a return on an employee's effort, dedication and work achievements. It is governed by mutual respect and is expressed regularly through a host of simple gestures such as a sincere thank you, as well as symbolically through receiving an award where appropriate.

The sincerity of words and actions is what gives recognition its dignity and worth.

30. The Guide provides numerous examples of ways in which public sector agencies can reward and recognise their staff which have little to no cost involved. These include:

- recognise an employee who is doing something really well
- write a note or email to the employee thanking them for their efforts
- provide flexible working arrangements
- recognise the accomplishments of employees and teams at team meetings publicly
- select the individual to represent the team at meetings.

31. The Guide also provides some examples which necessarily incur a modest budget. This includes an event morning tea/afternoon tea/lunch/dinner to acknowledge and celebrate achievements. Another example in the Guide is an annual service plaque for years of service.

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**Whether the employee recognition practices of the council amount to maladministration in public administration**

32. At the outset, I comment that this is not the first time I have investigated an agency regarding their employee recognition practices.
33. On 10 March 2017 I concluded an investigation into HomeStart Finance. HomeStart had a 'formal' and 'informal' employee rewards and recognition program. Examples of expenditure included a staff Christmas party including food and drinks, bottles of champagne as gifts associated with staff recognition awards, the purchase of alcoholic drinks at an employee farewell party and the purchase of alcoholic drinks to reward staff for assisting in relocating the office to new premises.
34. I found that HomeStart committed maladministration in public administration through excessive expenditure on alcohol for the benefit of staff.
35. On 25 November 2019 I concluded an extensive investigation into the corporate credit card practices of the City of Onkaparinga, in which I found that some instances of expenditure amounted to maladministration in public administration. One such category of expenditure was gifts of flowers for staff and I specifically found that it was not appropriate for the agency to fund the purchase of flowers for staff in the event of employee resignations. Another such category was gifts of alcohol to staff as a 'gesture or sentiment of thanks for going above and beyond'.
36. I determined that such expenditure was inappropriate and amounted to maladministration.
37. The South Australian Auditor-General has also investigated the issue of rewards and recognitions being used by the City of Charles Sturt.<sup>4</sup> The Auditor-General showed detailed consideration of the issue and made several findings. The relevant 13-page section of his report is annexed to this report.
38. In summary, the recognition practices of the City of Charles Sturt which were under scrutiny included:
  - recognition of 25 years of service with a gift to the value of \$575
  - the employee becomes a member of the 25-year club and is invited to attend an annual lunch with the Executive (for example, the cost of one lunch was \$2,945)
  - farewell celebrations (limited to \$50 per event)
  - Christmas social function including catered food, alcoholic drinks, music and entertainment (limited to \$50 per person)
  - recognizing an individual or team for going 'above and beyond' with a gift up to the value of \$40
  - gift vouchers as prizes for team building exercises.
39. The Auditor-General found that all of the above practices were inappropriate on the basis that they did not align with the council's business purpose; the costs incurred for the 25 year milestone were unnecessary and excessive; alternative rewards could be used that have little or no cost to the ratepayer; these practices were not a proper use of public money and did not align with the expectations of the public.

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<sup>4</sup> Auditor General Report 2 of 2020 - Examination of credit card use and management - City of Charles Sturt

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40. Regarding the Christmas social event, the Auditor-General commented:

In our opinion, the business benefit to the Council from funding a Christmas event is not clear. We consider that costs incurred for music/entertainment and alcohol are an unnecessary and inappropriate use of public money...

In our opinion these strategies are not consistent with the principles of reward and recognition but relate more to supporting staff wellbeing and morale. Such events would typically be organised and funded by an entity's social club, and are activities separate from the entity and not funded by public money.

The Council may decide to contribute to a social club event (either financially or by allowing the use of Council facilities). Generally, it is our view that it is not necessary or appropriate to use public money to fund social events.

Where the Council makes a financial contribution to a social event or a gift to an employee, it also exposes the Council to the risk of negative public and Parliamentary scrutiny of its use of ratepayer and taxpayer funds. It is imperative that it can demonstrate that it has observed the expenditure principles...and, without any doubt, its expenditure can withstand public and Parliamentary scrutiny.

*Consideration*

41. Whilst there have been four types of employee recognition practices used by the council, each has been substantially for the same purpose. I have therefore considered whether the employee recognition practices, as a whole, amount to maladministration in public administration, in addition to considering whether the four employee recognition practices are appropriate.

*Recognition function event*

42. The Reward and Recognition Guide recommends that recognition take place immediately after a particular accomplishment. I am mindful of, and agree with, the Auditor-General's comments that it is not appropriate for a public agency to fund a Christmas party. Having a regular function that is not tied to any particular achievement is akin to a social event, rather than a recognition event.
43. It would be acceptable for the council to hold a modest funded morning tea for a particular team, in order to recognise a particular accomplishment. In my view, it is not necessary or appropriate for the council to hold an expensive bi-annual recognition event.

*Service awards*

44. I note that service awards and retirement gifts based on the amount of years spent working at the council do not recognise any particular achievement, apart from being employed and paid to do the job a public servant was contracted to do.
45. However, I accept that some agencies may see the benefit of recognising milestone years of service with a certificate or plaque. Such a practice is discussed in the Reward and Recognition Guide.

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*Gifts*

46. Public officers are held to a higher standard than employees in private enterprise in relation to the receipt of gifts and benefits other than their salary, and should not be seen to be receiving additional benefits.
47. In my view it is inappropriate for a public agency such as a council to provide gifts to its employees using public money. Any such gifts, if they are to be given, should either be funded by the social committee or by collection amongst the employees.
48. It follows that service awards should not include a gift; a staff incentive scheme should not include the use of gift cards; and it is not appropriate to give retirement gifts which have been publicly funded.

*Maladministration*

49. I now consider whether the four employee recognition practices of holding a recognition event; distributing service awards and gifts; distributing gift cards for the purpose of an incentive awards scheme, and giving retirement gifts, amount to maladministration in public administration.
50. Maladministration is relevantly defined in section 4(2) of the Ombudsman Act:

(2) **Maladministration in public administration -**

(a) means

- i. conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorized use of public money or substantial mismanagement of public resources

...

51. The suite of policy documentation provided indicates that the expenditure was authorised. The expenditure therefore does not meet the criteria for expenditure that was 'irregular and unauthorised'.
52. I have considered whether the employee recognition practices resulted in the substantial mismanagement of public resources.
53. I have based my determination on a number of considerations, including:
  - the benefit (real or perceived) gained by the public from the expenditure
  - the public's expectations of government agencies
  - the appropriateness of the amount of the expenditure
  - the nature of the expenditure
  - whether the expenditure was reasonably necessary for the carrying out of the council's functions.
54. It is widely accepted that public officers should not expect to receive anything other than their salary. I accept that reward and recognition plays an important role in effective management. However, reward and recognition need not require large expenditures of money.

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55. The Reward and Recognition Guide clearly outlines that a budget allocation is not necessary for reward and recognition, and sets out a number of examples for rewarding employees where a budget is not required. The Guide also sets out that agencies should:

Always remember that funding for recognition activities will be coming from the public purse. Consider how the administration of your reward will appear to taxpayers and whether it can be easily justified. To help you gain perspective on the possible implications of your chosen activity, consider how you would feel if it were to be published in the media.<sup>5</sup>

56. The total amount spent by the council on employee recognition, during the period under investigation, is \$60,301.52.
57. I have considered the CEO's submissions regarding the rationale for introducing the employee recognition event and awards in 2008. That is, in acknowledgement of employees' efforts and commitment to improving safety and reducing the council's injury claims liabilities, after the council received a 40% increase in rebate from the Local Government Association Workers Compensation Scheme. Broadly speaking, I do not consider that employees should be rewarded for following work, health and safety protocols. That is a core requirement of every public sector employee and should not require special recognition.
58. Even if it were the case that significant cultural and policy changes were implemented in 2007-2008 that improved the workplace safety of the council, and that were deserving of a one-off recognition event for employees, I consider it highly unlikely that such significant improvements were repeated each year in order to warrant a recognition event.
59. Noting that the specific details of some of the four schemes evolved over the years, I consider that some of the schemes at various points in time had unclear guidelines and afforded too much discretion to the management staff. For example:
- the criteria for the staff incentive scheme are highly subjective
  - whilst the Human Resource Management Policy sets out amounts for the service gifts, depending on length of service, the Policy also states:  
Gifts of a higher value may be purchased on a case by case basis, where Council or the CEO deems such value to be suitable to the length of service and the position/s held.
  - between 2008 and 2014, there was no specific limit on the amount of the gift card for the staff incentive scheme, variously being described as '\$ value as determined by the Management Team' and 'a gift voucher at a value as determined appropriate'
  - in 2014 the policy was updated with more guidance but was still discretionary, stating 'gift cards to the value of \$50.00 (or other value as determined in line with an annual budget allocation)'.
60. Having unclear guidelines which afford a large amount of discretion reduces accountability and is open to misuse.

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<sup>5</sup> Guideline of the Commissioner for Public Sector Employment, Office for the Public Sector, 16 November 2016, page 14.

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61. Further, employee recognition practices should be consistent in order to avoid any actual or perceived favouritism. Having a wide discretion often results in some employees receiving higher value gifts than other employees, which reduces trust and cohesion in the workplace. The Reward and Recognition Guide states:
- Make sure that your reward or recognition process is transparent, so that it cannot be perceived by employees as favouritism. Make sure that you will be able to apply the same level of recognition for any colleagues who accomplish a similar achievement...
62. I do not consider that the public could be said to have benefitted from the employee recognition practices. Whilst appropriate staff recognition practices can lead to staff who are more motivated to provide high quality services, staff recognition practices ordinarily do not need to be funded with ratepayer moneys.
63. I also comment that there is no evidence before me that the council conducted any reviews to determine whether its employee recognition practices were effective, or led to improved services to the community or improved employee performance.
64. I do not consider that the employee recognition practices meet the standards expected by the public of public agencies. The expenditure was not reasonably necessary for the carrying out of the council's functions.
65. The council has spent in excess of \$60,000 on employee recognition. Whilst I acknowledge that the majority of this expenditure was incurred over a period of some fourteen years, nevertheless this is a substantial amount of money. For context, it appears that the council has approximately 75 employees.
66. Whilst the information provided by the council indicates that in fact it budgeted \$61,881 for employee recognition over this time period, and thus has spent under the amount budgeted, I do not consider that anything turns on this. I consider that the nature of the expenditure was inappropriate and not in the public interest.
67. Whilst rewarding and recognising staff for their achievements is appropriate, I do not consider it is appropriate to do this with gifts or alcohol, particularly when suitable boundaries on such rewards are not in place.
68. It is not my intent to conclude that it is wholly inappropriate for a public agency to spend any public monies on recognition of employees. As the Reward and Recognition Guide indicates, it is acceptable to fund a modest morning tea to recognise achievement, or to present service awards in the form of certificates or a plaque.
69. However, I agree with the Auditor-General that in most cases, reward and recognition should have little or no financial cost to a public agency.
70. Given my views that the employee recognition practices of the council were inappropriate and did not provide benefit to the public, it follows that my view is that the practices constituted mismanagement of public resources.
71. I have considered whether the mismanagement was substantial. The practices have continued over many years, despite the relevant policies being reviewed by the council a number of times. The amount that has been spent is considerable, noting the lack of public benefit or other factors which would make the expense in the public interest.

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72. In my provisional report, I expressed the tentative view that the mismanagement was substantial, and therefore constitutes a practice of a public authority that results in the substantial mismanagement of public resources.
73. In response to my provisional report, the CEO submitted that in principle, he accepted the findings of my report and the proposed recommendations. However, he asked for further consideration as to whether the matters identified in my report reflect 'substantial mismanagement of public resources' and therefore constitute maladministration. He noted that my consideration of 'substantial' is not limited to just the dollar value, and also includes the length of time over which the employee recognition practices occurred. However, he provided the following submissions:
- At the time that the employee recognition program was introduced, resources like *the Guide* were not available and, as *the Guide* identifies, reward and recognition within the public sector, (or local Council's) can be highly complex. Furthermore, on the basis that the total amount spent on the employee recognition programs since 2008 represents 0.092% of the total employee costs for the same period and 0.024% of Councils operational expenditure, I ask for further consideration as to whether it is fair and reasonable to treat this expenditure as 'substantial mismanagement of public resources'.
74. I accept that in 2008, the Reward and Recognition Guide had not yet been produced. I also acknowledge that the practice of providing these types of 'perks' to employees has previously been accepted and common practice. However, over time, values change and the expectations of the public change. These types of rewards have, for some time, been considered to be inappropriate for public sector employees.
75. I note that the Reward and Recognition Guide was published in 2016, although I accept that as the Guide is not strictly applicable to local councils, the council may have been unaware that it existed at that time. However, I consider that both the elected members and the council administration should have been aware that the expectations of the public have evolved. At each time the council's policy documentation was reviewed, the council should have turned its mind to the appropriateness of the expenditure. I also note that the office of the Independent Commissioner Against Corruption (ICAC) has been in existence since 2012, with information about what constitutes maladministration being made available to all public sector agencies including local councils since that time. In addition, reports about investigations into maladministration are regularly published by my Office (and occasionally by the ICAC), which generally receive media attention.
76. I acknowledge the submission that the funds spent comprise a very small percentage of the council's budget. However, taking into account the considerations listed at paragraph 53 of this report, I remain of the view that the ratepayers did not appear to receive a benefit from this expenditure; the expenditure did not meet the expectations of the public; the amount that was spent on employee recognition was not appropriate; the expenditure did not have a justifiable basis taking into account public policy considerations and the wide array of available employee recognition options which have little or no cost; and the expenditure was not reasonably necessary for the carrying out of the council's functions.
77. I, therefore, confirm my provisional view that the expenditure comprised the substantial mismanagement of public resources.

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### Opinion and Recommendation

In light of the above, I consider that by holding employee recognition events and giving gifts to employees in line with its four employee recognition schemes, the council committed maladministration for the purposes of section 4(2)(a)(i) of the Ombudsman Act.

I note that following my provisional report, the council has now ceased the employee recognition practices that were subject to this investigation.

Therefore, I recommend under section 25(2) of the Ombudsman Act that the council review its Human Resource Management Manual and remove or vary reference to its employee recognition practices (clauses 24, 25 and 26).

### Final comment

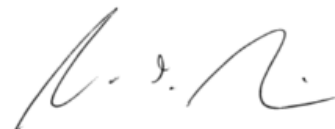
I now report the council's maladministration to the principal officer of the council as required by section 18(5) of the Ombudsman Act.

In accordance with section 25(4) of the Ombudsman Act the council should report to the Ombudsman by **31 May 2023** on what steps have been taken to give effect to the recommendations above; including:

- details of the actions that have been commenced or completed
- relevant dates of the actions taken to implement the recommendation.

In the event that no action has been taken, reason(s) for the inaction should be provided to the Ombudsman.

I have also sent a copy of my report to the Minister for Local Government as required by section 25(3) of the *Ombudsman Act 1972*.



Wayne Lines  
**SA OMBUDSMAN**

17 April 2023



**Appendix 1:**

**Excerpt from the Auditor General Report 2 of 2020 –  
City of Charles Sturt**

## 8 Credit card payments for reward and recognition expenses

### What we found

#### *Recognition of service*

The Council's recognition of service policy, dated May 2015, was overdue for review when we started our examination.

We were not satisfied that the recognition of service policy clearly aligned with the Council's business purpose. It is unclear how incurring the expenditure in line with this policy contributes to achieving the Council's objectives and performing its functions, the business benefit to the Council and how it encourages behaviours that support the Council's values.

We also considered that the extent and value of the recognition of service rewards specified were unnecessary and excessive.

#### *Recognition of achievement*

The Council introduced a recognition of achievement policy, dated September 2019. It outlines the ways the Council recognises employee and volunteer achievements and contributions to the community and the organisation.

We were not satisfied for all Council recognition programs that there was a clear link in this new policy to recognising a high standard of employee performance or alignment to business purpose. Further, the reason for the recognition was not, in our opinion, clearly aligned with the Council's business purpose.

We consider gifts to staff, other than in rare circumstances and where the business purpose is clearly justified, are not a necessary or appropriate use of public money given that employees are remunerated for performing their roles in line with their employment agreements.

The recognition of achievement policy and guideline also apply to the Council's volunteers. However, the recognition programs are specific to employees. The nature and extent of recognising volunteer contributions are unclear.

### What we recommended

#### *Recognition of service*

The Council should review its internal policies and guidelines regularly and by the due date.

The Council should consider streamlining its policies by having one policy on recognising achievement that covers all recognition programs.

The Council should review its recognition of service policy to provide further direction and guidance on the proper expenditure of public money to ensure:

- the reason for the recognition is clearly aligned to the Council's business purpose
- the expenditure is necessary and the amount spent demonstrates prudent expenditure behaviour.

#### *Recognition of achievement*

The Council should review its recognition of achievement policy and guideline, dated September 2019, with specific focus on staff performance and the expenditure principles. The Council should consider keeping volunteer recognition separate by providing for it in its volunteer policy.

In doing so, to inform any decisions on future practice, the Council should survey its community to understand the public's expectation of what sensitive expenditure may or may not be funded by public money, or coordinate with other councils to gain this information.

The Council should review its recognition of achievement transactions to ensure the new policy and guideline are implemented and operating effectively. We expect the Council will consider the policy improvements we identified against its current priorities and risks to determine the time frame it considers reasonable to review its policy and review relevant transactions.

## 8.1 Introduction

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### 8.1.1 Relevant law

Section 99 of the LG Act describes the functions of a council's CEO, which include:

- managing the council's daily operations and affairs to achieve its strategic objectives
- giving effect to the human resource management principles prescribed under section 107 of the LG Act and applying proper management practices.

Section 107 of the LG Act requires a CEO to implement sound human resource management principles to ensure, for example, that employees are given reasonable access to training and development, treated fairly and consistently and given regular reports on their performance.

### 8.1.2 Council policy

#### Recognition of service

The recognition of service policy, dated May 2015, applied for the period we examined

(1 July 2016 to 30 April 2018). It recognises long-serving employees whose continuous service exceeds 25 years.

We note that this policy had not been reviewed since 2015 despite having a next review date of May 2017.

### Recognition of achievement

Before we formally communicated our examination findings, the Council introduced the recognition of achievement policy, dated September 2019, and guideline, dated May 2019. This policy outlines the ways the Council recognises employee and volunteer achievements and contributions to the community and the organisation.

The Council promotes the importance of interaction and collaboration amongst both employees and volunteers, which supports its commitment to attracting and retaining people and maintaining a constructive workplace culture. The Council also recognises that expenditure must represent value to its community, be reasonable for the circumstances and be publicly defensible.

#### 8.1.3 Relevant credit card expenditure

Of the 33 transactions we examined, two payments related to expenditure incurred in line with the recognition of service policy dated May 2015. They involved a gift to an employee for their 25-year work anniversary and the annual 25-year club lunch expense.

We also examined four payments that related to staff recognition where there was no specific policy during the period we examined and when the expenditure was incurred. These transactions included gift vouchers to employees for work performance, prizes for a team building activity and a Christmas lunch for a group of volunteers.

## 8.2 Examination approach

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We examined the Council's recognition of service policy dated May 2015 which:

- was current at the time of conducting our examination
- applied during the period we examined (1 July 2016 to 30 April 2018).

When we assessed the six credit card transactions against the expenditure principles explained in section 3.3.2, we identified a need for the Council to review its staff recognition practices.

In September 2019, before we formally communicated our examination findings, the Council introduced the recognition of achievement policy and guideline.

In completing our examination, we reviewed this policy and guideline only to determine whether the matters we initially identified were addressed. We did not assess whether Council staff complied with the new policy, as it applied after the period examined and the examination work was completed.

### Principles relevant to employee recognition

We acknowledge the importance of staff recognition in workplaces. We also acknowledge that publicly funded workplaces need to be highly aware of justifying the use of public money for any purpose. For our examination we considered the principles outlined in:

- the SA recognition guide
- the SA Ombudsman's report on the investigation of HomeStart Finance dated 10 March 2017.

Like the Council, the SA Government strives to be a high performing sector that attracts, develops and retains a highly talented workforce, encourages innovation and continuous improvement, and focuses on improving public value.

The SA recognition guide supports recognising employee performance achievements and positive behaviours. The guide states:

*Employees who feel valued, encouraged and appreciated for the work that they do are more likely to be engaged, contribute effectively, work innovatively and perform highly in their roles.*

*Ultimately, comprehensive recognition ensures the attraction and retention of a quality workforce that is adaptable to change and dedicated to achieving results.*

The guide outlines core principles to consider when developing and implementing recognition strategies and programs. While this guide is not applicable to the local government sector, these core principles can apply to any entity, like the Council, that is funded by public money and that strives to be a high performing organisation. The core principles are also consistent with the expenditure principles outlined in section 3.3.

The guide also notes that best practice research highlights that reward and recognition within the public sector can be highly complex. It suggests that a reward and recognition program does not have to be costly and gives examples that have no budget implication. It also highlights the following:

*The belief that remuneration (eg distributing cash bonuses or gift cards) is the best way to provide incentive to employees has often been popular with management. However, this approach is not always the best and only way to reward employees.*

*In the Public Sector, we are funded by the public purse and we need to look at innovative and alternative methods of reward.*

*Always remember that funding for recognition activities will be coming from the public purse. Consider how the administration of your reward will appear to taxpayers and whether it can be easily justified. To help you gain perspective on the possible implications of your chosen activity, consider how you would feel if it was to be published in the media.*

The SA Ombudsman reported that:

*... it is widely accepted that public officers should not expect to receive anything other than their salary. In my view, public officers are also expected to avoid any perceptions of receiving anything more than their salary ...*

*... Whilst rewarding and recognising staff for their achievements, and creating a positive work environment are appropriate, I do not consider it is appropriate to do this with alcohol or gifts, particularly when suitable boundaries on when such gifts may be awarded are not in place.*

We assessed the Council's recognition of staff policy and guidelines against the following principles to determine whether they promoted the proper use of public money.

#### *Aligned with business purpose*

The reason for recognising performance is aligned with business purposes where it contributes to achieving the Council's objectives. It also encourages behaviours that support the Council's values.

#### *Necessary and appropriate*

The expenditure is necessary for the Council to achieve its objectives.

The nature of the reward is appropriate and relevant to the performance or behaviour that is being recognised.

The value of the reward is modest or has no additional cost to the Council.

It is important that the reward can be easily justified and reflects proper and prudent expenditure of public money.

#### *Fair and transparent*

The recognition programs are fair and apply to all employees. The recognition strategy is most effective when implemented at the time of the performance achievement. This reinforces the positive behaviours, provides motivation and encourages high standards of performance.

It is important the standards of performance being recognised are clearly defined and documented, recognised in line with policy and applied consistently across the Council to enhance fairness.

## 8.3 Findings

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### 8.3.1 Timing of policy review could be improved

#### Recommendation

The Council should review its internal policies and guidelines regularly and by the due date.

A policy and the related guidelines should be reviewed at the same time.

The Council should consider streamlining its policies by having one policy on recognising achievement that covers all recognition programs.

### Finding

The recognition of service policy had a next review date of May 2017. The review was overdue when we started our examination in May 2018.

We also noted that there is a difference of five months between the review dates of the recognition of achievement policy and its guideline. In our view when policies are reviewed the related guidelines should be reviewed at the same time to ensure practices and documented procedures are consistent with and support policy requirements.

The recognition of achievement policy establishes recognition of service as one way the Council recognises its employees and refers to other related policies, including the recognition of service policy mentioned above.

### 8.3.2 Review of recognition of service policy needed to ensure proper use of public money

#### Recommendation

The Council should review its recognition of service policy, dated May 2015, to provide further direction and guidance on the proper use of public money to ensure:

- the reason for the recognition is clearly aligned to the Council's business purpose
- the expenditure is necessary and the amount spent represents prudent expenditure behaviour.

### Finding

We acknowledge and support the importance of councils recognising employees who are dedicated to their work and make long-term contributions to achieving the council's objectives and providing services to its community.

Consistent with the SA recognition guide, we also acknowledge that establishing reward and recognition can be highly complex in entities that manage and spend public money. In our view, it is important that a council carefully considers the expenditure principles when developing and implementing any recognition programs.

The Council officially recognises long-serving employees whose continuous service exceeds 25 years under its recognition of service policy as follows:

- the employee receives a gift of their choice to the value of \$575. The gift is presented to the employee by the Mayor, the CEO or a General Manager
- the employee becomes a member of the 25-year club. 25-year club members are invited to attend an annual lunch with the Executive

- for each subsequent five years of service, the employee receives a dinner or gift voucher<sup>19</sup> to the value of \$250.

The credit card transactions we tested included a \$750 payment for the annual 25-year club lunch. This amount was a deposit and the total cost of the lunch was \$2945.

We also reviewed a \$415 payment for a gift to an employee for their 25-year work anniversary.<sup>20</sup>

#### 8.3.2.1 Policy intent is not clearly aligned with business purpose

The purpose of the expenditure was consistent with the Council's recognition of service policy. This policy does not clearly explain how reaching the required number of years of continuous service is aligned with the Council's business purpose. It is unclear how incurring this expenditure (ie gifts and an annual lunch) contributes to achieving the Council's objectives or performing its functions, the business benefit to the Council and how it encourages behaviours that support the Council's values.

Reaching the required number of years of continuous service is a significant personal service achievement. It does not necessarily align with achieving, and therefore warrant recognising, high performance.

In our view, it is important that any recognition program that recognises an individual's significant achievements are clearly aligned to business purpose and high performance.

In our view, the Council had not clearly demonstrated the proper use of public money by incurring the expenditure for the annual lunch. This was because, in our opinion, the Council had not clearly justified the business benefit of this annual expenditure to recognise a significant personal service achievement.

#### 8.3.2.2 The extent and value of the loyalty of service reward was considered unnecessary and excessive

When spending public money, it is important that the value of the reward can be easily justified and is demonstrably reasonable for the performance being recognised.

A core principle in recognising employees is that it is immediate. An employee achieves this milestone once and it is timely to recognise this achievement on, or close to, the employee's 25-year anniversary.

In our view, it is not necessary for the Council to incur all these costs in recognising an individual's 25 years of continuous service. The extent of the loyalty of service reward, in our opinion, is excessive. The Council should review the frequency of the years of service being rewarded (ie every subsequent five years after 25 years, an annual lunch) and identify alternative rewards that have little or no cost to the ratepayer.

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<sup>19</sup> Vouchers are bought from restaurants and stores within the Council area.

<sup>20</sup> The employee also received a \$160 gift voucher. The total gift value was \$575 in line with the policy.



In our view, paying for an annual lunch was not a proper use of public money. In our opinion it was not necessary for the Council to incur this cost in addition to a gift to recognise an individual's 25 years of continuous service milestone.

### 8.3.3 Policy guidance for staff recognition could be improved

#### Recommendation

The Council should review its recognition of achievement policy and guideline to ensure:

- all recognition programs are aligned with its organisational objectives and values and are consistent with the policy's principles
- staff are recognised for a significant standard of performance to achieve the Council's objectives and deliver services to the community. The standards of significant performance for each recognition programs should be clearly defined
- adequate records are maintained to explain the reason for the recognition and how it is for the Council's business purpose
- the nature of all rewards is appropriate and relevant to the performance or behaviour being recognised
- it is necessary to incur the cost and the value of all rewards is modest or at no additional cost to the Council and is relevant to the performance or behaviour being recognised
- the total cost of all recognition programs is modest and withstands public and Parliamentary scrutiny.

The Council should consider doing the following in reviewing its policy:

- to inform its decision on future practice, survey its community to understand the public's expectation of what sensitive expenditure may or may not be funded by public money, or coordinate with other councils to obtain this information
- research the expected benefits to the Council and its community of any proposed monetary recognition practices
- consider keeping volunteer recognition separate by providing for it in the Council's volunteer policy.

The Council should review its recognition of achievement transactions to ensure the new policy and guideline is implemented and operating effectively. We expect the Council will consider the policy improvements identified against its current priorities and risks to determine the time frame it considers reasonable to review its policy and review relevant transactions.

#### 8.3.3.1 Some recognition programs are not clearly aligned with business purpose and policy intent

#### Finding

The recognition of achievement policy, dated September 2019, applies to all Council employees and volunteers. It was introduced after we completed our examination work and

was not in place when the expenditure transactions we tested were incurred.

We note that the new policy and related guideline include the following principles:

- any expenditure must represent value to the Council's community, be reasonable for the circumstances and be publicly defensible. The guideline provides maximum expenditure limits
- recognising employee and volunteer performance to encourage behaviours that support the Council's values
- recognition will be fair, consistent, transparent, clearly stated and easily accessible for all employees and leaders
- achievement will be recognised as soon practicable
- recognition is largely orientated towards appreciating and valuing employee contributions and efforts rather than providing financial rewards.

Some recognition programs, in our view, are not clearly aligned with the Council's business purpose and policy intent of recognising significant achievements and performance. In our opinion, the standard of performance being recognised should be higher than satisfactory given staff are already remunerated for performing their roles.

We were not satisfied that for all Council recognition programs there was a clear link to recognising a high standard of employee performance or alignment to business purpose. Further, the reason for the recognition was not, in our opinion, clearly aligned with the Council's business purpose. The following are examples of this.

#### *Employee farewells*

The Council funds farewell celebrations for its employees to recognise their achievements and efforts while working within the organisation. We note the policy limits the amount of public money spent to \$50 per event.

In our opinion there was not a clear business benefit obtained by the Council in funding these farewell events. Further, in our view, these events are not consistent with the principles provided in the recognition of achievement guideline, which states that:

*Recognition is a key part of our "Living Blue" culture and allows us to attract, motivate, reward and, ultimately, retain employees who strive for excellence.*

*Recognition of achievement will be attributed as soon as practicable following the achievement.*

We consider that costs incurred for farewell events are an unnecessary and inappropriate use of public money.

#### *Christmas social functions*

The recognition of achievement guideline provides that the Council funds a Christmas event, held after hours, for all staff to thank them for their efforts and what they have contributed

to the community throughout the year. This is in addition to recognising the significant achievements and performance of an individual or a team.

The guideline sets the cost of the Christmas event, which includes catered food, drinks (including alcohol) and music/entertainment, at a maximum of \$50 per person.

We were not satisfied that the recognition of achievement guideline clearly identifies the significant performance and achievements being recognised by sponsoring an annual social event.

In our opinion, the business benefit to the Council from funding a Christmas event is not clear. We consider that costs incurred for music/entertainment and alcohol are an unnecessary and inappropriate use of public money.

The SA recognition guide states that recognition is most effective when it is specific and provided immediately after the performance achievement.

In our opinion these strategies are not consistent with the principles of reward and recognition but relate more to supporting staff wellbeing and morale. Such events would typically be organised and funded by an entity's social club, and are activities separate from the entity and not funded by public money.

The Council may decide to contribute to a social club event (either financially or by allowing the use of Council facilities). Generally, it is our view that it is not necessary or appropriate to use public money to fund social events.

Where the Council makes a financial contribution to a social event or gift to an employee, it also exposes the Council to the risk of negative public and Parliamentary scrutiny of its use of ratepayer and taxpayer funds. It is imperative that it can clearly demonstrate that it has observed the expenditure principles outlined in section 3.3.2 and, without any doubt, its expenditure decision can withstand public and Parliamentary scrutiny.

#### *Community expectations*

In recent years, some councils' expenditure behaviours have been subject to public criticism because the nature of some expenditure (ie what public money is spent on) was not considered reasonable by the public. It is publicly known that the Onkaparinga Council has been subject to significant public criticism over its expenditure behaviours. While we have not examined the Onkaparinga Council's expenditure, we have sought to understand how it responded to the public criticism.

To inform its decision on future practice, the Onkaparinga Council surveyed its community to understand the public's expectation of what sensitive expenditure may or may not be funded by public money. The Onkaparinga Council considered the survey results when it developed its new hospitality expenditure guidelines.

In a council agenda paper, a public document, the Onkaparinga Council highlighted any expenditure where community sentiment did not align with its business practice. It also explained why some business practices were important and would continue, but that it would aim to minimise any associated costs (eg catering).

We consider that the Onkaparinga Council took appropriate action to seek, understand and consider its community's expectations on expenditure behaviours. It was then better informed to respond and develop its policies. We did not review the Onkaparinga Council's revised expenditure policies and guidelines in our examination.

### 8.3.3.2 Gifts to staff were not always necessary or appropriate

#### Finding

The Council's recognition policies provide for gifts to staff for:

- recognising an individual or a team for 'over and above' performance and achievements. The value of the gift is up to \$40 per individual per year
- retirement, where a gift is selected from a range of Council specific gifts up to the value of \$50
- achieving 25 years of continuous service. The employee receives a gift of their choice to the value of \$575
- every five years of service after achieving 25 years of continuous service. The employee receives a dinner or gift voucher to the value of \$250<sup>21</sup>

Where a gift is not listed in a policy or guideline, it is not permitted unless approval has been given by the CEO.

The SA Ombudsman's March 2017 report on the investigation of HomeStart Finance reported that:

*... it is widely accepted that public officers should not expect to receive anything other than their salary. In my view, public officers are also expected to avoid any perceptions of receiving anything more than their salary ...*

*... Whilst rewarding and recognising staff for their achievements, and creating a positive work environment are appropriate, I do not consider it is appropriate to do this with alcohol or gifts ...*

Consistent with the SA Ombudsman's view, it is our view that remuneration derived from positions held by Council staff should be considered sufficient and appropriate monetary compensation for performing their duties. This is informed by the low tolerance of taxpayers and ratepayers to this type of public expenditure we have noted in the past. Accordingly, we consider gifts, other than in rare circumstances and where the business purpose is clearly justified, are not a necessary or appropriate use of public money.

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<sup>21</sup> Vouchers are bought from restaurants and stores within the Council area.

For the transactions we reviewed, in our view payments for the following gifts were not a proper use of public money:

- the 25 years of service gift
- gift vouchers to employees for work performance
- gift vouchers as prizes for team building activities.

We consider it was unnecessary for the Council to incur these costs and it was inappropriate to reward an employee with a gift. The expenditure decisions were not transparent as the records did not adequately explain the standard of work performance being recognised.

Further, the SA recognition guide outlines key considerations when providing reward and recognition, which include:

*Keep the Code of Ethics in mind to ensure that your reward or recognition can be upheld, in particular, against the Professional Conduct Standards (eg the use of government/public resources, conflicts of interest and acceptance of gifts and benefits).*

#### 8.3.3.3 Recognising volunteers

##### Finding

The recognition of achievement policy and guideline also apply to the Council's volunteers. However, recognition programs are specific to employees. The nature and extent of recognising volunteer contributions is unclear.

We note that the Council's volunteer policy, dated March 2018, covers the management of volunteers. The Council's Volunteer Service Development Officer is responsible for the corporate recognition of volunteers. The staff who coordinate volunteers organise volunteer recognition and years of service celebrations. The policy does not provide any further guidance and direction on the recognition programs for volunteers.

The Council's website describes the ways it recognises volunteers:

- reference made in the Council's annual report
- volunteer newsletters
- celebrating national volunteer week
- certificates for length of service.

The transactions we reviewed included the cost of a Christmas lunch for 44 volunteers. This is not specifically listed on the Council's website as a potential recognition option.

The Council has 330 volunteers. They are a highly valuable resource in delivering services to the community. We acknowledge the importance of the Council recognising volunteer contributions. We also consider it is important that any recognition programs are consistent with the principles outlined in section 8.2.

In the absence of policy guidance on volunteer recognition programs, it is unclear:

- how the Council considers it acceptable to recognise volunteers
- how recognition programs are applied consistently across the Council to ensure it is fair and available to all volunteers
- how the Council ensures the total recognition program cost is necessary and appropriate.

#### 8.3.4 Council response

The Council reviewed and updated its internal policies for credit card use, recognition, and hospitality, gifts and employee expenses before the examination was finalised. It will further review these policies to consider our recommendations.

The leadership team was provided with guidance on ensuring a prudent approach to reward and recognition and that it is fully transparent and accountable. This approach is further supported by all credit card transactions being published on the Council's website for public information.

The Council is considering undertaking an internal audit of its internal policies and the way they are managed and applied across the organisation. This will include reviewing recognition of achievement transactions to ensure they align with Council policy. The outcomes of this review would be presented to the audit committee and the elected body.

The Council is committed to creating and driving a performance-based culture that is focused on accountability and delivery. In doing so, the Council understands and values the importance of recognising the achievements of its workforce. This recognition is largely orientated towards appreciating and valuing staff contributions and efforts rather than providing financial rewards. The Council is focused on building a workforce that is passionate, engaged and appropriately recognised for effective and efficient delivery of services and projects to the community while living the values in the way they work.

The SA recognition guide provides guidance on reward and recognition and the benefits of a high performing workplace to the community. The Council recognises that not all rewards need to be financial and that this is reflected in its current practices and the revised recognition and hospitality, gifts and employee expenses policies.

The Council considered our assessment and interpretation was often contrary to the Public Sector's best practice guidelines in what would be considered a reasonable cost in certain circumstances to demonstrate the value it wants to acknowledge in staff who 'go over and above to deliver value and benefit to the community'. The Council stated that many of the transactions we examined were one-off reward and recognition transactions. These transactions were approved by officers with authorised delegations, having been deemed appropriate and reasonable for the circumstances of the transaction.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Accounts Receivable	5.1 Debtor Master File Maintenance	Low	There is no process to close out or review inactive debtor accounts within the Authority financial application. We note that as part of the new ERP software project, a significant data cleansing process will be undertaken before migration of any data into a new system, which will address this finding and risk.	LEADER SYSTEMS AND TECHNOLOGY	30/06/2024	30/06/2024	In Progress	
Internal Audit Activities	Accounts Receivable	4.1 Debtor Management Reporting	Low	A simple electronic sign off of the accounts receivable monthly aged debtors is performed by the Manager Financial Services to evidence independent review. Where appropriate, this type of information could be included in any overall aged debtors (including rates) reporting to CMT.	MANAGER FINANCIAL SERVICES	30/06/2023	30/06/2023	In Progress	
Internal Audit Activities	Accounts Receivable	3.1 Debtor Management	Low	1. It is recommended that PO048 Management and Recovery of Outstanding Debts Policy be reviewed and updated, to ensure that it is consistent with Council's expectations and processes. 2. A consistent approach to documenting the review of the trial balance report should be implemented, in particular an electronic signature to be included. Again, we understand that a new ERP may address these recommendations by offering improved debtor management systems that allow recording and follow up of debtors within the system and also that allows accounts receivable invoices to be paid using BPay.	SENIOR RATES OFFICER	31/03/2024	31/03/2024	In Progress	
Internal Audit Activities	National Disability Insurance Scheme Worker Screening Review	Consolidate Volunteer Details	Low	Review all Council volunteer details to ensure information is up to date and those listed across Council's systems (ElementSTAFF, Content Manager and the NDIS Commission Portal) are still involved in the YPLO Program. If not, ensure this is documented within Council's records management system (for example, SF444 Volunteer Exit Checklist is completed) and ensure they are archived within the NDIS Commission Portal and any other applicable system. This process could also form part of the annual review recommendation.	MANAGER PEOPLE CULTURE AND SAFETY	30/06/2023	30/06/2023	In Progress	

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Review of Expiation Notices	Update SF034 Expiation Notice Form and Hardcopy Expiation Notice Form	Modera...	Update both Electronic and Hardcopy Forms in accordance with suggested changes to improve consistency between the two forms. attachment 1 of the Memo provides a copy of the Electronic Form with the changes noted below shown in red. Electronic Form: 1. Ensuring consistency with heading and abbreviations across the four types of expiations. 2. Removing the 'SA' reference within the Australian Road Rules section to ensure consistency with Hardcopy form abbreviations. 3. Adding 'DCM Act' across all Dog and Cat Management Act Offences section to ensure consistency with Hardcopy form abbreviations. 4. Direct referencing and/or wording to offences. 5. There are a number of Offences that are included in the Hardcopy Form that are not included on the Electronic Form. For example, eight (8) Local Nuisance and Litter Control Act 2016 Offences are listed on the Hardcopy Form, but not within the Electronic Form. Hardcopy Form: 1. From a review of the Hardcopy Form review we noted that within the By-Law expiations, Clause 4.12 and 4.11 the wording states "Camp or sleep overnight", rather than the direct By Law wording of "Camp or stay overnight".	DIRECTOR DEVELOPMENT SERVICES	31/05/2023		In Progress	Work has commenced on updating the Expiation Notice Forms and should be completed by the allocated due date.
Internal Audit Activities	Internal Financial Controls Self-Assessment - September 2022	Review access to receipting payments and/or reversing receipt transactions	Modera...	Within the Finance Department, undertake a process review and ensure Officers (including back up Officers) who create debtor invoices do not have access to receipting payments and/or reversing receipt transactions. Alternatively, implement a review process whereby a system generated report is independently reviewed regularly.	MANAGER FINANCIAL SERVICES	30/06/2023	30/06/2023	In Progress	Actions are being considered, including research into available exception reporting from Authority
Internal Controls Self-Assessment	Internal Financial Controls Self-Assessment - September 2022	Grants Register	Low	Review and update the Grants Register to ensure compliance with endorsed PR156 Administrative Procedure - External Grant Funding. Ensure Better Practice Financial Controls are considered as part of this update. Further training in relation to PR156 to be provided to managers and departmental EAs regarding the recording of grant applications.	MANAGER FINANCIAL SERVICES	31/03/2023	30/09/2023	In Progress	Review and update of the Grants Register has been completed. Currently awaiting feedback from our External Auditors. Appropriate staff will receive training in the new financial year. Finalised Grants Register to be implemented in the 2023-24 financial year.
Internal Audit Activities	WHS PR048 Corrective Preventative Action Procedure - September 2022	1.1 Inefficiency of two systems to manage corrective actions	Modera...	This recommendation will need to be considered in conjunction with finding 2.1 (Online CAR System Useability, Functionality and Security), and the decision relating to pursuing improvement to the online CAR system. In the first instance, it is recommended that the Officer enters all corrective actions (from all sources, including outside workforce) into either the online CAR or the spreadsheet system. If the online CAR is to be used, initially automated email notifications could be directed back to the Officer to manually follow up action progress (for outside staff) and record within the online CAR until such time that there is a decision relating to the online CAR system.	MANAGER PEOPLE CULTURE AND SAFETY	30/06/2023		In Progress	Initial assessment looks like ERP will be able to manage Officer actions.



Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	<b>WHS PR048 Corrective Preventative Action Procedure</b>	2.1 Online CAR System Useability, Functionality and Security	Low	This recommendation has multiple layers, however a management decision needs to be made relating to the future support and development of the online CAR system. 1. We understand that Council is currently undertaking an assessment of a new ERP system, however it needs to be clear whether the scope of a new ERP extends to a CAR system (or a process to manage this). Furthermore, we understand that the Local Government (LG) Risk Services group, is working with representatives from Council's through an LG Safe working group to possibly require Council's to implement a sector wide uniform system. The outcomes of both these projects have significant impact on the management decision regarding future planning for development of the current in-house online CAR system. 2. If the decision is made to continue with the current online CAR system, there are a number of improvements that should be developed to increase the usability and functionality of the system. These improvements should be documented as part of a 'user group' and form part of a project to develop the online system and roll out use of the online system to the entire workforce. Resourcing impacts need to be considered as to whether a project team can be run in-house or external consultant assistance is required.	LEADER SYSTEMS AND TECHNOLOGY	30/12/2023	30/12/2023	In Progress	The requested specifications for the ERP tender have included processes/software to manage the CAR process. This action is highly dependent on the outcome of the selected tenderer.
External Audit Activities	<b>External Audit Interim Management Report 21/22 - Report Received September 2022</b>	PR027 Issue of Council Orders Procedure	Moderate	Recommend Council Administration review and amend the Issue of Council Orders Procedure. This is an important procedure as it states the Level of Authority for each position within Council that has the ability to generate or approved orders on behalf of Council. This was due for review in May 2018 and is missing new roles that have been created since the procedure was created	MANAGER FINANCIAL SERVICES	30/06/2023		In Progress	The review of PR27 Issue of Council Orders procedure has been held up pending the implementation of Vendor Panel which is Council's online contractor register. As soon as implementation is complete and the system is live PR27 will be reviewed and updated. Even though the actual procedure is not up to date in terms of new roles and corresponding financial delegations, this information is updated in the Civica Authority system when changes occur. As a result, requisitions and purchase orders entered and generated are using the correct delegation limits. The remainder of the procedure remains effective and continues to perform its intended function. Consultant engaged to review procurement documentation and processes to provide roadmap for developing the maturity of Council's procurement practice.
Internal Controls Self-Assessment	<b>Internal Financial Controls Self-Assessment - May 2022</b>	IT Disaster Recovery Plan	Low	Complete documentation relating to the IT Disaster Recovery Plan	LEADER SYSTEMS AND TECHNOLOGY	31/08/2022	31/12/2023	In Progress	No further progress to the document at this stage. The ERP replacement project (and preparation for Request for Tender document) has priority. When this is completed IT staff will be resuming the Disaster Recovery Plan document. The new expected completion date is end of December 2023.
Internal Audit Activities	<b>Council Direct Managed Caravan Park Spot Check – June 2021</b>	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) have been completed for the 2022-23 financial year and review to be completed shortly. Action should be completed within the allocated due date.

Activity Category	Report Title	Finding Title	Risk Rating	Agreed Action	Responsible Officer	Due Date	Revised Due Date	Status	Action Update
Internal Audit Activities	Accounts Receivable	2.1 NDIS Invoicing	Low	The NDIS spreadsheet is reviewed and locked down to be accessed by only those limited users that require it. Formula or referenced driven cells are locked so that they can only be altered by the author. Furthermore, it is suggested that each month the excel spreadsheet record be finalised within the CM9 Records Management system once invoicing is complete and a new version is created for each month. We understand that a new Enterprise Resource Planning (ERP) system project is currently being considered by Council. A new system may allow for more sophisticated invoicing processes, and this type of invoicing may be improved as part of that project.	MANAGER FINANCIAL SERVICES	30/06/2023		Completed	Versioning on the CM9 document has commenced to reduce the risk of alterations once invoicing has occurred.
Internal Audit Activities	National Disability Insurance Scheme Worker Screening Review	Elected Member	Low	To ensure the Elected Member recognises their role is considered as 'key personnel' and a decision maker of Council that may at times, affect the YPLO program. Ensure the Elected Member is aware that, until a worker screening clearance is obtained, they will be excluded from participating in any vote or decision relating to the YPLO program.	MANAGER PEOPLE CULTURE AND SAFETY	30/04/2023		Completed	Information was distributed to the Elected Member multiple times in early 2023. Elected Member has since initiated the process to obtain a Worker Screening Clearance in April 2023.
Internal Audit Activities	National Disability Insurance Scheme Worker Screening Review	Update Risk-Assessment	Low	To reduce ongoing administration work relating to the risk assessment document, it is recommended that Council employees are identified by role instead of by name and the risk assessment be updated annually.	MANAGER PEOPLE CULTURE AND SAFETY	30/04/2023		Completed	YPLO Worker Screening Requirements Risk Assessment document updated in March 2023 and circulated via email. Individual names have been removed and it is noted that Officers are allocated to roles via the Training Needs Analysis (ElementSTAFF).
Internal Audit Activities	National Disability Insurance Scheme Worker Screening Review	NDIS Portal	Low	Council should identify appropriate employee roles and grant them access to the NDIS Commission Portal. Within their role, these employees can then utilise the Portal database and familiarise themselves with its capabilities whilst also considering any possibility of complementing Council's training system.	MANAGER PEOPLE CULTURE AND SAFETY	30/04/2023		Completed	Access to the NDIS Commission Portal was granted to additional employees within the People, Culture and Safety team in April 2023. Employee familiarisation and use of Portal reporting capabilities has commenced.
Internal Audit Activities	National Disability Insurance Scheme Worker Screening Review	Worker Screening Clearance Non-Compliance	Moderate	Council should have a system in place to identify risk-assessed roles (as well as any possible changes to employment and return to work) and steps are in place to ensure that a worker screening clearance is renewed and/or initiated prior to expiration. Council could explore the possibility of having automatic notifications flag when a clearance is due to expire within three (3) months and therefore that renewal process can be initiated.	MANAGER PEOPLE CULTURE AND SAFETY	30/04/2023		Completed	Software developments have been made within ElementSTAFF to allow automated notifications. An email is sent 90 days prior to Worker Screening Clearance (WSC) expiry date, ensuring enough time for an employee to initiate the renewal process. NDIS reports are also created and submitted quarterly, allowing staff to review if any changes to a WSC has occurred.
Internal Audit Activities	WHS Corrective and Preventative Action Procedure	3.1 Status Updates and Close Out of Corrective Actions	Low	This recommendation relates to improvements in CAR system processes, as we are aware that CMT have placed a priority on addressing outstanding corrective actions. 2. A high level project is initiated to perform a review of all current corrective action entries that are outstanding and ensure that a realistic timeframe is set for completion.	MANAGER PEOPLE CULTURE AND SAFETY	30/06/2023		Completed	Senior Safety Advisor (Audit and Risk) has undertaken high level review of overdue CARs working with responsible officers to action close out or extensions for low risk items.
Internal Audit Activities	Governance Legislative Compliance Review - May 2022	Review the Street, Road and Place Naming Policy (PO126)	Low	Council has a PO126 Street, Road and Place Naming Policy in place to address section 219(5) of the LG Act, however the policy is overdue for a periodical review, being December 2021. Recommendation to review and update the policy.	DIRECTOR DEVELOPMENT SERVICES	30/06/2022	30/06/2023	Completed	PO126 Street, Road and Place Naming Policy is being presented for endorsement at the May 2023 Council Meeting.

**8.7 SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER****Document #:** 23/32434**Department:** Executive Services**PURPOSE**

To provide the Audit and Risk Committee with a Policy and Procedure Review Register informing of proposed review dates for draft policies and procedures, relevant to the Audit and Risk Committee.

**RECOMMENDATION**

That the Audit and Risk Committee receive the Policy and Procedure Review Register.

**LINK TO STRATEGIC PLAN****Goal:** 5 Responsible Governance and Leadership**Strategy:** 5.3 Meet all legislative requirements and compliance with Council's internal controls  
5.6 Continuous improvement of Council processes**BACKGROUND**

As requested by the Audit and Risk Committee (Committee) at their 21 February 2023 meeting, Internal Audit has created a scheduled Policy and Procedure Review Register (Register). The intent of the Register is to inform the Committee about which policies and procedures require the Committee to review and to provide a guide as to when these policies and procedures will be included for review in the meeting agenda.

**DISCUSSION**

To create the Register, information relating to the policies and procedures that require review by the Committee was extracted from Council's R078 Controlled Documents Register. From this information two lists were created, being policies and procedures due for review in 2023 and policies and procedures due for review from 2024 to 2027.

In consultation with relevant document owners, proposed dates for reporting to the Committee have been assigned to policies and procedures due for review in 2023. Proposed reporting dates have not been assigned to policies and procedures due for review in 2024 to 2027 as Committee meeting dates for these calendar years have not yet been set.

The Register and the included proposed dates for review are intended to act as a guide only, in accordance with Council's controlled document review schedule, policies and procedures may require additional reviews as deemed necessary in accordance with any changes to legislation, relevant standards, codes of practice and guidelines.

The Register for 2023 is provided as attachment 1 to this report and as a guide the Register for 2024 to 2027 is provided as attachment 2.

**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 Financial Services
- Governance Officer

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

- Nil

**POLICY IMPLICATIONS**

Nil

**BUDGET AND RESOURCE IMPLICATIONS**

Nil

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Nil

**ATTACHMENTS**

1. Attachment - Scheduled Policy and Procedure Review Register 2023 [↓](#) 
2. Attachment - Scheduled Policy and Procedure Review Register 2024-2027 [↓](#) 

**SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER**



Information included in this document has been extracted from Council's R078 Controlled Documents Register.

The table below comprises a list of policies/procedures due for review in 2023 and includes a proposed date the draft versions will be reported to the Audit and Risk Committee. The table and proposed date for reporting is intended to act as a guide, in accordance with Council's review schedule. Policies and procedures may require additional reviews as deemed necessary in consideration of any changes to legislation, relevant standards, codes of practice and guidelines.

No.	Title	Review Date	Approval Required by Council	Responsible Department	Proposed Audit and Risk Committee Report Date
PO015	Access to Council and Committee Meetings and Documents Code of Practice Policy	8/03/2023	YES	Executive Services	Completed
PO156	Internal Financial Control Policy	1/09/2023	YES	Corporate & Community Services	Completed
PO027	Business Continuity Policy	10/04/2023	YES	Corporate & Community Services	Completed
PO128	Asset Management Policy	1/11/2022	YES	Assets & Infrastructure Services	30/05/2023
PO166	Related Party Disclosures	13/03/2023	YES	Corporate & Community Services	29/08/2023
PO060	Rates Relief Policy	1/11/2023	YES	Corporate & Community Services	29/08/2023
PO008	Bad Debts – Delegation of Authority	11/11/2023	YES	Corporate & Community Services	29/08/2023
PO203	Elected Member Behavioural Management Policy	New policy	YES	Executive Services	29/08/2023
PO091	Risk Management	10/04/2023	YES	Executive Services	29/08/2023
PO124	Asset Accounting Policy	11/12/2023	YES	Corporate & Community Services	29/08/2023
PO058	Purchasing and Procurement Policy	1/09/2023	YES	Corporate & Community Services	28/11/2023

SCHEDULED POLICY AND PROCEDURE REVIEW REGISTER



Policies and procedures listed below are due for review in 2024 to 2027.

As Audit and Risk Committee meeting dates are not yet set for these calendar years, there is no specific proposed reporting dates assigned yet to these policies and procedures.

No.	Title	Review Date	Approval Required by Council	Responsible Department
<b>2024</b>				
PO088	Elected Members use of Council Supplied Electronic Equipment	1/03/2024	YES	Corporate & Community Services
PO135	Elected Members Training and Development Policy	1/05/2024	YES	Executive Services
PO177	YP Leisure Options Worker Screening Requirements	1/05/2024	YES	People Culture and Safety
PO037	Internal Review of a Council Decision	13/05/2024	YES	Executive Services
PO173	Leave Management Policy	14/05/2024	YES	People Culture and Safety
PO040	Commercial Use of Footpaths Policy	9/06/2024	YES	Development Services
PO035	Property Numbering Policy	1/07/2024	YES	Corporate & Community Services
PO072	Disposal of Land and Other Assets Policy	1/07/2024	YES	Corporate & Community Services
PO014	Employee Code of Conduct Policy	8/07/2024	YES	Executive Services
PO178	Community Emergency Management and Disaster Recovery	8/07/2024	YES	People Culture and Safety
PO051	Council Caravan Parks Policy	11/08/2024	YES	Corporate & Community Services
PO184	Business Grants Policy	14/10/2024	YES	Executive Services
PO150	Gifts and Benefits Policy	1/11/2024	YES	Executive Services
PO176	YP Leisure Options Feedback Complaint Management and Resolution Policy	1/12/2024	YES	People Culture and Safety
<b>2025</b>				
PO001	Peak Work Health Safety and Return to Work Policy	1/03/2025	YES	People Culture and Safety
PR150	Internal Control Audit Procedure	1/05/2025	NO	Executive Services
PO098	Waiving Development Application Fees	1/06/2025	YES	Development Services
PO149	Community Grants Scheme Policy	1/06/2025	YES	Corporate & Community Services
PO057	Community Engagement Policy	1/07/2025	YES	Executive Services
PR119	Records Management Procedure	1/07/2025	YES	Corporate & Community Services
PO084	Corporate Purchase Card Policy	8/09/2025	YES	Corporate & Community Services
PO095	Financial Institutions Authority Policy	8/09/2025	YES	Corporate & Community Services
PO139	Treasury Management Policy	8/09/2025	YES	Corporate & Community Services
PO142	Budget Reporting & Amendment Policy	8/09/2025	YES	Corporate & Community Services
PO063	Records Management Policy	20/09/2025	YES	Corporate & Community Services
PO116	Reserve Funds – Objectives and Use	11/10/2025	YES	Corporate & Community Services
PO048	Management & Recovery of Outstanding Debts	1/12/2025	YES	Corporate & Community Services
PO161	Prudential Management	1/12/2025	YES	Corporate & Community Services
PO183	YP Leisure Options Dignity of Risk and Duty of Care Policy	1/06/2025	YES	People Culture and Safety
<b>2026</b>				
PO094	Annual Allocations to Progress Associations	1/01/2026	YES	Corporate & Community Services
PO018	Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers Policy	1/03/2026	YES	Corporate & Community Services
PO121	External Grant Funding Policy	1/03/2026	YES	Corporate & Community Services
PO148	Fraud Corruption Misconduct and Maladministration Prevention Policy	1/03/2026	YES	Executive Services
PR121	Capture of Elected Members Records	13/07/2026	YES	Corporate & Community Services
PO020	Social Media Policy	1/09/2026	YES	Corporate & Community Services
PO089	Elected Member Allowances and Benefits	1/11/2026	YES	Executive Services
PO171	Public Interest Disclosure Policy	1/12/2026	YES	Executive Services
PR152	Public Interest Disclosure Procedure	1/12/2026	YES	Executive Services
PO187	Sponsorship and Donation Policy	1/12/2026	YES	Corporate & Community Services
PO199	YP Leisure Options (YPLO) - Confidentiality and Privacy Policy	1/09/2026	YES	People Culture and Safety
PO201	YP Leisure Options (YPLO) - Monitoring Compliances with National Standards	1/09/2026	YES	People Culture and Safety
PO174	YP Leisure Options Member Incident Management and Reportable Incidents Policy	1/10/2026	YES	People Culture and Safety
<b>2027</b>				
PO122	Loans to Community Groups	1/10/2027	YES	Corporate & Community Services
<b>Unscheduled</b>				
PO165	Workplace Surveillance Policy	New policy	NO	Corporate & Community Services

## 8.8 ASSET MANAGEMENT UPDATE

Document #: 23/50349

Department: Assets and Infrastructure Services

### PURPOSE

To update the Audit and Risk Committee members on Asset Management activities.

### RECOMMENDATION

That the 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

The report provides the Audit and Risk Committee with a summary of the works/activities undertaken within Asset Management.

### DISCUSSION

#### Land, Buildings and Structures Revaluation

Council engaged AssetVal (Marsh Valuation Services) to undertake a revaluation of the Land, Buildings and Structures Asset Register. The revaluation will enable Council to comply with Australian Accounting Standards AASB 116 – Property, Plant and Equipment and AASB 13 – Fair Value Measurement, as well as providing insurance valuations for all buildings and structures. The process has included site inspections of all land, buildings, and structures. A draft valuation, in spreadsheet form, has recently been received. Staff are now in the process of reviewing the document and will discuss the findings with Council’s auditors prior to its finalisation. The final version of the valuation will be presented to the August 2023 meeting of the Audit and Risk Committee for their endorsement.

### COMMUNITY ENGAGEMENT PLAN

Level 1 - Inform

### CONSULTATION PROCESS

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

- Director Assets and Infrastructure Services
- Manager Financial Services

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

- AssetVal (Marsh Valuation Services)

### POLICY IMPLICATIONS

PO128 Asset Management Policy

**BUDGET AND RESOURCE IMPLICATIONS**

The continued review of Council's asset management data provides Council with a guide to ensure that sufficient funding is available to maintain assets at an appropriate level.

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act 1999

**ATTACHMENTS**

Nil



**8.9 POLICY REVIEW - PO128 ASSET MANAGEMENT POLICY****Document #:** 23/50388**Department:** Assets and Infrastructure Services**PURPOSE**

To seek Audit and Risk Committee endorsement of the updated PO128 Asset Management Policy.

**RECOMMENDATION**

That the Audit and Risk Committee receive the updated PO128 Asset Management Policy and recommend to Council that it be adopted as presented.

**LINK TO STRATEGIC PLAN****Goal:** 5 Responsible Governance and Leadership**Strategy:** 5.3 Meet all legislative requirements and compliance with Council's internal controls  
5.6 Continuous improvement of Council processes**BACKGROUND**

As part of the regular review of Council's suite of policies, the Asset Management Policy has been reviewed and updated.

**DISCUSSION**

Council's Asset Management Policy (PO128) sets guidelines for implementing consistent asset management processes throughout the Yorke Peninsula Council and ensures adequate provision is made for the long-term replacement of major assets.

In reviewing this policy, the following has been taken into consideration:

- Asset Management Information Paper (AMIP) – Local Government Association of South Australia.
- Institute of Public Works Engineering Australasia (IPWEA) – NAMS.PLUS.
- Asset management policies from other councils.

Key updates to the policy include:

- The policy objectives and statement have been updated with a more descriptive background and principles, specifically 'renew before new' statement to help sustainability.
- Further definitions have been added.
- The review period has been changed to four (4) years to stay in line with the review of Asset Management Plans.
- Additional Council policies and documents relating to this policy have been added.
- Minor changes to the references and legislation.

In addition, formatting and grammatical changes have been made.

A copy of the updated Policy is provided in attachment 1 with the changes shown mark-up. A copy without mark-up is also provided in attachment 2 for ease of reference.

**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

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

- Nil

**POLICY IMPLICATIONS**

PO072 Disposal of Land and Other Assets Policy

PO091 Risk Management Policy

PO124 Asset Accounting Policy

PO147 Complaints Policy

PO161 Prudential Management Policy

Associated Asset Management Plans

Annual Business Plan

Long Term Financial Plan

Strategic Management Plan

**STRATEGIC RISK REGISTER BUDGET AND RESOURCE IMPLICATIONS**

To set guidelines for implementing consistent asset management processes throughout the Yorke Peninsula Council and to ensure adequate provision is made for the long-term replacement of major assets.

**RISKS/LEGAL/LEGISLATIVE/ IMPLICATIONS**

Local Government Act 1999

Australian Accounting Standards Board AASB116

Australian Infrastructure Financial Management Manual (AIFMM)

International Infrastructure Management Manual (IIMM)

Institute of Public Works Engineering Australasia (IPWEA) – NAMS.PLUS

**ATTACHMENTS**

1. **Draft PO128 Asset Management Policy - Mark Up**  
2. **Draft PO128 Asset Management Policy - No Mark Up**  



## COUNCIL POLICY

### Asset Management

<b>Policy Number:</b>	PO128		
<b>Strategic Plan Objective:</b>	2. Community Connected through Infrastructure		
<b>Policy Owner:</b>	Director Assets and Infrastructure Services	<b>Record Number:</b>	<a href="#">16/14218[v4]</a> <a href="#">16/14218[v5]</a>
<b>Responsible Officer:</b>	Asset Manager	<b>Minute Reference:</b>	271/2019 (13/11/2019)
<b>Date Adopted:</b>	13/11/2019	<b>Next Review Date:</b>	November 2022

#### 1. POLICY OBJECTIVES

Yorke Peninsula Council (Council) exist to support sustainable service provision within the Yorke Peninsula local government area.

This policy aims to support such service provision by mandating Asset Management consideration for; planning, delivery and maintenance of all Council assets.

To set guidelines for implementing consistent asset management processes throughout the Yorke Peninsula Council and to ensure adequate provision is made for the long-term replacement of major assets by:

- Ensuring Council's services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Safeguarding Council's infrastructure assets, including physical assets and employees, by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Creating an environment where all Council employees play an integral role in the overall management of Council's infrastructure assets by creating and sustaining asset management awareness throughout Council through training and development.
- Meeting any legislative and regulatory requirements for asset management.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with demonstrated best practice.

**PO128 – Asset Management Policy****2. SCOPE**

This Policy applies to all assets within the Yorke Peninsula Council area that are owned, managed or under the care, control and management of Council.

**3. DEFINITIONS**

Refer to Attachment 1.

**4. POLICY STATEMENT****4.1. Background**

Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.

~~Sound asset management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.~~

~~Adopting asset management principles will assist in achieving our Strategic Long Term Plan and Long Term Financial objectives.~~

Sustainable service delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

~~Adopting asset management principles will assist in achieving our Strategic Long Term Plan and Long Term Financial objectives.~~

~~Sound asset management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.~~

**4.2. Principles**

~~The following asset management principles will be employed in the planning, delivery and maintenance of all Council assets.~~

- ~~• Subject to Council endorsed strategy change, Council will wherever possible give first priority to 100% funding the renewal and or 'fit for purpose' replacement of its existing assets before funding and adding more of the same type new assets to Council's asset registers.~~
- ~~• Employ consistent asset management processes throughout the Yorke Peninsula Council.~~
- ~~• Ensure adequate financial provision is made for the long-term replacement of major assets.~~
- ~~• Ensure Council's services and infrastructure are provided in a financially sustainable manner, with the appropriate levels of service to; residents, visitors and the environment.~~
- ~~• Safeguard Council's infrastructure assets, including physical assets and employees, by implementing appropriate asset management strategies and appropriate financial resources for those assets.~~
- ~~• Creating an environment where all Council employees play an integral role in the overall management of Council's infrastructure assets by creating and sustaining asset management awareness throughout Council through training and development.~~

**PO128 – Asset Management Policy**

~~— Ensure Council's sustainable service delivery needs will be met by ensuring adequate provision is made for the long-term planning, financing, operation, maintenance, renewal, upgrade, and disposal of capital assets by:~~

- ~~1. ensuring~~ Council's capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability.;
- ~~• Meet meeting all relevant~~ legislative and regulatory requirements for asset management.;
- ~~2. Ensure operational capabilities are identified and responsibility for asset management is allocated.~~
- ~~3. demonstrating~~ Demonstrate transparent and responsible asset management processes that align with demonstrable best-practice ~~s; and~~
- ~~4. implementing~~ Implement sound asset management plans and strategies and providing sufficient financial resources to accomplish them by:
  - a) completing asset management plans for all major asset/service areas;
  - b) incorporating expenditure projections from asset management plans into Council's Long Term Financial Plan;
  - c) undertaking regular and systematic reviews of all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice;
  - d) undertaking regular inspections, as part of the asset management process, to ensure agreed service levels are maintained and to identify asset renewal priorities;
  - e) using asset renewals as required to meet agreed service levels identified in adopted asset management plans, and applicable long term financial plans, to form the basis of annual budget estimates with the service and risk consequences of variations in defined asset renewals and budget resources documented;
  - f) ensuring future life cycle costs are reported and considered in all decisions relating to new services and assets, and the upgrading of existing services and assets;
  - g) ensuring future service levels, with associated delivery costs, are determined in consultation with the community;
  - h) ensuring necessary capacity and other operational capabilities are provided and asset management responsibilities are effectively allocated;
  - i) creating a corporate culture where all employees play a part in overall care for Council's assets by providing necessary awareness, training and professional development; and
  - j) providing those we serve with services and levels of service for which they are willing and able to pay.

**5. COMPLAINTS**

Complaints relating to this policy can be made in writing to the Director Assets and Infrastructure Services. Complaints will be managed in accordance with Council's Complaints Policy (PO147).

**PO128 – Asset Management Policy****6. REVIEW**

This Policy will be reviewed every ~~three-four~~ (34) years or as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

**7. TRAINING**

Council is committed to supporting relevant authorised officers (through appropriate delegations) in complying with this Policy. Training needs will be identified and reviewed as necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

**8. RECORDS**

Records shall be maintained as required by Council's Records Management Policy (PO063) and relevant legislation.

**9. RELATED COUNCIL POLICIES/PROCEDURES AND DOCUMENTS**

[PO072 Disposal of Land and Other Assets Policy](#)

PO091 Risk Management Policy

PO124 Asset Accounting Policy

PO147 Complaints Policy

[PO161 Prudential Management Policy](#)

~~Associated~~ Asset Management Plans

Annual Business Plan

Long Term Financial Plan

Strategic Management Plan

[Strategic Risk Register](#)

**10. REFERENCES AND LEGISLATION**

Local Government Act 1999

Australian Accounting Standards Board AASB116

Australian Infrastructure Financial Management Manual (AIFMM)

~~International~~ Infrastructure ~~International~~ Management Manual (IIMM)

Institute of Public Works Engineering Australiasia (IPWEA) – NAMS.PLUS

**11. COUNCIL DELEGATION**

<b>Details of Delegation:</b>	Chief Executive Officer
<b>Delegate:</b>	Director Assets and Infrastructure Services

**12. VERSION HISTORY**

Version No	Issue Date	Description of Change
1	10/06/2008	<a href="#">Full Revision.</a>

**PO128 – Asset Management Policy**

Version No	Issue Date	Description of Change
2	10/08/2010	<u>Full Revision.</u>
3	10/06/2015	<u>Full Revision.</u>
4	13/11/2019	<u>Full Revision.</u>

DRAFT

**PO128 – Asset Management Policy****ATTACHMENT 1: DEFINITIONS**

Term/Reference	Definition
Asset	<p>A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.</p> <p>Infrastructure assets are a sub-class of property, plant and equipment, which are non-current assets with a life greater than 12 months and enable services to be provided.</p>
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
<u>Asset Management Plan</u>	<u>Details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to over a 10 - 20 year planning period. The AM Plan will link to a Long Term Financial Plan which typically considers a 10 year planning period.</u>
Infrastructure Assets	<p>Physical assets that contribute to meeting the needs for access to major economic and social facilities and services (e.g. roads, drainage, footpaths and cycle ways). These are typically large, interconnected networks or portfolios of composite assets.</p> <p>The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and often have no separate market value.</p>
Level of Service	<p>The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organisation delivers.</p> <p>Levels of service statements describe the outputs or objectives an organisation or activity intends to deliver to customers.</p>
<u>Long Term Financial Plan</u>	<u>A plan that projects a forecast of Council's financial performance and position over a period of at least ten (10) years</u>





## COUNCIL POLICY

### Asset Management

<b>Policy Number:</b>	PO128		
<b>Strategic Plan Objective:</b>	2. Community Connected through Infrastructure		
<b>Policy Owner:</b>	Director Assets and Infrastructure Services	<b>Record Number:</b>	16/14218[v5]
<b>Responsible Officer:</b>	Asset Manager	<b>Minute Reference:</b>	271/2019 (13/11/2019)
<b>Date Adopted:</b>	13/11/2019	<b>Next Review Date:</b>	November 2022

#### 1. POLICY OBJECTIVES

Yorke Peninsula Council (Council) exist to support sustainable service provision within the Yorke Peninsula local government area.

This policy aims to support such service provision by mandating Asset Management consideration for; planning, delivery and maintenance of all Council assets.

#### 2. SCOPE

This Policy applies to all assets within the Yorke Peninsula Council area that are owned, managed or under the care, control and management of Council.

#### 3. DEFINITIONS

Refer to Attachment 1.

#### 4. POLICY STATEMENT

##### 4.1. Background

Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve our strategic service delivery objectives.

Sound asset management practices enable sustainable service delivery by integrating customer values, priorities and an informed understanding of the trade-offs between risks, costs and service performance.

Sustainable service delivery ensures that services are delivered in a socially, economically and environmentally responsible manner in such a way that does not compromise the ability of future generations to make their own choices.

**PO128 – Asset Management Policy**

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Adopting asset management principles will assist in achieving our Strategic Long Term Plan and Long Term Financial objectives.

**4.2. Principles**

The following asset management principles will be employed in the planning, delivery and maintenance of all Council assets.

- Subject to Council endorsed strategy change, Council will wherever possible give first priority to 100% funding the renewal and or 'fit for purpose' replacement of its existing assets before funding and adding more of the same type new assets to Council's asset registers.
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- Creating an environment where all Council employees play an integral role in the overall management of Council's infrastructure assets by creating and sustaining asset management awareness throughout Council through training and development.
- Ensure Council's capital assets are provided in a manner that respects financial, cultural, economic and environmental sustainability.
- Meet legislative and regulatory requirements for asset management.
- Ensure operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrate transparent and responsible asset management processes that align with demonstrable best-practice.
- Implement sound asset management plans and strategies and providing sufficient financial resources to accomplish them by:
  - a) completing asset management plans for all major asset/service areas;
  - b) incorporating expenditure projections from asset management plans into Council's Long Term Financial Plan;
  - c) undertaking regular and systematic reviews of all asset plans to ensure that assets are managed, valued, and depreciated in accordance with appropriate best practice;
  - d) undertaking regular inspections, as part of the asset management process, to ensure agreed service levels are maintained and to identify asset renewal priorities;
  - e) using asset renewals as required to meet agreed service levels identified in adopted asset management plans, and applicable long term financial plans, to form the basis of annual budget estimates with

**PO128 – Asset Management Policy**

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the service and risk consequences of variations in defined asset renewals and budget resources documented;

- f) ensuring future life cycle costs are reported and considered in all decisions relating to new services and assets, and the upgrading of existing services and assets;
- g) ensuring future service levels, with associated delivery costs, are determined in consultation with the community;
- h) ensuring necessary capacity and other operational capabilities are provided and asset management responsibilities are effectively allocated;
- i) creating a corporate culture where all employees play a part in overall care for Council's assets by providing necessary awareness, training and professional development; and
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**5. COMPLAINTS**

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**6. REVIEW**

This Policy will be reviewed every four (4) years or as deemed necessary in consideration of any changes to legislation and relevant standards, codes and guidelines.

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PO091 Risk Management Policy

PO124 Asset Accounting Policy

PO147 Complaints Policy

PO161 Prudential Management Policy

Asset Management Plans

Annual Business Plan

Long Term Financial Plan

Strategic Management Plan

**PO128 – Asset Management Policy**

Strategic Risk Register

**10. REFERENCES AND LEGISLATION**

Local Government Act 1999

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Australian Infrastructure Financial Management Manual (AIFMM)

International Infrastructure Management Manual (IIMM)

Institute of Public Works Engineering Australasia (IPWEA) – NAMS.PLUS

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Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
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Level of Service	<p>The parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organisation delivers.</p> <p>Levels of service statements describe the outputs or objectives an organisation or activity intends to deliver to customers.</p>
Long Term Financial Plan	A plan that projects a forecast of Council's financial performance and position over a period of at least ten (10) years

**9 NEW AND EMERGING RISKS / ISSUES**

**10 GENERAL BUSINESS**

**11 NEXT MEETING**

Tuesday 29 August 2023

**12 CLOSURE**